# IMPORTANT NOTICE

## NOT FOR DISTRIBUTION TO ANY U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED) OR TO ANY PERSON OR ADDRESS IN THE U.S.

**You must read the following disclaimer before continuing.** The following applies to the prospectus following this page (the "**Prospectus**") whether received by email, accessed from an internet page or otherwise received as a result of electronic communication, and you are therefore advised to read this carefully before reading, accessing or making any other use of the following Prospectus. In accessing the following Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from the Joint Lead Managers 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 EMAIL, BUT INSTEAD DELETE AND DESTROY ALL COPIES OF THIS E-MAIL.**

**NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF "HARMONY FRENCH HOME LOANS FCT 2019-1" (THE "ISSUER") IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR THE BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT AND THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, (THE "U.S. RISK RETENTION RULES" AND SUCH U.S. PERSONS, THE "RISK RETENTION U.S. PERSONS") UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.**

**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**: By accepting the e-mail and accessing this Prospectus and in order to be eligible to view this Prospectus or make an investment decision with respect to the securities, you shall be deemed to have confirmed and represented to the Joint Lead Managers that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the Prospectus by electronic transmission, (c) (i) you are not a U.S. Person (within the meaning of Regulation S under the Securities Act, or "Regulation S" and the U.S. Risk Retention Rules and prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is different from the definition of "U.S. person" in Regulation S, and that persons who are not "U.S persons" under Regulation S may be a "U.S. person" under the U.S. Risk Retention Rules) nor acting for the account or benefit of a U.S. Person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia, (ii) you are not acquiring the Listed Notes (as defined herein) or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Retention Rules (including acquiring such Listed Notes 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), (iii) you understand and agree that you cannot transfer the Listed Notes to U.S. Persons or for the account of U.S. Persons (within the meaning of the Regulation S or the U.S. Risk Retention Rules) before the expiry of a forty (40) calendar days period after the completion of the distribution of the Listed Notes, (d) you are not (aa) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("**MiFID II**") nor (bb) a customer that would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II nor (cc) not a qualified investor as defined in MiFID II and Article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**") nor (dd) a retail client as referred to in Article 3 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 "**Securitisation Regulation**") or (e) if you are a person in the United Kingdom, then you are a person who (i) is an investment professional within the meaning of Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (ii) is a high net worth entity falling within Article 49(2)(a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. If you are acting as a financial intermediary (as that term is used in Prospectus Regulation), 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 to qualified investors and 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 this Prospectus has been delivered to you on the basis that you are a person into whose possession this 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 this 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 the Prospectus Regulation 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.

Neither the Joint Lead Managers nor any of their respective affiliates accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by any of them, or on any of their behalf, in connection with the Issuer or any offer of the securities described in the document. The Joint Lead Managers and their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by the Joint Lead Managers or their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this document.

The Listed Notes have not been and will not be offered or sold, directly or indirectly, in France and neither the following Prospectus nor any other offering material relating to the Listed Notes has been distributed or caused to be distributed or will be distributed or caused to be distributed in France except to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) 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.

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 Listed 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 Joint Lead Managers, CIFD, EuroTitrisation or BNP PARIBAS Securities Services 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 the 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 Listed Notes. Based on the following Prospectus, none of them will be responsible to investors or anyone else for providing the protections afforded in connection with the offer of the Listed Notes nor for giving advice in relation to the offer of the Listed Notes or any transaction or arrangement referred to in the following Prospectus.

For more details and a more complete description of restrictions of offers and sales of the Listed Notes, see section "PLAN OF DISTRIBUTION, SELLING AND TRANSFER RESTRICTIONS".

# HARMONY FRENCH HOME LOANS FCT 2019-1

## FONDS COMMUN DE TITRISATION

(*Articles L. 214-167 to L. 214-186 and Articles R. 214-217 to R. 214-235 of the French Monetary and Financial Code*)

## EUR 710,403,624 ASSET BACKED SECURITIES

### EUR 650,000,000 CLASS A ASSET BACKED FLOATING RATE NOTES DUE 27 NOVEMBER 2062
### EUR 24,800,000 CLASS B ASSET BACKED FLOATING RATE NOTES DUE 27 NOVEMBER 2062
### EUR 35,600,000 CLASS C ASSET BACKED FIXED RATE NOTES DUE 27 NOVEMBER 2062

| **Notes (1)** | **Class A Notes** | **Class B Notes** | **Class C Notes** |
|---|---|---|---|
| **Initial Principal Amount** | EUR 650,000,000 | EUR 24,800,000 | EUR 35,600,000 |
| **Issue Price** | 101.208% | 100% | 100% |
| **Interest Reference Rate on the Notes** | Three-month Euribor | Three-month Euribor | N/A |
| **Relevant Margin / Rate of Interest** | 0.70% per annum (margin) (2)(3) | 0.95% per annum (margin) (2)(3) | 2.50% per annum (fixed rate) |
| **Subordinated Step-up Consideration following the First Optional Redemption Date** | an amount equal to the Principal Amount Outstanding of the Class A Notes multiplied by the Class A Subordinated Step-up Margin | an amount equal to the Principal Amount Outstanding of the Class B Notes multiplied by the Class B Subordinated Step-up Margin | N/A |
| **Subordinated Step-up Margin (4)** | 0.70 per cent. per annum | 0.475 per cent. per annum | N/A |
| **Ratings at issue (4) (Fitch/Moody's)** | AAAsf / Aaa(sf) | A+sf / A3(sf) | N/A |
| **First Payment Date** | 27 February 2020 | 27 February 2020 | 27 February 2020 |
| **Payment Dates (5)** | 27th of February, May, August and November in each year | 27th of February, May, August and November in each year | 27th of February, May, August and November in each year |
| **Redemption Profile** | Sequential | Sequential | Sequential |
| **First Optional Redemption Date** | 27 November 2024 | 27 November 2024 | 27 November 2024 |
| **Final Maturity Date** | 27 November 2062 | 27 November 2062 | 27 November 2062 |

(1) The Class A Notes and the Class B Notes are the Listed Notes. The Listed Notes together with the Class C Notes are the Notes. The Class C Notes will be retained by CIFD.

(2) As of the Closing Date, the Applicable Reference Rate of the Listed Notes will be Euribor for three (3) month. Euribor may be replaced in accordance with Condition 12(c) of the Notes.

(3) The sum of the Applicable Reference Rate and the Relevant Margin as respectively applicable to each Class of Listed Notes is subject to a floor of zero.

(4) The credit ratings of the Listed Notes do not address the likelihood of payment of the Subordinated Step-up Consideration in respect of any of the Listed Notes.

(5) Subject to adjustment for non-business days in accordance with the Modified Following Business Day Convention.

**THE "RISK FACTORS" SECTION CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE LISTED NOTES. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES DETAILED WITHIN THAT SECTION.**

**Joint Arrangers and Joint Lead Managers**

BNP PARIBAS

CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK

**The date of this Prospectus is 29 October 2019**

## IMPORTANT NOTICES ABOUT INFORMATION IN THIS PROSPECTUS

### Prospectus

This Prospectus has been prepared by the Management Company and the Custodian in accordance with Article L. 214-181 of the French Monetary and Financial Code, the applicable provisions of the *Règlement Général de l'Autorité des Marchés Financiers* (the "**AMF General Regulations**") and the *instruction* n° 2011-01 dated 11 January 2011 relating to securitisation vehicles (*organismes de titrisation*) of the *Autorité des Marchés Financiers*. This Prospectus relates to the placement procedure for asset-backed securities issued by *fonds communs de titrisation* set out in the AMF General Regulations and its instruction referred to in above. This Prospectus has been prepared by the Management Company and the Custodian solely for use in connection with the issue of the Listed Notes and the listing of the Listed Notes on Euronext Paris. The Class C Notes are not the subject of the offering made in accordance with this Prospectus.

The purpose of this Prospectus is to set out (i) the provisions governing the establishment, the operation and the liquidation of the Issuer, (ii) the terms of the assets (*actif*) and liabilities (*passif*) of the Issuer, (iii) the Eligibility Criteria of the Home Loan Agreements and the Home Loan Receivables which will be purchased by the Issuer from the Seller on the Closing Date, (iv) the terms and conditions of the Notes, (v) the credit structure, the liquidity support and the hedging transactions which are established and (vi) the rights of, and provision of information to, the Noteholders.

This Prospectus should not be construed as a recommendation, invitation or offer by Crédit Agricole Corporate and Investment Bank, BNP PARIBAS, CIFD, EuroTitrisation or BNP PARIBAS Securities Services for any recipient of this Prospectus, or of any other information supplied in connection with the issue of the Listed Notes, to purchase any such Listed Notes. In making an investment decision regarding the Listed Notes, prospective investors must rely on their own independent investigation and appraisal of the Issuer and the terms of the offering, including the merits and risks involved. An investment in the Listed Notes is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses that may result from such investment.

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Listed Notes. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Arrangers and the Joint Lead Managers as to the accuracy or completeness of the information contained in this Prospectus or any other information provided in connection with the Listed Notes or their distribution. Each investor contemplating the purchase of any Listed Notes should conduct an independent investigation of the financial condition, and appraisal of the ability, of the Issuer to pay interest on the Listed Notes and redeem the Listed Notes and the risks and rewards associated with the Listed Notes and of the tax, accounting, capital adequacy, liquidity and legal consequences of investing in the Listed Notes.

This Prospectus contains information about the Issuer and the terms of the Notes to be issued by the Issuer. Prospective investors should rely only on information provided or referenced in this Prospectus.

This Prospectus may not be used for any purpose other than in connection with an investment in the Listed Notes on the Closing Date.

The delivery of this Prospectus at any time does not imply that the information in this Prospectus is correct as at any time after its date.

### Defined Terms

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

### Notes are Obligations of the Issuer only

**THE NOTES REPRESENT OBLIGATIONS OF THE ISSUER ONLY AND DO NOT REPRESENT AN INTEREST IN OR OBLIGATION OF THE JOINT ARRANGERS, THE JOINT LEAD**

**MANAGERS OR ANY TRANSACTION PARTY OR ANY OF THEIR RESPECTIVE AFFILIATES. THE NOTES WILL BE DIRECT, LIMITED RECOURSE OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE ASSETS OF THE ISSUER TO THE EXTENT DESCRIBED HEREIN. THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY PERSON OTHER THAN THE ISSUER. IN PARTICULAR, THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY OF THE TRANSACTION PARTIES (OTHER THAN THE ISSUER) OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS ANY OF THE TRANSACTION PARTIES (OTHER THAN THE ISSUER) ACCORDINGLY NEITHER THE NOTES NOR THE PURCHASED HOME LOAN RECEIVABLES WILL BE GUARANTEED BY ANY TRANSACTION PARTIES THE JOINT ARRANGERS, THE JOINT LEAD MANAGERS NOR ANY OF THEIR RESPECTIVE AFFILIATES. SUBJECT TO THE RESPECTIVE POWERS OF THE GENERAL MEETINGS OF EACH CLASS OF LISTED NOTEHOLDERS ONLY THE MANAGEMENT COMPANY MAY ENFORCE THE RIGHTS OF THE HOLDERS OF THE NOTES AGAINST ANY THIRD PARTIES. NONE OF THE TRANSACTION PARTIES, THE JOINT ARRANGERS, THE JOINT LEAD MANAGERS NOR ANY OF THEIR RESPECTIVE AFFILIATES SHALL BE LIABLE IF THE ISSUER IS UNABLE TO PAY ANY AMOUNT DUE UNDER THE NOTES. THE OBLIGATIONS OF THE TRANSACTION PARTIES, IN RESPECT OF THE NOTES SHALL BE LIMITED TO COMMITMENTS ARISING FROM THE TRANSACTION DOCUMENTS (AS DEFINED HEREIN) RELATING TO THE ISSUER, WITHOUT PREJUDICE TO ANY APPLICABLE LAWS AND REGULATIONS.**

**NO LIABILITY WHATSOEVER IN RESPECT OF ANY FAILURE BY THE ISSUER TO PAY ANY AMOUNT DUE UNDER THE NOTES SHALL BE ACCEPTED BY THE JOINT ARRANGERS, THE JOINT LEAD MANAGERS OR ANY OF THE TRANSACTION PARTIES, OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS THE JOINT ARRANGERS, THE JOINT LEAD MANAGERS, THE TRANSACTION PARTIES OR BY ANY PERSON (OTHER THAN THE ISSUER).**

**YOU SHOULD REVIEW AND CONSIDER THE DISCUSSION UNDER "RISK FACTORS" IN THIS PROSPECTUS BEFORE YOU PURCHASE ANY LISTED NOTES.**

**Representations about the Listed Notes**

No person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, in connection with the issue, offering, subscription or sale of the Listed Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Management Company, the Custodian, the Seller, the Joint Arrangers or the Joint Lead Managers.

Neither the delivery of this Prospectus nor any offering, sale or delivery of any Listed Notes shall, under any circumstances, create any implication (i) that the information in this Prospectus is correct at any time subsequent to the date hereof, or, as the case may be, subsequent to the date on which this Prospectus has been most recently amended or supplemented or, if different, the date indicated therein, or (ii) that there has been no change in the affairs of the Transaction Parties or (iii) that there has been no adverse change in the financial situation of the Issuer since the date of this Prospectus or, as the case may be, the date on which this Prospectus has been most recently amended or supplemented, or (iv) that any other information supplied in connection with the issue of the Listed Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The information set forth herein, to the extent that it comprises a description of the main material provisions of the Transaction Documents and is not presented as a full statement of the provisions of such Transaction Documents.

**Language**

The language of this prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

**French Applicable Legislation**

In this prospectus, any reference to the "French Monetary and Financial Code" means a reference to the "*Code Monétaire et Financier*", any reference to the "French Commercial Code" means a reference to the "Code de Commerce", any reference to the "French Civil Code" means a reference to the "*Code Civil*", any reference to the "French Consumer Code" means a reference to the "*Code de la Consommation*" and any reference to the "French Construction and Housing Code" means a reference to the *Code de la construction et de l'habitation*.

The Issuer, the Notes and the Transaction Documents are governed by French law.

**Offering of the Listed Notes**

This Prospectus has not been prepared in the context of a public offer of the Listed Notes in the Republic of France within the meaning of Article L. 411-1 and Article L. 411-2 of the French Monetary and Financial Code and Articles 211-1 et seq. of the AMF General Regulations (*Règlement général de l'Autorité des Marchés Financiers*). The Listed Notes will only be offered and sold to (i) qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals and/or (ii) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), all as defined in, and in accordance with, Articles L. 411-2 and D. 411-1 of the French Monetary and Financial Code. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer, invitation or solicitation in such jurisdiction. In accordance with Article L. 214-175-1 of the French Monetary and Financial Code, the Listed Notes may not be sold by way of brokerage (*démarchage*) save with qualified investors within the meaning of Article L. 411-2-II-2 of the French Monetary and Financial Code.

**Prohibition of Sales to EEA Retail Investors**

The Listed 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**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) 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 Article 2(e) of the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Listed Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Listed Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Listed Notes will not be sold to any retail client as defined in point (11) of Article 4(1) of MiFID II. Therefore provisions of Article 3 (*Selling of securitisations to retail clients*) of the Securitisation Regulation shall not apply.

**MiFID II Product Governance / Professional investors and eligible counterparties (ECPs) only target market**

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Listed Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 has led to the conclusion in relation to the type of clients criteria only that: (i) the target market for the Listed Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Listed Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Listed Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Listed Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

**Responsibility for the Contents of this Prospectus**

The Management Company and the Custodian accept responsibility for the information contained in this Prospectus as more fully set out in "PERSONS ASSUMING RESPONSIBILITY FOR THE PROSPECTUS".

CIFD, in its capacity as Seller and Servicer, accepts responsibility for the information contained in sections "THE SELLER", "KEY UNDERWRITING PRINCIPLES", "SERVICING AND COLLECTION PROCEDURES", "HISTORICAL PERFORMANCE DATA", "STATISTICAL INFORMATION RELATING TO THE PORTFOLIO OF HOME LOAN RECEIVABLES", sub-section "Retention Requirements under the Securitisation Regulation" and items "Static and Dynamic Historical Data", "Liability Cash Flow Model" and "STS Notification" of sub-section "Information available prior to the pricing of the Notes in accordance with Article 7(1) and Article 22 of the Securitisation Regulation" and items "Liability Cash Flow Model" and "STS Notification" of sub-section "Information available after the pricing of the Notes in accordance with Article 7(1) and Article 22 of the Securitisation Regulation" of section "SECURITISATION REGULATION COMPLIANCE" and any information relating to the Home Loan Agreements and the Home Loan Receivables contained in this Prospectus.

The Joint Arrangers and the Joint Lead Managers have not separately verified the information contained in this Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Arrangers and the Joint Lead Managers as to the accuracy or completeness of the information contained in this Prospectus or any other information supplied by the Management Company, the Custodian, the Seller and the Servicer in connection with the issue of the Listed Notes. The Joint Arrangers and the Joint Lead Managers have not undertaken and will not undertake any investigation or other action to verify the details of the Home Loan Agreements and the Home Loan Receivables. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Arrangers and the Joint Lead Managers with respect to the information provided in connection with the Home Loan Agreements and the Home Loan Receivables.

**Suitability**

Prospective purchasers of the Listed Notes of any Class should ensure that they understand the nature of such Listed Notes and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in such Listed Notes and that they consider the suitability of such Listed Notes as an investment in the light of their own circumstances and financial condition.

**Withholding and No Additional Payments**

**In the event of any withholding tax or deduction in respect of the Listed Notes, payments of principal and interest in respect of the Listed Notes will be made net of such withholding or deduction. Neither the Issuer, the Management Company, the Custodian nor the Paying Agent will be liable to pay any additional amounts outstanding (see "RISK FACTORS – 4.2 Withholding and No Additional Payments").**

**Selling, Distribution and Transfer Restrictions**

THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING OF THE LISTED NOTES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. NO REPRESENTATION IS MADE BY ANY OF THE TRANSACTION PARTIES THAT THIS PROSPECTUS MAY BE LAWFULLY DISTRIBUTED, OR THAT THE LISTED NOTES MAY BE LAWFULLY OFFERED, IN COMPLIANCE WITH ANY APPLICABLE REGISTRATION OR OTHER REQUIREMENTS IN ANY SUCH JURISDICTION, OR PURSUANT TO AN EXEMPTION AVAILABLE THEREUNDER, AND NONE OF THEM ASSUMES ANY RESPONSIBILITY FOR FACILITATING ANY SUCH DISTRIBUTION OR OFFERING. IN PARTICULAR, SAVE FOR OBTAINING THE APPROVAL OF THIS PROSPECTUS AS A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS REGULATION BY THE FRENCH FINANCIAL MARKETS AUTHORITY, NO ACTION HAS BEEN OR WILL BE TAKEN BY ANY OF THE TRANSACTION PARTIES WHICH WOULD PERMIT A PUBLIC OFFERING OF THE LISTED NOTES OR DISTRIBUTION OF THIS PROSPECTUS IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, THE LISTED NOTES MAY NOT BE OFFERED OR

SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED, IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS COMES ARE REQUIRED BY THE ISSUER, THE JOINT ARRANGERS AND THE JOINT LEAD MANAGERS TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS.

THE LISTED NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE LISTED NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OR ANY OTHER RELEVANT JURISDICTION AND ARE SUBJECT TO UNITED STATES TAX LAW REQUIREMENTS. THE LISTED NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED 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 PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS AND EXCEPTIONS TO UNITED STATES TAX REQUIREMENTS. THE LISTED NOTES WILL ONLY BE OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-US PERSONS PURSUANT TO THE REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT. THERE IS NO UNDERTAKING TO REGISTER THE LISTED NOTES UNDER STATE OR FEDERAL SECURITIES LAW (see "PLAN OF DISTRIBUTION, SELLING AND TRANSFER RESTRICTIONS – UNITED STATES OF AMERICA").

For a further description of certain restrictions on offers and sales of the Listed Notes and distribution of this document (or any part hereof), see section "PLAN OF DISTRIBUTION, SELLING AND TRANSFER RESTRICTIONS" herein.

**U.S. Risk Retention Rules**

THE SELLER, AS THE SPONSOR UNDER THE U.S. RISK RETENTION RULES, DOES NOT INTEND TO RETAIN AT LEAST 5 PER CENT. OF THE CREDIT RISK OF THE SECURITIZED ASSETS FOR PURPOSES OF COMPLIANCE WITH THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (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. CONSEQUENTLY, ANY LISTED NOTES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "U.S. PERSON" AS DEFINED IN THE U.S. RISK RETENTION RULES ("RISK RETENTION U.S. PERSONS") EXCEPT WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE U.S. RISK RETENTION RULES. PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS DIFFERENT FROM THE DEFINITION OF "U.S. PERSON" IN REGULATION S. EACH PURCHASER OF LISTED NOTES OR A BENEFICIAL INTEREST THEREIN ACQUIRED IN THE INITIAL SALE OF THE LISTED NOTES, BY ITS ACQUISITION OF THE LISTED NOTES OR A BENEFICIAL INTEREST THEREIN, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS RUNNING TO THE BENEFIT OF THE ISSUER AND OF THE JOINT LEAD MANAGERS, INCLUDING THAT IT (1) IS NOT A RISK RETENTION U.S. PERSON AND (2) IS ACQUIRING SUCH LISTED NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH LISTED NOTE, AND (3) IS NOT ACQUIRING SUCH LISTED 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 LISTED 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).

**Benchmarks**

Interest amounts payable under the Listed Notes will be calculated by reference to the Applicable Reference Rate which, unless a Benchmark Event has occurred resulting in the adoption of an Alternative Base Rate is the Euro Interbank Offered Rate ("**EURIBOR**") which is provided by the European Money Markets Institute ("**EMMI**"). The Financial Services and Markets Authority ("**FSMA**") of Belgium, on 2 July 2019, has authorised EMMI as the administrator of EURIBOR under the Benchmark Regulation (BMR), following positive advice of the EURIBOR College of Supervisors pursuant to Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**"). EURIBOR is now considered BMR-compliant and was added to the ESMA benchmark register. This means that European Union (EU) supervised entities will be able to use EURIBOR also after the end of the applicable BMR transitional period.

**Currency**

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "EUR" or "euro" are to the currency of the participating member states of the European Economic and Monetary Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended from time to time and which was introduced on 1 January 1999.

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**APPROVAL OF THE PROSPECTUS BY THE FINANCIAL MARKETS AUTHORITY**

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**APPROBATION PAR L'AUTORITE DES MARCHES FINANCIERS**

Le présent Prospectus a été approuvé par l'Autorité des Marchés Financiers
en date du 29 octobre 2019 sous le numéro FCT N°19-13.

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## PERSONNES RESPONSABLES DU PROSPECTUS

A notre connaissance, les données du présent prospectus (*Prospectus*) sont conformes à la réalité: elles comprennent toutes les informations nécessaires aux investisseurs pour fonder leur jugement sur les règles régissant le fonds commun de titrisation "HARMONY FRENCH HOME LOANS FCT 2019-1", sa situation financière ainsi que les conditions financières de l'opération et les droits attachés aux obligations offertes. Elles ne comportent pas d'omission de nature à en altérer la portée.

Fait à Paris, le 23 octobre 2019.

**EuroTitrisation**
**Société de Gestion**

Julien Leleu
Directeur Général

**BNP PARIBAS Securities Services**
**Dépositaire**

François Depeuille
Contrôle Dépositaire France - Responsable Contrôle Dépositaire France

Lidia Pantelic
Contrôle Dépositaire France - Responsable Equipe Titrisation

## PERSONS ASSUMING RESPONSIBILITY FOR THE PROSPECTUS

## TRANSLATION FOR INFORMATION PURPOSE

To our knowledge, the information and data contained in this Prospectus is correct and accurate. It contains all the required information for investors to make their judgement on the rules relating to the *fonds commun de titrisation* "HARMONY FRENCH HOME LOANS FCT 2019-1", its financial position, the terms and conditions of the transaction and the notes. There is no omission which would materially affect the completeness of the information and data contained in this Prospectus.

Paris, 23 October 2019.

**EuroTitrisation**
**Management Company**

Julien Leleu
Directeur Général

**BNP PARIBAS Securities Services**
**Custodian**

François Depeuille
Contrôle Dépositaire France - Responsable Contrôle Dépositaire France

Lidia Pantelic
Contrôle Dépositaire France - Responsable Equipe Titrisation

## RISK FACTORS

*The following is a summary of certain aspects of the issue of the Notes and the related transactions which prospective investors should consider before deciding to invest in the Listed Notes.*

*An investment in the Listed Notes of any Class involves a certain degree of risk, since, in particular, the Listed Notes do not have a regular, predictable schedule of redemption. In addition, the Class C Notes will be subordinated to the Class B Notes and the Class B Notes will be subordinated to the Class A Notes as further detailed elsewhere in this Prospectus.*

*The Listed Notes of any Class may involve substantial risks and are suitable only for financially sophisticated investors who have the knowledge and experience in financial and business matters necessary to prospective investors to enable them to evaluate the risks and the merits of an investment in the Listed Notes. Each potential investor in the Listed Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:*

*(a) have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, prudential, accounting and financial evaluation of the merits and risks of investment in such Listed Notes of any Class and that they consider the suitability of such Listed Notes of any Class as an investment in the light of their own requirements and financial condition;*

*(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial condition, an investment in the Listed Notes of any Class and the impact the Listed Notes of any Class 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 Listed Notes of any Class, including where the currency for principal or interest payments is different from the potential investor's currency;*

*(d) understand thoroughly the terms of the Listed Notes of any Class and are familiar with the behavior of asset-backed securities markets; and*

*(e) are 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 their investment and their ability to bear the applicable risks.*

*Each prospective purchaser of Listed Notes of any Class should consult its own advisers as to legal, tax, financial, credit, accounting and related aspects of an investment in the Listed Notes of any Class. Each investor contemplating the purchase of any Listed Notes of any Class should conduct an independent investigation of the financial condition, and appraisal of the ability of the Issuer to pay its debts, the risks and rewards associated with the Listed Notes of any Class and of the tax, accounting, prudential and legal consequences of investing in the Listed Notes of any Class.*

*Prospective investors should also carefully consider the risk factors set out below, in addition to the other information contained in this Prospectus, in evaluating whether to purchase the Listed Notes of any Class.*

*As more than one risk factor can affect the Listed Notes of any Class simultaneously, the effect of a single risk factor cannot be accurately predicted. Additionally, risk factors may have a cumulative effect so that the combined effect on the Listed Notes of any Class cannot be accurately predicted. No binding statement can be given on the effect of a combination of risk factors on the Listed Notes of any Class.*

*Except as is otherwise stated below, such risk factors are generally applicable to all Classes of Listed Notes, although the degree of risk associated with each Class of Listed Notes will vary in accordance with the position of such Class of Listed Notes in the Priority of Payments.*

*The Listed Notes of any Class are a suitable investment only for investors who are capable of bearing the economic risk of an investment in the Listed Notes of any Class (including the risk that the investor shall lose all or a substantial portion of its investment) for an indefinite period of time with no need for liquidity and are capable of independently assessing the tax risks associated with an investment in the Listed Notes of any Class. Furthermore, each prospective purchaser of Listed Notes of any Class must determine, based on its*

*own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Listed Notes of any Class:*

1. *is fully consistent with its (or if it is acquiring Listed Notes of any Class for its own account or on behalf of a third party) financial needs, objectives and condition;*

2. *complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it whether acquiring the Listed Notes of any Class for its own account or on behalf of a third party; and*

3. *is a fit, proper and suitable investment for it (or if it is acquiring the Listed Notes of any Class for its own account or on behalf of a third party), notwithstanding the substantial risks inherent to investing in or holding the Listed Notes of any Class.*

*The Custodian and the Management Company believe that the risks described below are the principal risks inherent in the transaction for the Listed Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Listed Notes may occur for other reasons and the Custodian and the Management Company do not represent that the following statements regarding the risk of holding the Listed Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

## 1. RISKS RELATING TO THE ISSUER AND THE NOTES

### 1.1 The Notes are asset-backed debt and the Issuer has only limited assets

The cash flows arising from the Assets of the Issuer constitute the main financial resources of the Issuer for the payment of principal and interest amounts due in respect of the Notes. The Purchased Home Loan Receivables are the main component of the Assets of the Issuer. The Notes represent an obligation solely of the Issuer. Pursuant to the Issuer Regulations, the right of recourse of the Securityholders with respect to their right to receive payment of principal and interest together with any Subordinated Step-up Consideration and any arrears shall be limited to the Assets of the Issuer *pro rata* to the number of Notes owned by them and in accordance with the applicable Priority of Payments.

All payment obligations of the Issuer under the Notes constitute limited recourse obligations to pay. Therefore, the Noteholders will have a claim under the Notes against the Issuer only and only to the extent of the Assets of the Issuer which includes, *inter alia*, all monies and rights derived from, or accrued in or related to the Issuer's interest in the Purchased Home Loan Receivables. The Assets of the Issuer may not be sufficient to pay amounts due under the Notes, which may result in a shortfall in amounts available to pay interest and principal on the Notes.

### 1.2 The Issuer's ability to meet its obligations under the Notes

The Issuer is a French securitisation fund with no capitalisation and no business operations other than the issue of the Notes and the Residual Units, the purchase of the Purchased Home Loan Receivables and the Ancillary Rights and the entry into the Transaction Documents.

The Issuer is the only entity responsible for making any payments on the Notes. The Notes are obligations of the Issuer only and will not be the obligations of, or guaranteed by, any other entity. In particular, the Notes do not represent an obligation of, or the responsibility of, and will not be guaranteed by the Management Company, the Custodian, the Seller, the Servicer, the Liquidity Reserve Provider, the Account Bank, the Specially Dedicated Account Bank, the Hedge Counterparties, the Data Protection Agent, the Paying Agent, the Listing Agent, the Registrar, the Joint Arrangers, the Joint Lead Managers 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 Notes. Subject to the powers of the General Meetings of each Class of Listed Noteholders, only the Management Company may enforce the rights of the Listed Noteholders against third parties.

## 1.3 Credit Enhancement and Liquidity Support Provide Only Limited Protection Against Losses and Delinquencies

***General***

Although the credit enhancement is intended to reduce the effect of delinquent payments or losses recorded on the Purchased Home Loan Receivables, the amount of such credit enhancement is limited and, upon its reduction to zero, the holders of the Class C Notes and, thereafter, the holders of the Class B Notes and, thereafter, the holders of the Class A Notes, may suffer from losses with the result that the Class A Noteholders or the Class B Noteholders and the Class C Noteholders may not receive all amounts of interest and principal due to them.

***Class A Notes***

The credit enhancement and liquidity support established within the Issuer through the excess spread, the subordination of the Class B Notes and the Class C Notes and the establishment of the Liquidity Reserve Deposit provide only limited protection to the holders of the Class A Notes.

***Class B Notes***

The credit enhancement and liquidity support established within the Issuer through the excess spread, the subordination of the Class C Notes and the establishment of the Liquidity Reserve Deposit provide only limited protection to the holders of the Class B Notes.

## 1.4 The Notes will not have the benefit of any external credit enhancement

If the credit enhancement for the outstanding Class A Notes is exhausted, the holders thereof are much more likely to incur a loss on such Class A Notes. If the credit enhancement for the outstanding Class B Notes is exhausted, the holders thereof are much more likely to incur a loss on such Class B Notes. If the credit enhancement for the outstanding Class C Notes is exhausted, the holders thereof are much more likely to incur a loss on such Class C Notes.

Credit enhancement for each Class of Notes is limited and the Notes of each Class will not benefit from any external credit enhancement. The only assets that will be available to make payment on the Notes are the Assets of the Issuer (principally the Purchased Home Loan Receivables plus, with respect to the Listed Notes, payments made by a Hedge Counterparty under a Hedge Agreement).

## 1.5 Class B Notes are Subject to Greater Risk than the Class A Notes Because the Class B Notes are Subordinated to, and bear losses before, the Class A Notes

The Class B Notes bear greater credit risk (including risk of delays in payment and losses) than the Class A Notes because payments of principal in respect of the Class B Notes are subordinated, to the extent described herein, to payment of principal in respect of the Class A Notes and payments of interest in respect of the Class B Notes are subordinated to payments of principal in respect of the Class A Notes to the extent of any Class A Principal Deficiency Ledger during the Normal Amortisation Period.

During the Accelerated Amortisation Period, the Class B Noteholders will receive payments of principal and interest only to the extent that the Class A Notes have been redeemed in full.

## 1.6 Interest Rate Risk

The Purchased Home Loan Receivables bear a fixed or a variable interest rate based on three-month Euribor, six-month Euribor, twelve-month Euribor or three year *Bons du Trésor à intérêts Annuels* (BTAN) but the Issuer will pay interest on the Listed Notes issued in connection with its acquisition of such Purchased Home Loan Receivables based on Euribor for three month. The Issuer will hedge this interest rate risk by entering into the Hedge Agreements with the Hedge Counterparties.

During periods in which floating rate payments payable by the Hedge Counterparties under the Hedge Agreements are greater than the fixed rate payments payable by the Issuer under such Hedge Agreements, the Issuer will be more dependent on receiving net payments from the Hedge

Counterparties in order to make interest payments on the Listed Notes. If in such a period any Hedge Counterparty fails to pay any amounts when due under the relevant Hedge Agreement, the Available Distribution Amount may be insufficient to make the required payments on the Listed Notes and the Listed Noteholders may experience delays and/or reductions in the interest and principal payments on their Listed Notes.

During periods in which floating rate payments payable by the Hedge Counterparties under the Hedge Agreements are less than the fixed rate payments payable by the Issuer under the Hedge Agreements, the Issuer will be obliged under the Hedge Agreement to make a net payment to the Hedge Counterparties. Each Hedge Counterparty's claims for payment (including certain termination payments required to be made by the Issuer upon a termination of the relevant Hedge Agreement) under a Hedge Agreement will rank higher in priority than all payments on the Most Senior Class of Notes. If a net payment under a Hedge Agreement is due to the Hedge Counterparties on a Payment Date, the then Available Distribution Amount may be insufficient to make such net payment to the Hedge Counterparties and, in turn, interest and principal payments to the Listed Noteholders, so that the Listed Noteholders may experience delays and/or reductions in the interest and principal payments on their Listed Notes.

**1.7 The Listed Notes are exposed to credit risk of the Hedge Counterparties**

The Issuer is exposed to the risk that any Hedge Counterparty may become insolvent. If a Hedge Counterparty fails to provide the Issuer with any amount due from it under a Hedge Agreement on any Payment Date or if a Hedge Agreement is otherwise terminated, the Issuer may have insufficient funds to make payments due on the Listed Notes.

In the event that a Hedge Counterparty suffers a rating downgrade below the required ratings, the Issuer may terminate the relevant Hedge Agreement if the Hedge 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 Hedge Counterparty collateralising its obligations under the relevant Hedge Agreement, transferring its obligations to a replacement hedge counterparty having the applicable required ratings or procuring that an entity with the required ratings becomes a co-obligor with or guarantor of the Hedge Counterparty. However in the event a Hedge Counterparty is downgraded below the required ratings there can be no assurance that a co-obligor, guarantor or replacement hedge counterparty will be found or that the amount of collateral provided will be sufficient to meet the Hedge Counterparty's obligations (see "THE HEDGE AGREEMENTS").

In the event that any Hedge 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 Hedge Counterparty. Any such termination payment could be substantial.

In the event that any Hedge Agreement is terminated by either party or the Hedge Counterparty becomes insolvent, the Issuer will endeavour but may not be able to enter into replacement hedge agreement with a replacement hedge Counterparty immediately or at a later date. If the Issuer has insufficient funds to enter into a replacement hedge agreement for any period of time or a replacement hedge counterparty cannot be found, the Issuer will no longer be hedged against interest rate risk and as a result the amount available to the Issuer may be insufficient to make the payments of interest on Listed Notes will be reduced if the floating rate applicable to the Listed Notes exceeds the fixed rate the Issuer would have been required to pay to the Hedge Counterparty under the terminated Hedge Agreement. In these circumstances, the Available Distribution Amount may be insufficient to make the required payments on the Listed Notes and the Listed Noteholders may experience delays and/or reductions in the interest and principal payments on the Listed Notes to be received by them. In addition, a failure to enter into replacement hedge agreements may result in the reduction, qualification or withdrawal of the then current ratings of the Listed Notes by the Rating Agencies.

### 1.8 Termination of a Hedge Agreement

Any Hedge Counterparty may terminate each Hedge Agreement in certain circumstances, including upon the occurrence of either of the following events: (a) any provision of the Transaction Documents is amended and the effect of such amendment is to affect the amount, timing or priority of any payments due between the parties unless the Hedge Counterparty has consented in writing to such amendment or any provision of the Transaction Documents is amended without the consent of the Hedge Counterparty only to the extent where such amendment would have a material adverse effect on the Hedge Counterparty; the Issuer will be deemed to be the "Affected Party" (as defined in each Hedge Agreement); or (b) the Management Company has elected to liquidate the Issuer when the Principal Amount Outstanding of the Listed Notes is not reduced to zero on the day of the receipt by a Hedge Counterparty of the written notice from the Management Company. The Management Company may terminate each Hedge Agreement if, among other things, a Hedge Counterparty becomes insolvent, or fails to make a payment under the relevant Hedge Agreement when due and such failure is not remedied after the notice of such failure being given, and if performance of each Hedge Agreement becomes illegal (see "THE HEDGE AGREEMENTS").

If, following a downgrade of the Hedge Counterparty below the required ratings, the Hedge Counterparty is not able to post sufficient collateral or another entity with the required ratings is not available to become a replacement hedge counterparty, co-obligor or guarantor or the Hedge Counterparty is not able to take other requisite action within the applicable time frames, the Issuer will be permitted to terminate the relevant Hedge Agreement early.

Were an early termination of a Hedge Agreement to occur for any reason, no assurance can be given that the Issuer will be able to enter into any replacement Hedge Agreement or a replacement Hedge Agreement with similar terms. In that situation, there is also no assurance that the amount of credit enhancement will be sufficient to cover any additional amounts payable as a result of fluctuations in the interest rate. In addition, a failure to enter into a replacement Hedge Agreement may result in the reduction, qualification or withdrawal of the then current ratings of the Listed Notes by the Rating Agencies.

### 1.9 Termination payments on the termination of a Hedge Agreement

If a Hedge Agreement is terminated, the Issuer may be obliged to make a termination payment to the Hedge Counterparty. The amount of the termination payment will be based on the cost of entering into a replacement Hedge Agreement on terms equivalent to the relevant Hedge Agreement. There can be no assurance that the Issuer will have sufficient funds available to make any termination payment due under the Hedge Agreement.

Except where the Issuer has terminated a Hedge Agreement as a result of the Hedge Counterparty's default or ratings downgrade, any termination payment due by the Issuer following termination of a Hedge Agreement (including any extra costs incurred if the Issuer cannot immediately enter into a replacement Hedge Agreement) will also rank, in the case of a Hedge Agreement, in priority to the Class A Notes in accordance with the applicable Priority of Payments.

Therefore, if the Issuer is obliged to make a termination payment to the Hedge Counterparty or pay any other additional amounts as a result of the termination of a Hedge Agreement, this could affect the Issuer's ability to make timely payments on the Notes.

In the event that any of the above parties were to fail to perform their obligations under the respective agreements to which they are a party, investors may be adversely affected.

### 1.10 Yield to Maturity of the Listed Notes

The yield to maturity of any Class of Listed Notes will be sensitive to and may be affected by:

(a) the amount and timing of delinquencies and default on the Purchased Home Loan Receivables and the level of Prepayments;

(b) with respect to the all Classes of Listed Notes the occurrence of:

(i) an Accelerated Amortisation Event;

(ii) the exercise of the Seller Call Option or the Clean-up Call Option; or

(iii) a Note Tax Event.

If any of the above events occur, the Listed Notes may be redeemed earlier than would otherwise have been the case. This may have an adverse effect on the investment yield of the Listed Notes as compared with the expectations of investors.

Such events may each influence the average lives and may reduce the yield to maturity of the Listed Notes.

No assurance can be given as to the level of prepayment that the Purchased Home Loan Receivables will experience and the level of prepayment amounts (see "WEIGHTED AVERAGE LIFE OF THE LISTED NOTES AND ASSUMPTIONS").

**1.11 Deferral of Interest Payments**

If, on any Payment Date, the Issuer has insufficient funds to make payment in full of all amounts of interest (including any accrued interest thereon) payable in respect of the Class B Notes, after having paid or provided for items of higher priority in the Interest Priority of Payments, then the Issuer will be entitled to defer payment of that amount (to the extent of the insufficiency) until the following Payment Date on which sufficient funds are available to fund the payment of such deferred interest to the extent of such available funds, in accordance with the Conditions. This will not constitute an Issuer Event of Default.

To the extent that (i) the Class B Notes are not the Most Senior Class of Notes and (ii) the amount debited to the Class B Principal Deficiency Ledger is equal to or exceeding 25 per cent. of the Principal Amount Outstanding of the Class B Notes, the interest on the Class B Notes will not then fall due at item (5) of the Interest Priority of Payments but will instead be paid at item (10) of the Interest Priority of Payments. Any amounts so subordinated may be deferred to the extent the Issuer does not have Available Interest Proceeds in accordance with Condition 14 (*Subordination by Deferral of Interest and Subordinated Step-up Consideration*).

To the extent that the Class C Notes are not the Most Senior Class of Notes, the interest on the Class C Notes will not then fall due at item (9) of the Interest Priority of Payments but will instead be paid at item (14) of the Interest Priority of Payments. Any amounts so subordinated may be deferred to the extent the Issuer does not have Available Interest Proceeds in accordance with Condition 14 (*Subordination by Deferral of Interest and Subordinated Step-up Consideration*).

If there are no Class A Notes and Class B Notes outstanding and the Class C Notes are the Most Senior Class of Notes then outstanding, the Issuer will not be entitled, under Condition 14 (*Subordination by Deferral of Interest and Subordinated Step-up Consideration*), to defer payments of interest in respect of the Class C Notes.

Failure to pay interest on the Most Senior Class of Notes when the same becomes due and payable shall constitute an Issuer Event of Default under the Notes which shall trigger the end of the Normal Amortisation Period and the commencement of the Accelerated Amortisation Period.

**1.12 Subordinated Step-up Consideration payable in respect of the Class A Notes and the Class B Notes after the First Optional Redemption Date are subordinated to certain other payments**

After the First Optional Redemption Date:

(a) the Class A Noteholders and the Class B Noteholders will, in accordance with the Interest Priority of Payments, on a pro rata and pari passu basis within the relevant Class and in accordance with the respective amounts outstanding of the Class A Notes and the Class B Notes, respectively, at such time, receive the Class A Subordinated Step-up Consideration and the Class B Subordinated Step-up Consideration, if available;

(b) provided that no Accelerated Amortisation Event has occurred:

(i) the obligation of the Issuer to pay the Class A Subordinated Step-up Consideration in respect of the Class A Notes and the Class B Subordinated Step-up Consideration in respect of the Class B Notes is subordinated to payments of a higher order of priority including, but not limited to, any amount necessary to:

(i) pay interest (other than the Subordinated Step-up Consideration) on such Class of Listed Notes;

(ii) make good any shortfall reflected in the sub-ledgers of the Principal Deficiency Ledger in respect of the Class A Notes and the Class B Notes until the debit balance, if any, on each such Principal Deficiency Ledger is reduced to zero; and

(iii) replenish the Liquidity Reserve Account up to the amount of the Liquidity Reserve Required Amount in accordance with and subject to the Interest Priority of Payments; and

(ii) in the event that on any Payment Date, prior to redemption in full of the Class A Notes and the Class B Notes, the Issuer has insufficient funds available to it to satisfy its obligations in respect of Subordinated Step-up Consideration due in respect of any Class of Listed Notes on such Payment Date, the amount available (if any) shall be applied towards satisfaction of the Subordinated Step-up Consideration due on such Payment Date to the holders of (i) the Class A Notes on a pro rata and pari passu basis in accordance with the respective amount of Class A Notes Subordinated Step-up Consideration to be distributed to the Class A Noteholders at such time and, thereafter, (ii) the Class B Notes on a pro rata and pari passu basis in accordance with the respective amount of Class B Notes Subordinated Step-up Consideration to be distributed to the Class B Noteholders at such time.

Non-payment of the Subordinated Step-up Consideration will not cause an Issuer Event of Default but a pro rata share of such shortfall shall be treated as if it were an amount due on the next succeeding Payment Date as long as such Subordinated Step-up Consideration has not been paid. The credit ratings assigned by the Rating Agencies do not address the likelihood of any payment of the Subordinated Step-up Consideration in respect of any relevant Class of Listed Notes.

**1.13 Risk related to early or optional redemption of the Listed Notes in case of the exercise by the Seller of the Seller Call Option or the Clean-Up Call Option or following the occurrence of a Note Tax Event**

The Listed Notes may also be subject to early or optional redemption in whole upon:

(i) the exercise by the Seller of the Seller Call Option and the Seller has delivered a Seller Call Option Notice to the Management Company; or

(ii) the exercise by the Seller of the Clean-up Call Option and the Seller has delivered a Clean-up Call Option Notice; or

(ii) the occurrence of a Note Tax Event and if the Listed Noteholders of each Class outstanding have passed Extraordinary Resolutions to instruct the Management Company, acting for and on behalf of the Issuer, to dispose of all (but not part) of the Purchased Home Loan Receivables.

Should the Seller Call Option or the Clean-Up Call Option be exercised, the Listed Notes will be redeemed prior to the Final Maturity Date. Listed Noteholders may not be able to invest the amounts received as a result of the premature redemption of the Listed Notes on conditions similar to or better than those of the Listed Notes.

Optional redemption of the Listed Notes may adversely affect the yield on the Notes as more fully described in "1.10 Yield to Maturity of the Listed Notes".

**1.14 Risk that the Seller will not exercise the Seller Call Option or that necessary parties do not co-operate with the exercise of the Seller Call Option which may result in the Listed Notes not being redeemed prior to their legal maturity**

Notwithstanding the Subordinated Step-up Consideration applicable to the Listed Notes from the First Optional Redemption Date, no guarantee can be given that the Seller will on the First Optional Redemption Date or on any Optional Redemption Date thereafter exercise the Seller Call Option. The exercise of such right will, among other things, depend on the ability and wish of the Seller to request the Issuer to sell all Purchased Home Loan Receivables at no less than the Repurchase Price, and consequently this may result in the Listed Notes not being redeemed prior to their legal maturity.

It should be noted that if the Seller does not exercise the Seller Call Option or that necessary parties do not co-operate with the exercise of the Seller Call Option, the Listed Notes may not be redeemed prior to the Final Maturity Date.

**1.15 Absence of Secondary Market - Limited Liquidity - Selling and Transfer Restrictions**

Although application has been made to list the Listed Notes on Euronext Paris, there is currently no secondary market for the Listed Notes. There can be no assurance that a secondary market in the Listed Notes will develop or, if it does develop, that it will provide the Listed Noteholders with liquidity of investment, or that it will continue for the life of the Listed Notes. In addition, the market value of the Listed Notes may fluctuate with changes in prevailing rates of interest. Consequently, any sale of Listed Notes by the Listed Noteholders in any secondary market which may develop may be at a discount to the original purchase price of such Listed Notes. Because there is currently no secondary market for the Listed Notes, investors must be able to bear the risks of their investment for an indefinite period of time.

The secondary asset-backed securities markets are currently experiencing disruptions resulting from reduced investor demand for asset-backed securities and increased investor yield requirements for those securities. As a result, the secondary market for asset-backed securities is experiencing limited liquidity. These conditions may continue or worsen in the future. This may, among other things, affect the ability of the Issuer to obtain timely funding to fully redeem the Listed Notes.

Limited liquidity in the secondary market for asset-backed securities has had an adverse effect on the market value of asset-backed securities. Limited liquidity in the secondary market may continue to have an adverse effect on the market value of asset-backed securities, especially 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. Furthermore, the Listed Notes are subject to certain selling and transfer restrictions which may further limit their liquidity (see "PLAN OF DISTRIBUTION, SELLING AND TRANSFER RESTRICTIONS").

The market values of the Listed Notes are likely to fluctuate and may be difficult to determine. Any of these fluctuations may be significant and could result in significant losses to such investor. In addition, any forced sale into the market of asset-backed securities held by various investors experiencing funding or other difficulties could adversely affect an investor's ability to sell, and/or the price an investor receives for, the Listed Notes in the secondary market.

**1.16 Ratings of the Listed Notes**

Please refer to section "RATINGS OF THE LISTED NOTES".

**1.17 Meetings of Listed Noteholders and Modifications**

The terms and conditions of the Notes contain provisions for calling meetings of each relevant Class of Listed Noteholders and/or seeking approval of a Written Resolution (including by way of Electronic Consent (both expressions as defined in Condition 11(a) of the Notes)) by the relevant Class of Listed Noteholders to consider matters affecting their interests generally (but the Listed

Noteholders of any Class will not be grouped in a *masse* having legal personality governed by the provisions of the French Commercial Code and will not be represented by a representative of the *masse*), including without limitation the modification of the terms and conditions. These provisions permit in certain cases defined majorities to bind all Listed Noteholders of any Class including the Listed Noteholders of such Class who did not attend and vote at the relevant General Meeting (as defined in Condition 11 (*Meetings of Listed Noteholders*) of the Notes), Listed Noteholders who voted in a manner contrary to the required majority and Listed Noteholders who did not respond to, or rejected, the relevant Written Resolution.

Decisions may be taken by Listed Noteholders of any Class by way of Ordinary Resolution or Extraordinary Resolution, in each case, either acting together or, to the extent specified in Condition 11 (*Meetings of Listed Noteholders*) of the Notes, as a Class of Listed Noteholders acting independently. Such Resolutions can be effected either at a duly convened meeting of the applicable Listed Noteholders or by the applicable Listed Noteholders resolving in writing (see also "Overview of the Rights of Listed Noteholders").

The Conditions also provide that the Management Company may, without the consent or sanction of the Noteholders at any time and from time to time, agree to (i) any modification of these Conditions or of any of the Transaction Documents (excluding in relation to a Basic Terms Modification) which, in the opinion of the Management Company, is not materially prejudicial to the interests of the Noteholders of any Class or (ii) any modification of these Conditions or of any of the Transaction Documents (including in relation to a Basic Terms Modification) which, in the opinion of the Management Company, is of a formal, minor or technical nature, to correct a manifest error or an error which is, in the opinion of the Management Company, proven (see Condition 12(a) (*General Right of Modification without Noteholders' consent*)).

Further, the Management Company may be obliged, without any consent or sanction of the Noteholders, to proceed with any modification (other than in respect of a Basic Terms Modification) to the Conditions and/or any Transaction Document that the Issuer considers necessary or as proposed by a Hedge Counterparty or enter into any new, supplemental or additional documents (see Condition 12(b) (*General Additional Right of Modification without Noteholders' consent*)).

The Management Company shall be obliged, without any consent or sanction of the Noteholders, to proceed with any modification (other than in respect of a Basic Terms Modification) to the Conditions and/or any Transaction Document that the Issuer considers necessary or as proposed by a Hedge Counterparty for the purpose of changing the screen rate or the base rate that then applies in respect of the Listed Notes and the Hedge Agreements as adjusted to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value as a result of such replacement by taking into account any Adjustment Spread and making such other related or consequential amendments as are necessary or advisable to facilitate such change. For further details see Condition 12(c) (*Additional Right of Modification without Noteholders' consent in relation to EURIBOR Discontinuation or Cessation*).

If the Seller or any of its affiliates hold any Listed Notes of any Class, the Seller or any of its affiliates will not be deprived of the right to vote except that, for Extraordinary Resolution other than Basic Terms Modifications, the Listed Notes of a given Class held or controlled for or by the Seller or and/or any holding company of the Seller and/or any affiliate of the Seller will not be taken into account for the purposes of the right to participate in a meeting in person, by proxy, by correspondence or by any other means and to vote at any meeting of that Class of Listed Notes or any Written Resolution in respect of that Class of Listed Notes, except where the Seller or and/or any holding company of the Seller and/or any affiliate of the Seller holds alone or together 100 per cent. of the Listed Notes of that Class.

### 1.18 Concentrated Ownership of One or More Classes of Notes

If at any time one or more investors that are affiliated hold a majority of any Class of Notes, it may be more difficult for other investors to take certain actions that require consent of any such Classes of Notes without their consent. For example, the approval of a Basic Terms Modification may only be made by Extraordinary Resolution and no Extraordinary Resolution involving a Basic Terms

Modification that is passed by Noteholders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of each of the other Classes of Notes affected.

## 2. RISK FACTORS RELATING TO THE SECURITISED HOME LOAN RECEIVABLES

### 2.1 Performance of the Purchased Home Loan Receivables is Uncertain

The payment of principal and interest on the Notes is, *inter alia*, conditional on the performance of the Purchased Home Loan Receivables. Accordingly, the Noteholders will be exposed to the credit risk of the Borrowers.

The performance of the Purchased Home Loan Receivables shall depend on a number of factors, including general economic conditions, unemployment levels, the circumstances of the Borrowers, the Servicer's underwriting standards at origination and the efficiency of the Servicer's servicing and collection strategies. Consequently, no accurate prediction can be made of how the Purchased Home Loan Receivables will perform based on credit evaluation scores or other similar measures. Ultimately, this could result in losses on the Notes.

### 2.2 Losses and/or Delinquencies on the Purchased Home Loan Receivables May Cause Losses on the Notes

The payment of principal and interest under each Class of Notes is dependent upon the future performance of the Purchased Home Loan Receivables. Noteholders may therefore suffer losses on the amounts invested in the Notes in the event that the Borrowers (as debtors of the Purchased Home Loan Receivables) default on their payment obligations which may result in losses and/or delinquencies on the Purchased Home Loan Receivables.

There can be no assurance that the historical level of losses or delinquencies experienced by CIFD on its global portfolio of home loans is similar to the Purchased Home Loan Receivables and is predictive of future performance of the Purchased Home Loan Receivables. Losses or delinquencies could increase significantly for various reasons, including changes in the local, regional or national economies or due to other events. Any significant increase in losses or delinquencies on the Purchased Home Loan Receivables could result in accelerated, reduced or delayed payments on the Notes.

### 2.3 No independent investigation and limited information; reliance on the Seller's Receivables Warranties

None of the Joint Arrangers, the Joint Lead Managers or any of the Transaction Parties (except the Seller and the Servicer) has made or will make any investigations or searches or verify the characteristics of any Purchased Home Loan Receivables, the Home Loan Agreements, the Ancillary Rights or the Borrowers or the solvency of the Borrowers, each of them relying only on the Seller's Receivables Warranties regarding, among other things, the Purchased Home Loan Receivables, the Home Loan Agreements, the Ancillary Rights and the Borrowers.

The Management Company, acting for and on behalf of the Issuer, will rely solely on the Seller's Receivables Warranties in respect of, *inter alia*, the Home Loan Agreements, the Home Loan Receivables and the Ancillary Rights.

The Management Company may carry out consistency tests on the information provided to it by the Seller and may verify the compliance of certain of the Receivables with the applicable Eligibility Criteria. Such tests will be undertaken in the manner, and as often as is necessary, to ensure the fulfilment by the Seller of its obligations regarding the sale, transfer and assignment of Eligible Receivables to the Issuer, the protection of the interests of the Noteholders and the Residual Unitholder with respect to the Assets of the Issuer, and, more generally, in order to satisfy its legal and regulatory obligations as set out in the relevant provisions of the French Monetary and Financial Code. Nevertheless, the responsibility for the sale, transfer and assignment of any Non-Compliant Purchased Home Loan Receivable by the Seller to the Issuer on the Closing Date will at all times remain with the Seller only (and the Management Company shall under no circumstance be liable

therefore) and the Management Company will therefore rely only on the Seller's Receivables Warranties.

If the Seller's Receivables Warranties have been breached, limited remedies set out in "SALE AND PURCHASE OF THE HOME LOAN RECEIVABLES" will be available to the Issuer in respect of the non-compliance of any Purchased Home Loan Receivable with the Eligibility Criteria. Consequently, a risk of loss exists if such Seller's Receivables Warranties have been breached and no corresponding remedy is made by the Seller. The Management Company, acting for and on behalf of the Issuer, is not entitled to request an additional indemnity from the Seller relating to a breach of the Seller's Receivables Warranties.

To the extent that any loss arises as a result of a matter which is not covered by the Seller's Receivables Warranties, the loss will remain with the Issuer. In particular, the Seller gives no warranty as to the on-going solvency of the Borrowers of the Purchased Home Loan Receivables.

Furthermore, the Seller's Receivables Warranties shall not entitle the Noteholders to assert any claim directly against the Seller, the Management Company having, pursuant to Article L. 214-183 I of the French Monetary and Financial Code, the exclusive competence to represent the Issuer against third parties and in any legal proceedings.

### 2.4 Credit Risk on Individuals

The Issuer will be exposed to the credit risk of Borrowers who are mainly individuals acting as consumers for non-business purposes and who have entered into the Home Loan Agreements. In addition such Borrowers benefit from the protective provisions of the French Consumer Code (see "2.6 French Consumer Credit Legislation" below).

Although several credit enhancement mechanisms have been or will be put in place under the securitisation transaction referred to in this Prospectus (see section "CREDIT AND LIQUIDITY STRUCTURE"), there is no assurance that any and all such mechanisms will be sufficient to cover the occurrence of such credit risk.

### 2.5 Prepayments

Faster than expected rates of prepayments on the Purchased Home Loan Receivables will cause the Issuer to make payments of principal on the Notes earlier than expected and will shorten the expected maturity of the Notes. Prepayments on the Purchased Home Loan Receivables may occur as a result of (a) prepayments of Purchased Home Loan Receivables by Borrowers in whole or in part; (b) liquidations and other recoveries due to default, (c) receipts of proceeds from claims on any physical damage, credit life or other insurance policies covering the Borrowers and (d) repurchases by the Seller of any Purchased Home Loan Receivables. A variety of economic, social and other factors will influence the rate of prepayments on the Purchased Home Loan Receivables. No prediction can be made as to the actual prepayment rates that will be experienced on the Purchased Home Loan Receivables.

If principal is paid on the Notes of any Class earlier than expected due to prepayments on the Purchased Home Loan Receivables, Noteholders may not be able to reinvest the principal in a comparable security with an effective interest rate equivalent to the interest rate on the Notes. Similarly, if principal payments on the Notes of any Class are made later than expected due to slower than expected prepayments or payments on the Purchased Home Loan Receivables, Noteholders may lose reinvestment opportunities. Noteholders will bear all reinvestment risk resulting from receiving payments of principal on the Notes of any Class earlier or later than expected.

### 2.6 French Consumer Credit Legislation

Certain of the Home Loan Agreements (if the relevant Borrowers are individuals (*personnes physiques*)) are subject to Consumer Credit Law or Real Estate Credit Law, which both impose 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 and (iii) to comply with detailed formalistic rules with regard to the contents of the credit contract. These rules were significantly

amended by 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 the full deprivation of all interest on a credit (i.e. the credit will be effectively granted on an interest free basis) and to other sanctions.

However, the Seller will represent and warrant that (i) each Home Loan Agreement has been executed between the Originating Bank and an Eligible Borrower pursuant its usual procedures in respect of the underwriting of home loans as prevailing at the time of origination and (ii) each Home Loan Agreement constitutes valid and enforceable contractual obligations of the relevant Borrower and such obligations are enforceable in accordance with their respective terms (except that: enforceability may be limited by (i) bankruptcy or insolvency of the Borrower or other laws relating to over-indebtedness (*surrendettement*) 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 and seq. of the French Consumer Code in the Home Loan Agreements (provided they would not (i) affect the right of the Issuer to purchase the Home Loan Receivables as contemplated under the Home Loan Receivables Transfer Agreement or (ii) deprive the Issuer of its right to receive principal and to receive interest as provided for under the Home Loan) ). In addition, the Seller will indemnify the Issuer in the event that any such representations and warranties prove to be untrue to the extent that the Seller does not or cannot remedy any such non-compliance in all material aspects.

***Unfair contract terms (clauses abusives)***

The provisions of the French Consumer Code on unfair contract terms (*clauses abusives*) may also be applicable to the Home Loan Agreements. Pursuant to Article L. 212-1 of the French Consumer Code and with respect to agreements entered into between a professional and a consumer, 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" (*dans les contrats conclus entre professionnels et non-professionnels ou consommateurs, sont abusives les clauses qui ont pour objet ou pour effet de créer, au détriment du non-professionnel ou du consommateur, un déséquilibre significatif entre les droits et obligations des parties au contrat*).

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 contains an unfair contract term, such term will be deemed "unwritten" (*réputée non écrite*) and is accordingly ineffective and enforceable. The other provisions of such Loan Agreement shall remain valid to the extent such Loan Agreement 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). This risk is mitigated by the fact that the Seller will represent and warrant to the Issuer that "*2. Each Loan Agreement constitutes legal, valid, binding and enforceable contractual obligations of the relevant Borrower and the Seller with full recourse to the relevant Borrower and such obligations are enforceable in accordance with their respective terms*", except that enforceability may be limited by (A) bankruptcy or insolvency or other mandatory provisions of law limiting the enforceability of creditors' rights against debtors generally and (B) the existence of unfair contract terms (*clauses abusives*) as defined by Articles L.212-1 *et seq.* of the French Consumer Code or Article 1171 of the French Civil Code in the Home Loan Agreement, provided that such unfair contract terms do not (x) affect the right of the Issuer to purchase the corresponding Receivables nor the validity or enforceability of such purchase as contemplated under the Home Loan Receivables Transfer Agreement nor (y) deprive the Issuer of its right (further to such purchase) to validly receive payments of those amounts of principal, of interest and of anticipated redemption indemnities which are provided for under the relevant Loan Agreement nor (z) limit its ability to recover such amounts.

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 a so-called "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 by a competent court 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.

***Protection of Overindebted Consumers***

Any individual who is a consumer having contracted consumer or home loans (professional debts are excluded) and who is in good faith (*bonne foi*) is entitled to contact a *commission départementale de surendettement* if he considers to be in a situation of overindebtedness (*surendettement*). An overindebted individual will not be in good faith if he has organised its own insolvency or if he has dissipated its assets.

If the individual is overindebted (*en état de surendettement*) and in good faith, and depending on the amount of its total debts, of its assets and its current resources, Article L.712-2 and Article L.732-1 of the French Consumer Code provides that the consumer over-indebtedness committee (commission départementale de surendettement) may propose a plan between the over-indebted individual which may, inter alia, provide for a rescheduling of the over-indebted individual's debts, a reduction (or a cancellation) of the interest rates, a liquidation of the individual's assets or the cancellation of all personal debts of the over-indebted individual and 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 (for further details in relation to protection of over-indebted consumers, please refer to section "SELECTED ASPECTS OF FRENCH LAW").

This risk is mitigated by the credit enhancement provided in the securitisation, the ability of the Issuer to use principal to pay interest and the liquidity support provided with the Liquidity Reserve Deposit (see section "CREDIT AND LIQUIDITY STRUCTURE").

## 2.7 Set-off risk

***General***

The Purchased Home Loan Receivables assigned by the Seller to the Issuer in accordance with the terms of the Home Loan Receivables Transfer Agreement may be subject to defences and set-off rights of the Borrowers as debtors of such Purchased Home Loan Receivables in relation to the Issuer as assignee and new creditor. Such right of set-off may be exercised so long as the claim of the relevant Borrower against the Seller has become certain, due and payable (*certaine, liquide* and *exigible*) before the notification of the assignment of such Purchased Home Loan Receivables to such Borrower. Provided that the claims are connected claims (*créances connexes*), such right of set-off may also be exercised (i) irrespective of the date on which each such claim arises or the date of assignment to the Issuer of such Purchased Home Loan Receivables and (ii) notwithstanding the notification of the assignment of such Purchased Home Loan Receivables to such Borrower.

*Statutory set-off*

Statutory set-off may still arise as a matter of law if there are payment obligations owed between the parties which are at the same time due and payable (*exigible*) and are liquid (i.e. they exist and the quantum is determinable).

As from the transfer of the Receivables from the Seller to the Issuer, the statutory set-off between sums due by a Borrower with respect to a Purchased Home Loan Receivable and any sums owed to it by the Seller shall no longer be possible since the condition of reciprocity is no longer met. However, so long as an Borrower under a Home Loan Agreement has not been notified of the transfer to the Issuer of the Purchased Home Loan Receivable arising from such Loan Agreement, the termination of such reciprocity is not effective vis-à-vis such debtor, hence allowing the Borrower to raise a defence of set-off against the Seller based on statutory set-off. After notification to the Borrower of the transfer of the relevant Purchased Home Loan Receivable by the Seller to the Issuer, such Borrower may only be entitled to invoke statutory set-off if, prior to the notification of the relevant transfer, the above-mentioned conditions for statutory set-off were satisfied. By contract, two persons may agree to set-off reciprocal debts which are not due and/or liquid.

*Judicial set-off pursuant to article 1348 of the French Civil Code*

A judicial set-off may be granted by a French court with respect to debts which are certain and fungible, even if such debts 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. A possible circumstance where judicial set-off may arise is when the Seller is held liable to pay damages to the Borrower as a result of a breach of French consumer laws.

*Set-off of connected debts (dettes connexes)*

Each Borrower may further raise defenses against the Issuer arising from such Borrower's relationship with the Seller to the extent that such defenses are existing prior to the notification of the assignment of the relevant Purchased Home Loan Receivable or arise out of the set-off between the Borrower and the Seller of mutual claims which are closely connected with the Purchased Home Loan Receivable (*compensation de créances connexes*). Such right of set-off may be exercised (i) irrespective of the date on which each such claim arises or the date of assignment to the Issuer of such Purchased Home Loan Receivables and (ii) notwithstanding the notification of the assignment of such Purchased Home Loan Receivables to such Borrower. The courts determine whether two debts are *dettes connexes* on a case by case basis.

***No deposit taking activity (activité de réception de fonds remboursables au public) within the meaning of Article L. 312-2 of the French Monetary and Financial Code***

It should be noted that CIFD is a financing company (*société de financement*) which is not authorised to offer deposit taking activities in France.

## 2.8 Geographical Concentration of Borrowers May Affect Performance

Although the Borrowers of the Purchased Home Loan Receivables are located throughout France as at the date of origination date of the relevant Loan Agreements, there can be no assurance as to what the geographical distribution of the Borrowers will be in the future depending on, in particular, the amortisation schedule of the Purchased Home Loan Receivables.

The Eligibility Criteria do not contain any restrictions on the geographic concentrations in the Purchased Home Loan Receivables. Consequently, any deterioration in the economic condition of the areas in which the Borrowers are located, or any deterioration in the economic condition of other areas that causes an adverse effect on the ability of the Borrowers to meet their payment obligations could trigger losses of principal on the Notes of any Class and/or could reduce the respective yields of the Listed Notes of any Class. Likewise, certain geographic regions from time to time will experience weaker regional economic conditions and consumer markets than will other regions and, consequently, will experience higher rates of loss and delinquency on home loan receivables generally.

## 2.9 Risk of Losses and Delays from Enforcement of the Home Loan Receivables – Seizure of the property

Substantial delays could be encountered by the Servicer in connection with the liquidation of any Purchased Home Loan Receivable and the enforcement of the related Ancillary Rights. This could result in shortfalls in distributions to Noteholders to the extent not covered by the subordination of the Notes and the Liquidity Reserve Deposit and, if and when funded, the Commingling Reserve Deposit. Further, liquidation expenses such as legal fees and real estate taxes could reduce the net amount recoverable by the Servicer and could reduce the amounts available to Noteholders.

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 selling price of the relevant real property) and the notices to be given prior to the sale and to commence judicial sale proceedings in 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 (*procedure 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.

Rules applicable to the *saisie immobilière* procedure have been modified by an act (ordonnance n° 2006-461 *réformant la saisie immobilière*) dated 21 April 2006. 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 Code des *procédures civiles d'exécution* (French Civil Enforcement Procedures Code)), described above, only applies to seizure proceedings started after 1st January 2007.

The exercise of such droit de suite is often paralysed due to an "advanced clearing" of the privileges and mortgages granted over the relevant property (*purge des privilèges et hypothèques*). If the debtor and all secured creditors agree, in accordance with article 2475 of the French Civil Code (Code civil), for the sale proceeds to be allocated (*affecté*) to them, the secured creditors exercise their preferential rights (*droits de préférence*) over the sale proceeds, the payment of which will discharge all privileges and mortgages granted over the property (*purge amiable*). And if no agreement is reached (for instance if the sale price of the property is substantially below the amount of the secured debt), the third party will still be entitled to offer to pay the sale price to the secured creditors in order to clear all privileges and mortgages granted over the relevant property (*purge judiciaire*).

However, the procedure of seizure of real estate 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 Listed Notes in a timely manner.

**2.10 No valuation of properties except in limited circumstances; Limitations of estimations of the value of properties**

In most cases in accordance with the general practice in the French residential loan market, the Originating Bank did not carry out an appraisal of the market value of a property when originating home loans. Subject to consistency checks or subject to the following paragraph, the value of a property 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*) may be carried out by staff members of the Seller 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 Seller or external appraiser 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. 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 could in fact be resold to a third party purchaser at a price which corresponds to the estimated value established by the Seller (or, where applicable, an external appraiser) whether at the date of origination of a Home Loan Agreement or on any future date. Furthermore, if a property 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 Receivables. 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 Receivables, this could result in a reduction of the receipts received by the Issuer in respect of the Home Loan Receivables 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.

**2.11 Payment protection insurance policies**

As a condition to being granted a Home Loan Agreement, Borrowers were required to obtain and to maintain an insurance policy to cover risks covering (i) death, (ii) the temporary or permanent disability of the Borrower and (iii) the definitive incapacity to work of the Borrower, (such policies "**Payment Protection Policies**").

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.

In addition, the Issuer will be exposed to the ability of the relevant insurance company to make payment of claims under the Payment Protection Policies if an event which gives rise to a right to payment under such policy occurs.

### 2.12 Property insurance

The Borrowers have undertaken in 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 insurance, a "**Property Insurance**").

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. A Borrower's ability to repay a Purchased Home Loan Receivable may be affected adversely if an uninsured or uninsurable loss were to occur or if the Insurance Company insuring the relevant property were to suffer financial difficulties. The scope of coverage of Property Insurance policies depend upon the terms and conditions of the relevant policy (including the applicable deductibles). In accordance with Article L. 121-13 of the French Insurance Code, any indemnity payment paid by an Insurance Company under a property insurance policy is generally allocated to creditors that hold a specific privilege or mortgage over the property according to their ranking without the need for any express delegation (*délégation expresse*), subject to the prior notification of the relevant insurer. Whilst it is usual notarial practice to notify each relevant insurer as at origination of any Home Loan Agreement, no assurances can be given that any applicable insurer will have been notified if and when necessary, in particular, if the insurer has changed after the origination date. Absent such notification, the insurer will be allowed to pay any insurance indemnity directly to the relevant Borrower or any third party having acquired a preferential right on the relevant insurance indemnity. In addition, no assurances can be given as to whether the relevant Borrowers will in fact renew any existing Property Insurance, make payments of premiums or comply with other conditions to maintain Property Insurances in full force and effect. If an insurance premium is not paid by a given Borrower, there is a risk that the relevant property may be uninsured if the relevant insurer decides to terminate the insurance policy. In such circumstances, the relevant Borrower's ability to repay the corresponding Purchased Home Loan Receivable could be adversely affected and the ability of the Issuer to recover the unpaid amount by enforcing the Purchased Home Loan Receivables could be adversely and similarly affected.

No assurances can be given that the Issuer will always receive the benefit of any claims made under any applicable Property Insurance or that the amounts received in respect of a successful claim would be sufficient to reinstate the affected property. This could adversely affect the Issuer's ability to redeem the Notes.

### 2.13 Transfer of benefit of Insurance Policies to Issuer

Under the Home Loan Receivables Transfer Agreement, the Seller assigns to the Issuer the Home Loan Receivables and the related Ancillary Rights, which term includes any right or interest which the Seller may have in relation to the Payment Protection Policies and property insurance policies. Whether the Issuer will obtain the full benefit and right to enforce the Insurance Policies will depend upon whether such Insurance Policies permit assignment, whether the Insurance Policies are in full force and effect, the nature of the rights and interest of the Seller under or in relation to such Insurance Policies and whether in practice the Issuer may obtain all relevant information about such Insurance Policies as would be necessary to claim payment directly from the relevant insurer, assuming it is entitled to do so. Article L.312-8-4 bis of the French Consumer Code permits borrowers to freely choose the provider of payment protection insurance linked to loans. In addition, borrowers can freely select the insurance company which provides them with a multi-risk property insurance policy. Whilst the Seller or any Loan Guarantor is likely to be a named beneficiary or benefit from a delegation of payment protection policies, the Seller or any Loan Guarantor may not be a named beneficiary or benefit from a delegation over multi-risk property insurance maintained by a Borrower, from time to time, in accordance with its obligations to do so under its Home Loan Agreement.

There is no certainty that all such Insurance Policies have been taken out, that they remain at all times in full force and effect, or that any claims to insurance proceeds have or will be validly assigned to the Issuer or will in practice be available to the Issuer.

### 2.14 Home Loan Guarantee

Home Loan Receivables guaranteed by a home loan guarantee issued by a Loan Guarantor are not initially secured by a mortgage (*hypothèque*). The relevant Borrower will covenant to grant a mortgage to secure the payment of the Home Loan Receivables deriving from the Home Loan Agreement at the demand of the lender or of a Loan Guarantor in limited circumstances.

This undertaking to grant a mortgage (*promesse d'hypothèque*) does not create a security interest over the relevant financed property. A security interest over the property by way of a mortgage would only be created when, following a request by the lender or the Loan Guarantor, 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 Receivables, another creditor of the relevant Borrower has registered a mortgage or judicial mortgage, the mortgage registered first in time would rank in priority to the mortgage granted and registered to secure the Home Loan Receivables.

In respect of Home Loan Receivables secured by a home loan guarantee issued by a Loan Guarantor, if there is a failure to pay by the underlying Borrower, the Servicer, acting as agent of the Issuer, will need to make a demand for payment under the home loan guarantee. The Issuer is thus exposed to the creditworthiness of the Loan Guarantor which issued the relevant home loan guarantee.

### 2.15 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 from the competent court to postpone (*reporter*) or extend (*échelonner*) for a period up to two years, the payment of the sums owed by such debtors. In such case, the court may, by special and justified decision (*décision spéciale et motivée*), order that the sums corresponding to the postponed instalments will bear interest at a reduced rate which cannot be less than the legal interest rate or that the payments will first reimburse the principal. Consequently the Listed Noteholders are likely to suffer a delay in the repayment of the principal of the Notes and the Issuer may not be in a position to pay, in whole or in part, the accrued interest in respect of the Listed Notes if a substantial part of the Purchased Home Loan Receivables is subject to that kind of decision.

This risk is mitigated by the liquidity support and the credit enhancement provided in the transaction (see section "CREDIT AND LIQUIDITY STRUCTURE – Liquidity Support"). However, no assurance can be made as to the sufficiency of such liquidity support features, or that such features will protect the Listed Noteholders from all risk of delayed payments.

## 3. RISK FACTORS RELATING TO CERTAIN COMMERCIAL AND LEGAL CONSIDERATIONS

### 3.1 Performance of Contractual Obligations of the Transaction Parties to the Transaction Documents

The ability of the Issuer to make any principal and interest payments in respect of the Notes will depend to a significant extent upon the ability of the Transaction Parties to the Transaction Documents to perform their contractual obligations. In particular and by way of example, without limiting the generality of the foregoing, the timely payment of amounts due in respect of the Notes will depend on the ability of the Servicer to service the Purchased Home Loan Receivables purchased by the Issuer.

### 3.2 Reliance on Transaction Parties' Representations

The Management Company, acting for and on behalf of the Issuer, is a party to the Transaction Documents with a number of other third parties that have agreed to perform certain services in relation to the Purchased Home Loan Receivables. For example, the Seller has agreed to sell Eligible

Receivables to the Issuer pursuant to the Home Loan Receivables Transfer Agreement, the Servicer has agreed to provide services in respect of the Purchased Home Loan Receivables under the Servicing Agreement, the Servicer has agreed to make cash deposits in the required amount pursuant the Commingling Reserve Deposit Agreement, the Account Bank has agreed to provide certain bank account services pursuant to the Account Bank Agreement and each Hedge Counterparty has agreed to provide interest rate swap payments under the relevant Hedge Agreement and the Paying Agent has agreed to provide payment and other service in connection with the Listed Notes under the Paying Agency Agreement.

Disruptions in the servicing process, which may be caused by the failure to appoint a successor servicer (or, to the extent that the Servicer is unable to satisfy its obligations under the Servicing Agreement, a delegate servicer) or the failure of the Servicer to carry out its services may result in reduced, delayed or accelerated payments on the Notes and a reduction of the credit rating of the Listed Notes.

The Management Company, acting for and on behalf of the Issuer, will rely on the relevant third party or its delegate to exercise the rights and carry out the obligations under the respective Transaction Document to which it is a party. In the event that any relevant third party or its delegate was to fail to perform its obligations under the respective Transaction Documents, cashflows may be adversely affected.

### 3.3 Credit Risk and Creditworthiness of the Transaction Parties

Payments in respect of the Notes of each Class are subject to credit risk in respect of the Servicer, any Hedge Counterparty, the Specially Dedicated Account Bank, the Account Bank, the Paying Agent and the Seller and, in the event of the insolvency of any of them, the Issuer will be treated as a general unsecured creditor of the insolvent counterparty.

No assurance can be given that the creditworthiness of the Transaction Parties, in particular the Servicer, the Hedge Counterparties and the Account Bank, will not deteriorate in the future. This may affect the performance of their respective obligations under the Transaction Documents to which they are parties. In particular, it may affect the administration, collection and enforcement of the Purchased Home Loan Receivables by the Servicer in accordance with the Servicing Agreement.

This risk is mitigated with respect to the Servicer by the requirement under the terms of the Servicing Agreement that the Servicer shall be replaced within thirty (30) calendar days following the occurrence of a Servicer Termination Event which includes, among other things, the opening of any of the proceedings governed by Book VI of the French Commercial Code against the Servicer.

This risk is mitigated with respect to the Account Bank by the requirement under the terms of the Account Bank Agreement that the Account Bank shall be replaced within thirty (30) calendar days if the Account Bank is rated below the Account Bank Required Ratings or if the Account Bank is subject to any of the proceedings governed by Book VI of the French Commercial Code.

This risk is mitigated with respect to the Specially Dedicated Account Bank by the requirement under the terms of the Specially Dedicated Account Agreement that the Specially Dedicated Account Bank shall be replaced within thirty (30) calendar days after the downgrade of the ratings of the Specially Dedicated Account Bank below the Account Bank Required Ratings if the Specially Dedicated Account Bank is rated below the Account Bank Required Ratings or if the Specially Dedicated Account Bank is subject to any of the proceedings governed by Book VI of the French Commercial Code.

This risk is mitigated with respect to the Paying Agent by the requirement under the terms of the Paying Agency Agreement that the Paying Agent shall be replaced if the Paying Agent is subject to any of the proceedings governed by Book VI of the French Commercial Code.

The opening of any judicial liquidation (*liquidation judiciaire*) or any safeguard procedure (*procédure de sauvegarde*) or any judicial recovery procedure (*procédure de redressement judiciaire*) against a credit institution shall have been subject to the approval (*avis conforme*) of the *Autorité de Contrôle*

*Prudentiel et de Résolution* in accordance with Article L. 613-27 of the French Monetary and Financial Code.

This risk is mitigated with respect to each Hedge Counterparty by the requirement under the terms of each of Hedge Agreement that the Hedge Counterparty has certain minimum required ratings (as to which see further "TRIGGERS TABLES - Rating Triggers Table" below). Contractual remedies are also provided in the event of a downgrading of such counterparties (see sections "ISSUER BANK ACCOUNTS" and "THE HEDGE AGREEMENTS"). However, in the event that any relevant third party fails to perform its obligations under the respective agreements to which it is a party, the Noteholders may be adversely affected. No assurances can be given that the Issuer will be able to find any replacement service providers or counterparties with the requisite ratings on a timely basis or at all.

## 3.4 Certain Conflicts of Interest

***Between Certain Transaction Parties***

As of 1st January 2020 pursuant to Article L. 214-175-3 of the French Monetary and Financial Code, in order to prevent any conflicts of interest between the Management Company and the Custodian, the Issuer, the Noteholders and the Residual Unitholder will have to comply with the provisions set out in Article L. 214-175-3.

With respect to the Notes, conflicts of interest may arise as a result of various factors involving the Transaction Parties, their affiliates and the other parties named herein. The following briefly summarises some of these conflicts, but is not intended to be an exhaustive list of all such potential conflicts.

1. CIFD is acting in several capacities under the Transaction Documents (including Seller, Servicer, Liquidity Reserve Provider, Class C Noteholder and Residual Unitholder). Even if its rights and obligations under the Transaction Documents contractually are not conflicting and are independent from one another, in performing such obligations in these different capacities under the Transaction Documents, CIFD may be in a situation of conflict of interest;

2. BNP PARIBAS Securities Services is acting in several capacities under the Transaction Documents (Custodian, Account Bank, Paying Agent, Data Protection Agent, Listing Agent and Registrar). Even if its rights and obligations under the Transaction Documents to which it is a party contractually are not conflicting and are independent from one another, in performing such obligations in these different capacities under the Transaction Documents, BNP PARIBAS Securities Services may be in a situation of conflict of interest *provided that* as of 1st January 2020, pursuant to Article L. 214-175-3 2° of the French Monetary and Financial Code, the Custodian will not be entitled to perform any other tasks with respect to the Issuer or the Management Company which would be likely to result in conflicts of interests between the Issuer, the Noteholders or the Residual Unitholder, the Management Company and the Custodian unless the Custodian has established a functional and hierarchical separation between the performance of its tasks as Custodian and the other tasks and any potential conflicts of interest have been identified, managed, monitored and disclosed to the Noteholders and the Residual Unitholder is an appropriate manner.

The terms of the Transaction Documents do not prevent any of the parties to the Transaction Documents from rendering services similar to those provided for in the Transaction Documents to other persons, firms or companies or from carrying on any business similar to or in competition with the business of any of the parties to the Transaction Documents.

Accordingly, conflicts of interest may exist or may arise as a result of parties to this transaction:

(a) having previously engaged or in the future engaging in transactions with other parties to the transaction;

(b) having multiple roles in this transaction; and/or

(c) carrying out other transactions for third parties.

***Between the Classes of Notes and the Residual Units***

The Issuer Regulations provide that, where, in connection with the exercise or performance by each of them of any right, power, authority, duty or discretion under or in relation to the Conditions of the Notes or any of the Transaction Documents (including, without limitation, in relation to any modification, waiver, authorisation, determination or substitution as referred to above), the Management Company is required to have regard to the interests of the Noteholders of any Class, it shall have regard to the general interests of the Noteholders of such Class as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Management Company shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Management Company or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders.

Where, however, there is a conflict between the interests of the holders of one Class of Notes and the holders of any other Class(es) of Notes, the Management Company will (other than as set out in the Issuer Regulations, in particular with regards to modifications, consents and waivers) be required to have regard only to the Noteholders of the Most Senior Class outstanding and will not have regard to any lower ranking Class of Notes nor to the interests of the Residual Unitholder except to ensure the application of the Issuer's funds in accordance with the relevant Priority of Payments *provided always that*, (i) pursuant to Article 319-3 2° of the AMF General Regulations, the Management Company shall act in the best interest of the Issuer or the Residual Unitholder and the integrity of the market and (ii) 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, prevent, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the Issuer and the Residual Unitholder. 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, prevent, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the Issuer and the Residual Unitholder and provisions of Article 319-3 4° of the AMF General Regulations pursuant to which the Management Company shall take all reasonable steps designed to avoid conflicts of interest and, when they cannot be avoided, to identify, manage and monitor and, where applicable, disclose, those conflicts of interest in order to prevent them from adversely affecting the interests of the Issuer and the Residual Unitholder and to ensure that the Issuer is fairly treated.

## 3.5 No Direct Exercise of Rights by the Noteholders

Pursuant to Article L. 214-183 I of the French Monetary and Financial Code the Management Company will represent the Issuer and it will act in the best interests of the Securityholders in accordance with the relevant provisions of the AMF General Regulations. The Management Company has the exclusive right to exercise contractual rights against the parties which have entered into agreements with the Issuer, including the Seller and the Servicer. The Listed Noteholders will not have the right to give directions or instructions (except where expressly provided in Condition 7 (*Redemption*) of the Notes) or to claim against the Management Company in relation to the exercise of their respective rights or to exercise any such rights directly, even following the occurrence of an Accelerated Amortisation Event *provided* that the Noteholders of the Most Senior Class may pass an Extraordinary Resolution to instruct the Management Company, acting for and on behalf the Issuer, to dispose of all (but not part) of the Purchased Home Loan Receivables. An Extraordinary Resolution passed at any meeting of the Listed Noteholders of the Most Senior Class to instruct the Management Company to dispose of all (but not part) of the Purchased Home Loan Receivables shall be binding on such Noteholders and all other Classes of Listed Noteholders irrespective of the effect it has upon them.

## 3.6 Commingling

Upon the insolvency (*redressement judiciaire* or *liquidation judiciaire*) of the Servicer, collections received in respect of the Purchased Home Loan Receivables and standing to the credit of the accounts of the Servicer may be commingled with other monies belonging to the Servicer and may not be available to the Issuer to meet its obligations under the Transaction Documents and in particular to make payments under the Notes. In order to mitigate this risk, the Servicer has agreed to establish the Specially Dedicated Account Bank in favour of the Issuer in accordance with the Specially Dedicated Account Agreement and to fund the Commingling Reserve Deposit pursuant to the Commingling Reserve Deposit Agreement in favour of the Issuer.

***Specially Dedicated Account Agreement***

All monthly instalments collected in respect of the Purchased Home Loan Receivables will be credited to the Specially Dedicated Account pursuant to the terms of the Specially Dedicated Account Agreement. Under the Specially Dedicated Account Agreement, the Specially Dedicated Account will be subject to a dedicated account mechanism (*affectation spéciale*) as contemplated in Article L. 214-173 and Article D. 214-228 of the French Monetary and Financial Code. In accordance with Article L. 214-173 of the French Monetary and Financial Code, the creditors of the Servicer shall not be entitled to claim payment over the sums credited to the Specially Dedicated Account, even if the 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 the provisions of the Specially Dedicated Account Agreement and the Issuer Regulations, only the Issuer will have the exclusive benefit of the sums credited to the Specially Dedicated Account. If, at any time and for any reason whatsoever, the Specially Dedicated Account Agreement is not or ceases to be in full force and effect or if any collections are not credited to the Specially Dedicated Account, any sums standing to the credit of the Specially Dedicated Account may, upon the insolvency (*redressement judiciaire or liquidation judiciaire*) of the Servicer, be commingled with other monies belonging to the Servicer and may not be available to the Issuer to make payments under the Notes. However, pursuant to Article L. 214-173 of the French Monetary and Financial Code, the commencement of any 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*) against the Servicer can neither result in the termination of the Specially Dedicated Account Agreement nor the closure of the Specially Dedicated Account (see "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES - The Specially Dedicated Account Agreement").

***Commingling Reserve Account***

In addition to the Specially Dedicated Account Agreement, the Servicer has also agreed to make a cash deposit (the "**Commingling Reserve Deposit**") with the Issuer by way of full transfer of title in accordance with Article L. 211-36-I 2° and Article L. 211-38 II of the French Monetary and Financial Code and which will be applied as a guarantee (*remise d'espèces en pleine propriété à titre de garantie*) for the financial obligations (*obligations financières*) of the Servicer under the Servicing Agreement (including, for the avoidance of doubt, a breach by the Servicer of its monetary obligations to transfer to the Issuer the Available Monthly Collections) if:

(i) the Specially Dedicated Account Bank is:

(x) rated below the Account Bank Required Ratings; or

(y) subject to any proceeding governed by Book VI of the French Commercial Code,

and the Specially Dedicated Account Bank has not been replaced with a new specially dedicated account bank having at least the Account Bank Required Ratings within thirty (30) calendar days after the downgrade of the ratings of the Specially Dedicated Account Bank below the Account Bank Required Ratings (in case of a downgrade by Moody's) or within fourteen (14) calendar days after such downgrade (in case of a downgrade by Fitch);

(ii) the appointment of the Specially Dedicated Account Bank has been terminated in accordance with the terms of the Specially Dedicated Account Agreement and no replacement specially dedicated account bank has been appointed by the Servicer (in cooperation with the Management Company) within thirty (30) calendar days after the downgrade of the ratings of the Specially Dedicated Account Bank below the Account Bank Required Ratings (in case of a downgrade by Moody's) or within fourteen (14) calendar days after such downgrade (in case of a downgrade by Fitch); or

(iii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Servicer are rated below BBB by Fitch and the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Servicer are rated below F2 by Fitch.

The Commingling Reserve Deposit shall be credited by the Servicer within fourteen (14) calendar days up to the applicable Commingling Reserve Required Amount on the Commingling Reserve Account in accordance with the terms of the Commingling Reserve Deposit Agreement. The Management Company shall ensure that the Commingling Reserve Deposit shall be equal to the Commingling Reserve Required Amount on each Payment Date (see "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES - The Commingling Reserve Deposit Agreement").

**3.7 Substitution of the Servicer**

The ability of the Issuer to meet its obligations under the Notes will depend on the performance of duties of the Servicer.

CIFD has been appointed by the Management Company with the prior approval of the Custodian to manage, collect and administer the Purchased Home Loan Receivables pursuant to the Servicing Agreement. No back-up servicer has been appointed in relation to the Issuer and there is no assurance that any Substitute Servicer with sufficient experience of administering the Purchased Home Loan Receivables could be found which would be willing and able to act for the Issuer to service the Purchased Home Loan Receivables on the terms of the Servicing Agreement. The ability of any Substitute Servicer to perform fully the required services would depend, among other things, on the information, software and records available at the time of the appointment.

In the event CIFD was to cease acting as Servicer, the appointment of a Substitute Servicer and the process of payments on the Purchased Home Loan Receivables and information relating to collection could be delayed, which in turn could delay payments due to the Securityholders and there can be no assurance that the transition of servicing will occur without adverse effect on Securityholders (see "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES—*The Servicing Agreement—Termination of Appointment - Substitution*").

The Noteholders have no right to give orders or directions to the Management Company in relation to the duties and/or appointment of the Servicer. Such rights are vested solely in the Management Company.

**3.8 Substitution of the Account Bank**

BNP PARIBAS Securities Services has been appointed by the Management Company with the prior approval of the Custodian to act as the Account Bank of the Issuer.

Pursuant to the Account Bank Agreement, if the Account Bank ceases to have the Account Bank Required Rating or is subject to a proceeding governed by the provisions of Book VI of the French Commercial Code, the Management Company (acting for and on behalf of the Issuer) shall within thirty (30) calendar days after the downgrade of the ratings of the Account Bank below the Account Bank Required Ratings or the commencement of any proceeding governed by the provisions of Book VI of the French Commercial Code against the Account Bank, terminate the appointment of the Account Bank and appoint, jointly with the Custodian, a new Account Bank (see "ISSUER BANK ACCOUNTS - Termination of the Account Bank Agreement").

If the Account Bank breaches any of its obligations under the Account Bank Agreement and such breach continues unremedied for a period of three (3) Business Days following the receipt by the

Account Bank of a notice in writing sent by the Management Company detailing such breach, the Management Company (acting for and on behalf of the Issuer) may terminate the appointment of the Account Bank and appoint, jointly with the Custodian, a new account bank having at least the Account Bank Required Ratings.

If the appointment of the Account Bank is terminated in accordance with the terms of the Account Bank Agreement, there is no assurance that any substitute account bank could be found which would be willing and able to act for the Issuer.

### 3.9 Substitution of the Specially Dedicated Account Bank

BRED Banque Populaire is acting as the Specially Dedicated Account Bank. Pursuant to the Specially Dedicated Account Agreement, if the Specially Dedicated Account Bank ceases to have the Account Bank Required Rating or is subject to a proceeding governed by the provisions of Book VI of the French Commercial Code, the Servicer (in cooperation with the Management Company) shall, within thirty (30) calendar days after the downgrade of the ratings of the Specially Dedicated Account Bank below the Account Bank Required Ratings or within fourteen (14) calendar days after such downgrade (in case of a downgrade by Fitch) or the commencement of any proceeding governed by the provisions of Book VI of the French Commercial Code against the Account Bank, terminate the appointment of the Specially Dedicated Account Bank and appoint, jointly with the Custodian, a new specially dedicated account bank (see "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES – The Specially Dedicated Account Agreement").

If the Specially Dedicated Account Bank breaches any of its obligations under the Account Bank Agreement and such breach continues unremedied for a period of three (3) Business Days following the receipt by the Account Bank of a notice in writing sent by the Management Company detailing such breach, the Servicer may, in its reasonable opinion, terminate the appointment of the Specially Dedicated Account Bank and appoint, in cooperation with the Management Company, a new specially dedicated account bank having at least the Account Bank Required Ratings.

If the appointment of the Specially Dedicated Account Bank is terminated in accordance with the terms of the Specially Dedicated Account Agreement, there is no assurance that any substitute specially dedicated account bank could be found which would be willing and able to act for the Issuer.

### 3.10 Substitution of the Paying Agent

BNP PARIBAS Securities Services has been appointed by the Management Company and the Custodian to act as the Paying Agent.

Pursuant to the Paying Agency Agreement if the Paying Agent becomes subject to any proceeding governed by Book VI of the French Commercial Code or breaches any of its obligations under the Paying Agency Agreement and such breach continues unremedied for a period of three (3) Business Days following the receipt by the Paying Agent of a notice in writing sent by the Management Company detailing such breach, the Management Company may terminate the appointment of the Paying Agent (see "GENERAL DESCRIPTION OF THE NOTES – The Paying Agency Agreement - *Termination of the Paying Agency Agreement*").

If the appointment of the Paying Agent is terminated in accordance with the terms of the Paying Agency Agreement, there is no assurance that any substitute paying agent could be found which would be willing and able to act for the Issuer.

### 3.11 Reliance on the Servicer's Credit Policies and Servicing Procedures

CIFD has internal policies and procedures in relation to the administration of home loan receivable portfolios and risk mitigation.

The Servicer will, or procure that any person to whom it may delegate any of its functions, carry out the administration, collection and enforcement of the Purchased Home Loan Receivables in accordance with the Servicing Agreement and its customary and usual servicing procedures.

The Servicer may sub-contract to third parties certain of its tasks and obligations under, the Servicing Agreement, which may give rise to additional risks (although the Servicer shall remain liable for its obligations under the Servicing Agreement, notwithstanding such sub-contracting). The Servicer is required to follow its collection practices, policies and procedures, being those practices, policies and procedures used by the Servicer with respect to comparable consumer receivables that it services for itself.

Accordingly, the Issuer is relying on the expertise, the business judgment, the practices, the capacity and the continued ability to perform of CIFD in respect of the underwriting, the servicing, the administration, the recovery and the enforcement of claims against the Borrowers and may suffer losses depending on the efficiency of such internal policies and procedures and the compliance of CIFD therewith.

As a result the Noteholders are relying on the business judgment and practices of the Servicer as they exist from time to time, including enforcing claims against the Borrowers. Such procedures may change over time and no assurance can be given that such changes will not have an adverse effect on the Issuer's ability to make payments on the Notes.

In order to mitigate this risk, the Servicer is required to follow its collection practices, policies and procedures, being those practices, policies and procedures used by the Servicer with respect to comparable consumer credit receivables that it services for itself.

### 3.12 Authorised Investments

The temporary available funds standing to the credit of the Issuer Bank Accounts (prior to their allocation and distribution) may be invested by the Management Company in Authorised Investments. The value of the Authorised Investments may fluctuate depending on the financial markets and the Issuer may be exposed to a credit risk in relation with the issuers of such Authorised Investments. None of the Management Company or the Custodian will guarantee the market value of the Authorised Investments. The Management Company and the Custodian shall not be liable if the market value of any of the Authorised Investments fluctuates and decreases.

### 3.13 Historical Information

The historical, financial and other information set out in section "HISTORICAL INFORMATION DATA" represents the historical experience of the Seller. There can be no assurance that the future experience and performance of the Purchased Home Loan Receivables will be similar to the experience shown in this section.

### 3.14 Projections, Forecasts and Estimates

Any projections, forecasts and estimates contained herein are forward-looking statements and are necessarily speculative in nature. It can be expected that some or all of the assumptions underlying such projections will not materialise or will vary significantly from actual results. No reliable sources of statistical information exist with respect to the future default rates for the Purchased Home Loan Receivables. The historical performance of similar obligations is not necessarily indicative of its future performance.

Estimates of the weighted average lives of the Listed Notes included in the section "WEIGHTED AVERAGE LIVES OF THE LISTED NOTES AND ASSUMPTIONS" herein, together with any other projections, forecasts and estimates in this Prospectus are forward looking statements. Such projections are speculative in nature and it can be expected that some or all of the assumptions underlying the projections will not prove to be wholly correct or will vary from actual results. Consequently, the actual results might differ from the projections and such differences might be significant.

The financial and other information set out in the section "The Seller" represents the historical experience of the Seller. None of the Joint Arrangers, the Joint Lead Managers or any Transaction Party has undertaken or will undertake any investigation or review of, or search to verify the historical information. There is no assurance that the future experience and performance of the Purchased Home

Loan Receivables, the Issuer or the Seller in its capacity as Servicer will be similar to the historical experience described in this Prospectus.

### 3.15 French Banking Secrecy and General Data Protection Regulations

According to Article L. 511-33 of the French Monetary and Financial Code, any credit institution operating in France is required to keep confidential all customer's related facts and information which it receives in the course of its business relationship (including in connection with the entry into a loan agreement) (the "**Protected Data**"). However, Article L. 511-33 of the French Monetary and Financial Code also provides for certain exceptions to this principle, in particular, credit institutions are allowed to transfer information covered by the banking secrecy to third parties in a limited number of cases, among which for the purpose of a transfer of receivables, *provided* that such third party shall keep the relevant information confidential. Accordingly, the rules applicable to banking secrecy would not prevent the Seller to transfer the Protected Data in connection with the transaction contemplated by the Transaction Documents.

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, Regulation 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).

The General Data Protection Regulation is directly applicable in France since May 2018. Pursuant to the General Data Protection Regulation, a transfer of a customer's personal data is permitted if (a) the data subject has given consent to the processing of his or her personal data for one or more specific purposes or (b) processing is necessary for the performance of a contract to which the data subject is party or in order to take steps at the request of the data subject prior to entering into a contract or (c) processing is necessary for compliance with a legal obligation to which the controller is subject or (d) processing is necessary in order to protect the vital interests of the data subject or of another natural person or (e) processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the controller or (f) processing is necessary for the purposes of the legitimate interests pursued by the controller or by a third party, except where such interests are overridden by the interests or fundamental rights and freedoms of the data subject which require protection of personal data, provided paragraph (f) will not apply to processing carried out by public authorities in the performance of their tasks.

The GDPR provides for significant fines in case of breach, which can attain EUR 20,000,000 or 4% of the global annual turnover, whichever the greater.

The GDPR is directly applicable in France since May 2018. Pursuant to the GDPR, a transfer of a customer's personal data is lawful, if, among other requirements, one of the following conditions applies: (a) the data subject has given consent to the processing of his or her personal data for one or more specific purposes or (b) processing is necessary for the performance of a contract to which the data subject is party or in order to take steps at the request of the data subject prior to entering into a contract or (c) processing is necessary for compliance with a legal obligation to which the controller is

subject or (d) processing is necessary in order to protect the vital interests of the data subject or of another natural person or (e) processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the controller or (f) processing is necessary for the purposes of the legitimate interests pursued by the controller or by a third party, except where such interests are overridden by the interests or fundamental rights and freedoms of the data subject which require protection of personal data. Condition (f) will not apply to processing carried out by public authorities in the performance of their tasks.

The question whether in the event of the assignment of a receivables the transfer of the name and address of the relevant debtor to the assignee, even in encrypted form, is justified by the interests of the assignor, or whether the assignor must notify the debtors of such assignment, has not yet been finally answered in legal literature or case law. In addition, there is no jurisprudence or publication from a court or other competent authority available confirming the traditional view on the manner and procedures for an assignment of loan receivables to be in compliance with, or the consequences of a violation of, the General Data Protection Regulation.

In order to take these principles into account, the Management Company has appointed the Data Protection Agent. There is, however, no jurisprudence or publication from a court or other competent authority available confirming the traditional view on the manner and procedures for an assignment of loan receivables to be in compliance with, or the consequences of a violation of, the General Data Protection Regulation. Therefore, at this point there remains some uncertainty to predict the potential impact on the transactions described in this Prospectus.

However, those requirements do not apply to the collection and processing of anonymised data. In this respect, pursuant to the Data Protection Agency Agreement, personal data regarding the Borrowers will be set out under encoded files. Pursuant to the Data Protection Agency Agreement, the Decryption Key to decrypt such encoded documents will be delivered by the Servicer to the Data Protection Agent on or prior to the Closing Date and will only be released to the Management Company or the person designated so by it upon the occurrence of a Borrower Notification Event. Upon the Issuer becoming in a position to have access to any personal data relating to the Borrowers, the Issuer, as a data controller, will have to comply with the requirements of the Data Protection Requirements.

The efficiency of the arrangements set out in the Data Protection Agency Agreement shall depend on the fact that the encryption of the data delivered to the Management Company will anonymise such personal data. In particular the conditions of compliance of the processing of certain personal data of the relevant debtor question in the event of the assignment of receivables, whether in encrypted form or not, and in particular, the legal bases and the notification, if any, of such processing to the debtors of such receivables, has not yet been finally answered in legal literature or case law. In addition, there is no case law or publication from a French court or other competent authority available explaining or confirming the manner and procedures for an assignment of loan receivables to be in compliance with, or the consequences of a violation of, the applicable Data Protection Requirements. The efficiency of the arrangements set out in the Data Protection Agency Agreement shall depend on the fact that the encryption of the data delivered to the Management Company guarantees that such personal data cannot be attributed to any identified or identifiable natural person by the Management Company.

Furthermore, as long as the personal data relating to Borrowers are encrypted (in which case, the Issuer (acting through its Management Company) does not have the ability to identify the Borrowers), there are some arguments, on the basis of article 14(5) of the GDPR, to support the view that the Issuer (acting through its Management Company) does not have to notify the data subjects of the processing it conducts on their personal data.

However, there is no case law or publication from a court or other competent authority available confirming the above and the traditional view on the manner and procedures for the processing of personal data that underlay an assignment of home loan receivables to be in compliance with the GDPR. Therefore, certain aspects of the implementation of the Data Protection Requirements in the context of securitisation transactions remain unclear and subject to interpretation and it cannot be excluded that some of the parties to the securitisation transaction may have to take further steps to

comply with the Data Protection Requirements which may result in the need to amend the provisions of certain Transaction Documents in the future.

### 3.16 Ability to obtain the Decryption Key

For the purpose of accessing the encrypted data provided by the Seller to the Management Company and notifying the Borrowers (as the case may be), the Management Company (or any person appointed by it) will need the Decryption Key, which will not be in its possession but under the control of the Data Protection Agent, in its capacity as holder of the Decryption Key (to the extent it has not been replaced) pursuant to the Data Protection Agency Agreement. However, the Management Company might not be able to obtain such data in a timely manner as a result of which the notification of the Borrower may be considerably delayed. Until such notification has occurred, the Borrowers may pay with discharging effect to the Seller or enter into any other transaction with regard to the Purchased Home Loan Receivables. Accordingly, there cannot be any assurance, in particular, as to:

(a) the possibility to obtain in practice such Decryption Key and to read the relevant data; and

(b) the ability in practice 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 Purchased Home Loan Receivables become due and payable (and to give the appropriate payment instructions to the Borrowers).

### 3.17 Liquidation of the Issuer

There is no assurance that the market value of the Purchased Home Loan Receivables will at any time be equal to or greater than the Principal Amount Outstanding of the Notes then outstanding plus the accrued interest thereon. Moreover, in the event of an early liquidation of the Issuer, the Management Company, the Custodian and any relevant parties to the Transaction Documents will be entitled to receive the Repurchase Price to the extent of unpaid fees and expenses and other amounts owing to such parties prior to any distributions due to the holders of the Notes, in accordance with the application of the Accelerated Priority of Payments.

No provision of the Transaction Documents shall require automatic liquidation of the Purchased Home Loan Receivables at market value.

## 4. TAX CONSIDERATIONS

### 4.1 General

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

### 4.2 Withholding and No Additional Payment

All payments of principal and/or interest and other assimilated revenues in respect of the Notes will be subject to any applicable tax law in the relevant jurisdiction. Payments of principal, interest and other assimilated revenues in respect of the Notes shall be made net of any withholding tax (if any) applicable to the Notes in the relevant state or jurisdiction, and the Issuer, the Management Company, the Custodian, each Hedge Counterparty or the Paying Agent shall not be under any obligation to gross up such amounts as a consequence or otherwise compensate the Noteholders for the lesser amounts the Noteholders will receive as a result of such withholding or deduction. Any such imposition of withholding taxes will result in the Noteholders receiving a lesser amount in respect of

the payments on the Notes. The ratings to be assigned by the Rating Agencies will not address the likelihood of the imposition of withholding taxes (see "TERMS AND CONDITIONS OF THE NOTES – Condition 9 (*Taxation*)").

If the Issuer is required at any time to deduct or withhold any amount for or on account of any tax from any sum payable by the Issuer, under each Hedge Agreement, the Issuer shall not be obliged to pay to the relevant Hedge Counterparty any such additional amount.

If a Hedge Counterparty is required at any time to deduct or withhold any amount for or on account of any tax from any sum payable to the Issuer under the relevant Hedge Agreements such Hedge Counterparty shall at the same time pay such additional amount as is necessary to ensure that the Issuer will be paid an amount equal to the Hedge Net Amount, it would have been paid in the absence of any deduction or withholding.

### 4.3 U.S. Foreign Account Tax Compliance Act Withholding

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 has been phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017. Withholding on foreign passthru payments could potentially apply to payments in respect of (i) any Notes of any Class 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 on or 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 in the Federal Register and (ii) any 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 an IGA signatory country could be treated as a non-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) (any such withholding being "**FATCA Withholding**") from payments it makes. On 14 November 2013, the United States of America and France signed an IGA largely based on the Model 1 IGA and that IGA was adopted by the French *Assemblée Nationale* on 18 September 2014.

A law no. 2014-1098 dated 29 September 2014 which authorises the approval of the agreement between France and the United States of America in order to improve international tax compliance and to implement the law relating to tax requirements for foreign accounts (FATCA) executed in Paris on 14 November 2013 (*loi autorisant l'approbation de l'accord entre le Gouvernement de la République française et le Gouvernement des Etats-Unis d'Amérique en vue d'améliorer le respect des obligations fiscales à l'échelle internationale et de mettre en œuvre la loi relative au respect des obligations fiscales concernant les comptes étrangers (dite « loi FATCA »)*) has been published on 30 September 2014. A decree no°2015-1 dated 2 January 2015 relating to the publication of the agreement between France and the United States of America in order to improve international tax compliance and to implement the law relating to tax requirements for foreign accounts (FATCA) executed in Paris on 14 November 2013 (*décret n° 2015-1 du 2 janvier 2015 portant publication de l'accord entre le Gouvernement de la République française et le Gouvernement des Etats-Unis d'Amérique en vue d'améliorer le respect des obligations fiscales à l'échelle internationale et de mettre en œuvre la loi relative au respect des obligations fiscales concernant les comptes étrangers (dite « loi FATCA »)*) has been published on 3 January 2015.

The Issuer may be classified as an FFI and a "Financial Institution" under the IGA between the United States and France. It is expected to comply with French regulations implementing the IGA and therefore expects to be a Reporting FI. As such the Issuer does not expect to suffer any FATCA Withholding on payments it receives or to be required to make any FATCA Withholding with respect to payments on the Notes of any Class.

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 Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Under the IGA, as currently drafted, the Issuer does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA.

**FATCA is particularly complex. The above description is based in part on final regulations, official guidance and IGAs, however, a substantial portion of this legislation is still uncertain and its application in practice is not known at this time. 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 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.**

## 5. REGULATORY ASPECTS AND OTHER CONSIDERATIONS AND RISK FACTORS

### 5.1 Change of Law and/or Regulatory, Accounting and/or Administrative Practices

The structure of the securitisation transaction described in this Prospectus and the issue of the Notes by the Issuer and the ratings which are to be assigned to the Listed Notes 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. Likewise the terms and conditions of each Class of Listed 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.

### 5.2 Eurosystem monetary policy operations

It is intended that the Class A Notes will constitute eligible collateral for Eurosystem monetary policy operations.

No assurance can be given that the Class A Notes will be recognised as eligible collateral to the Eurosystem monetary policy operations either upon issuance or at any or all times until the Final Maturity Date. Such recognition will, inter alia, depend upon the European Central Bank being satisfied that the Eurosystem eligibility criteria set out in the European Central Bank Guideline (ECB/2015/510) of 19 December 2014 (as amended) have been met. 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 to be non-eligible to the Eurosystem monetary policy operations.

None of the Joint Arrangers, the Joint Lead Managers, any of the Transaction Parties nor any of their respective affiliates nor any other parties gives any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or at all times before the redemption in full, satisfy all requirements for Eurosystem eligibility and be recognised as Eurosystem 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 constitute Eurosystem eligible collateral.

The Governing Council of the European Central Bank decided in December 2010 to implement loan-level data reporting requirements for asset-backed securities as part of the Eurosystem's collateral framework. It has been agreed in Servicing Agreement that the Servicer shall ensure that such loan-level data is made available starting on or about the Closing Date on the website of the European DataWarehouse, for as long as such requirement is effective and to the extent it has such information available. 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.

### 5.3 Securitisation Regulation

The Securitisation Regulation has been published on 28 December 2017 in the Official Journal of the European Union and applies to new note issuances since 1st January 2019. The Securitisation 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*".

The securitisation transaction described in this Prospectus is intended to qualify as an STS-securitisation within the meaning of Article 18 (*Use of the designation 'simple, transparent and standardised securitisation'*) of the Securitisation Regulation. Consequently, the securitisation transaction described in this Prospectus is intended to meet, on the date of this Prospectus, the requirements of Articles 19 to 22 of the Securitisation Regulation and has been notified by the Seller, as originator, to be included in the list published by ESMA referred to in Article 27(5) of the Securitisation Regulation.

No assurance can be provided that the securitisation transaction described in this Prospectus does or continues to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future.

### 5.4 Reliance on verification by PCS

The Seller, as originator, and the Issuer have used the service of Prime Collateralised Securities (PCS) EU SAS ("**PCS**") which is authorised by the *Autorité des Marchés Financiers* as a third-party verification agent, pursuant to Article 28 (*Third party verifying STS compliance*) of the Securitisation Regulation, to verify whether the securitisation transaction described in this Prospectus complies with Articles 19 to 22 of the Securitisation Regulation and the compliance with such requirements is expected to be verified by PCS on the Closing Date.

However, none of the Issuer, CIFD (in its capacity as the Seller and the Servicer), the Reporting Entity and the Joint Arrangers or the Joint Lead Manangers gives any explicit or implied representation or warranty as to (i) inclusion in the list administered by ESMA within the meaning of article 27 (*STS notification requirements*) of the Securitisation Regulation, (ii) that the securitisation transaction described in this Prospectus does or continues to comply with the Securitisation Regulation, (iii) that this securitisation transaction does or continues to be recognised or designated as 'STS' or 'simple, transparent and standardised' within the meaning of Article 18 (*Use of the designation 'simple, transparent and standardised securitisation'*) of the Securitisation Regulation after the date of this Prospectus.

The verification by PCS does not affect the liability of the Seller, as originator and the Issuer, as SSPE in respect of their legal obligations under the Securitisation Regulation. Furthermore, the use of such verification by PCS shall not affect the obligations imposed on institutional investors as set out in Article 5 (*Due-diligence requirements for institutional investors*) of the Securitisation Regulation. Notwithstanding PCS' verification of compliance of a securitisation with Articles 19 to 22 of the Securitisation Regulation, such verification by PCS does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation. A verification does not remove the obligation placed on investors to assess whether a securitisation labelled as 'STS' or 'simple, transparent and standardised' has actually satisfied the criteria. Investors must not solely or mechanistically rely on any STS notification or PCS' verification to this extent.

The Seller, as originator, will include in its notification pursuant to Article 27(1) of the Securitisation Regulation, a statement that compliance of the securitisation described in this Prospectus with Articles 19 to 22 of the Securitisation Regulation has been verified by PCS.

The designation of the securitisation transaction described in this Prospectus as an STS-securitisation is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under MiFID II and it is not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended).

By designating the securitisation transaction described in this Prospectus as an STS-securitisation, no views are expressed about the creditworthiness of the Listed Notes or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for the Listed Notes.

**5.5 Risks relating to benchmarks and future discontinuance of Euribor and any other benchmark may adversely affect the value of the Listed Notes which reference Euribor**

Various benchmarks (including interest rate benchmarks such as Euribor and EONIA) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective such as the Benchmark Regulation, whilst others are still to be implemented. Further to these reforms, a transitioning away from the IBORs to 'risk-free rates' is expected. An example of such a rate is the euro short-term rate ("**€STR**") being developed by the ECB's Governing Council, which is a rate based on transaction data available to the Eurosystem. €STR will reflect the wholesale euro unsecured overnight borrowing costs of euro area banks and will complement existing benchmark rates produced by the private sector, serving as a backstop reference rate. The interest payable on the Listed Notes will be determined by reference to Euribor.

Under the Benchmark Regulation, new requirements apply with respect to the provision of a wide range of benchmarks (including Euribor), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmark Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevent certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

These reforms and other pressures (including from regulatory authorities) may cause one or more benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted. Moreover, any significant change to the setting or existence of Euribor or any other relevant benchmark could affect the ability of the Issuer to meet its obligations under the Listed Notes and could have a material adverse effect on the value or liquidity of, and amounts payable under, the Listed Notes.

Investors should note the various circumstances in which a modification may be made to the Conditions of the Notes, the Hedge Agreements or any other Transaction Documents for the purpose of changing the base rate or such other related or consequential amendments as are necessary to facilitate such change (a "**Base Rate Modification**"). These circumstances broadly relate to the disruption, discontinuation or cessation of EURIBOR, but also specifically include, *inter alia*, any

public statements by the EURIBOR administrator or certain regulatory bodies that EURIBOR will be discontinued or may no longer be used, and a Base Rate Modification may also be made if the Management Company reasonably expects any of these events to occur within six months of the proposed effective date of the Base Rate Modification, subject to certain conditions. There can be no assurance that any such amendment will mitigate the interest rate risk or result in an effective replacement methodology for determining the reference rate on the Listed Notes. Investors should note that the Management Company shall be obliged, without any consent or sanction of the Listed Noteholders, to proceed with any modification (other than in respect of a Basic Terms Modification) to the Conditions and/or any Transaction Document that the Issuer considers necessary or as proposed by the Hedge Counterparty for the purpose of changing the screen rate or the base rate that then applies in respect of the Listed Notes and the Hedge Agreements as adjusted to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value as a result of such replacement by taking into account any Adjustment Spread and making such other related or consequential amendments as are necessary or advisable to facilitate such change.

If Listed Noteholders of any Class representing at least ten (10) per cent. of the aggregate Principal Amount Outstanding of any Class of Listed Notes then outstanding have notified the Management Company (acting on behalf of the Issuer) or the Paying Agent in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Listed Notes may be held) within the notification period referred to above that they do not consent to the proposed Base Rate Modification, then such modification will not be made unless an Extraordinary Resolution of the holders of any Class of Listed Notes then outstanding is passed in favour of such modification in accordance with Condition 11 (*Meetings of Listed Noteholders*) provided that objections made in writing to the Issuer other than through the applicable clearing system must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Listed Noteholder's holding of any Class of Listed Notes.

For further details see Condition 12(c) (*Additional Right of Modification without Noteholders' consent in relation to EURIBOR Discontinuation or Cessation*).

Any of the above matters (including an amendment to change the base rate) or any other significant change to the setting or existence of EURIBOR could affect the ability of the Issuer to meet its obligations under the Listed Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Listed Notes. Changes in the manner of administration of EURIBOR could result in amendments to the Conditions of the Notes and the Hedge Agreements in line with Condition 12(c) (*Additional Right of Modification without Noteholders' consent in relation to EURIBOR Discontinuation or Cessation*) of the Notes. No assurance may be provided that relevant changes will not be made to EURIBOR or any other relevant benchmark rate and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Listed Notes. Any such consequences could have adverse effect on the marketability of, and return on, such Listed Notes.

### 5.6 European Market Infrastructure Regulation

The Issuer will be entering into swap transactions. EMIR and its various delegated regulations and technical standards impose a range of obligations on parties to "over-the-counter" ("**OTC**") derivative contracts according to whether they are "financial counterparties" such as investment firms, alternative investment funds, credit institutions and insurance companies, or other entities which are "non-financial counterparties" (or third country entities equivalent to "financial counterparties" or "non-financial counterparties").

Financial counterparties (as defined in EMIR) will be subject to a general obligation to clear through a duly authorised or recognised central counterparty (the "**clearing obligation**") all "eligible" OTC derivative contracts entered into with other counterparties subject to the clearing obligation. They must also report the details of all derivative contracts to a trade repository (the "**reporting obligation**") (in which respect the Issuer may appoint one or more reporting delegates) and undertake certain risk mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty such as timely confirmation of terms, portfolio reconciliation and compression

and the implementation of dispute resolution procedures (the "**risk mitigation obligations**"). Non cleared OTC derivatives entered into by financial counterparties must also be marked to market and collateral must be exchanged (the "**margin requirement**"). To the extent that the Issuer becomes a financial counterparty, this may lead to a termination of the Hedge Agreements.

Non-financial counterparties (as defined in EMIR) are exempted from the clearing obligation and certain additional risk mitigation obligations (such as the posting of collateral) provided the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial entities within its "group" (as defined in EMIR), excluding eligible hedging transactions, does not exceed certain thresholds (per asset class of OTC derivatives). If the Issuer is considered to be a member of a "group" (as defined in EMIR) and if the aggregate notional value of OTC derivative contracts entered into by the Issuer and any non-financial entities within such group exceeds the applicable thresholds, the Issuer would be subject to the clearing obligation or, if the relevant contract is not a type required to be cleared, to the risk mitigation obligations, including the margin requirement.

If the Issuer exceeds the applicable thresholds and its swaps become subject to mandatory clearing, this may lead to a termination of the Hedge Agreements. Additionally, if the Issuer becomes subject to the clearing obligation or the margin requirement, it is unlikely that it would be able to comply with such requirements, which would adversely affect the Issuer's ability to hedge its interest rate risk. As a result of such increased costs, additional regulatory requirements and limitations on ability of the Issuer to hedge interest rate risk, the amounts payable to holders of the Listed Notes may be negatively affected.

In respect of the reporting obligation, the Issuer has delegated such reporting to each Hedge Counterparty. Pursuant to article 12(3) of EMIR any failure by a party to comply with the rules under Title II of EMIR should not make the Hedge Agreements invalid or unenforceable. However, if any party fails to comply with the rules under EMIR it may be liable for a fine. If such a fine is imposed on the Issuer, the Issuer may have insufficient funds to pay its liabilities in full.

Investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR in making any investment decision in respect of the Listed Notes.

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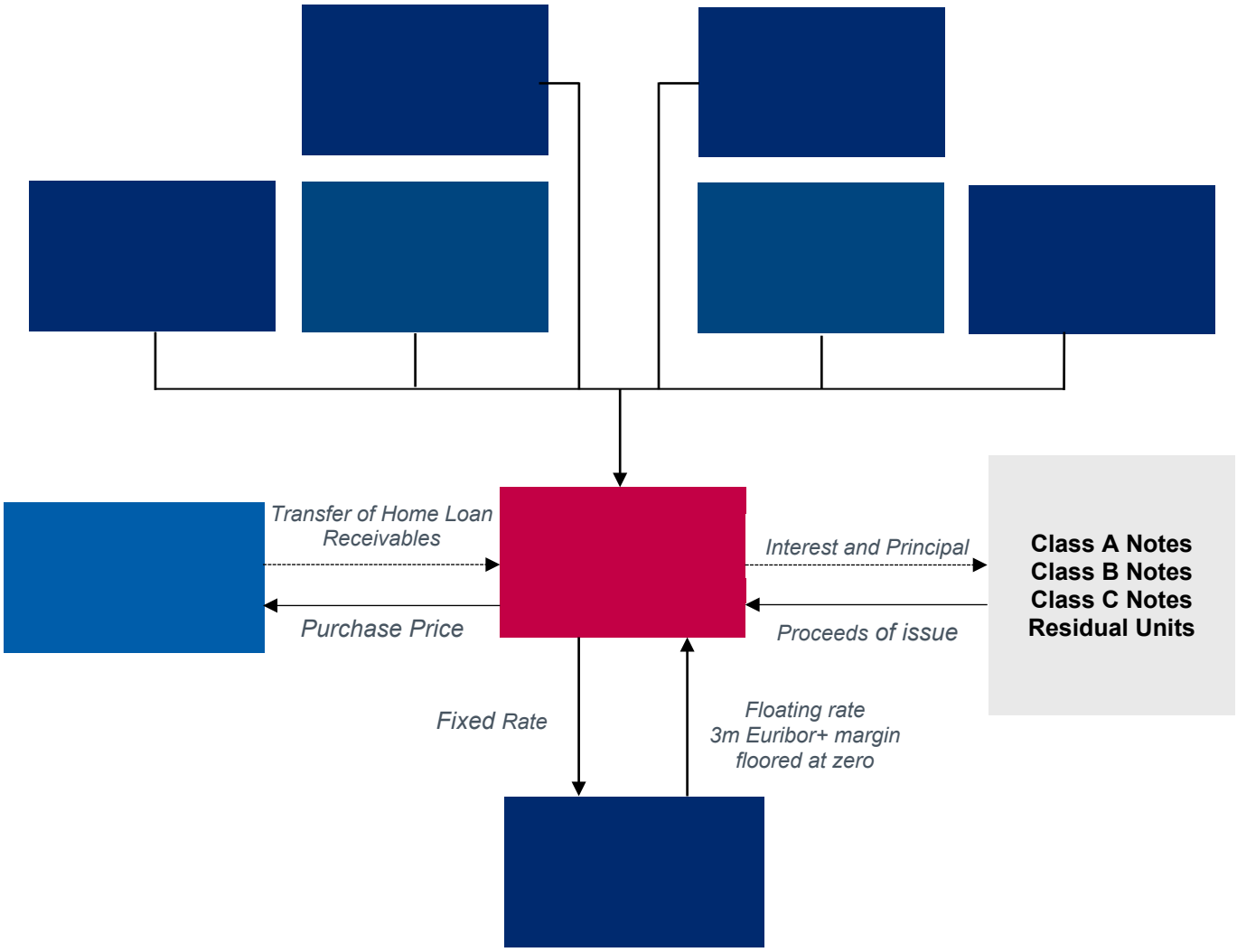
*The Management Company and the Custodian believe that the risks described above are the principal risks inherent in the transaction for Listed Noteholders as at the date of this Prospectus, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Listed Notes may occur for other reasons and neither the Management Company nor the Custodian represent that the above statements regarding the risks relating to the Listed Notes are exhaustive. Although the Management Company and the Custodian believe that the various structural elements described in this Prospectus lessen some of these risks for Listed Noteholders, there can be no assurance that these measures will be sufficient to ensure payment to Listed Noteholders of interest, principal or any other amounts on or in connection with the Listed Notes on a timely basis or at all.*

## TRANSACTION STRUCTURAL DIAGRAM



## AVAILABLE INFORMATION

The Issuer is subject to the informational requirements of Article L. 214-171 and Article L. 214-175 of the French Monetary and Financial Code and the applicable provisions of the AMF General Regulations as set out in section "Information relating to the Issuer".

## SECURITISATION REGULATION

Information shall be made available to the holders of the Listed Notes, to the competent authorities referred to in Article 29 (*Designation of competent authorities*) of the Securitisation Regulation and, upon request, to potential investors pursuant to Article 7 (*Transparency requirements for originators, sponsors and SSPEs*) of the Securitisation Regulation is set out in "Securitisation Regulation Compliance".

## ISSUER REGULATIONS

By subscribing to or purchasing a Listed Note issued by the Issuer, each holder of such Listed Note agrees to be bound by the Issuer Regulations dated 30 October 2019 entered into between the Custodian and the Management Company. 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 as from the date of distribution of this Prospectus. Electronic copies of the Issuer Regulations will be available on the website of the Management Company (www.eurotitrisation.fr).

## ABOUT THIS PROSPECTUS

In deciding whether to purchase any Class of Listed Notes offered by this Prospectus, investors should rely only on the information contained in this Prospectus. None of the Issuer, the Management Company, the Custodian, the Joint Arrangers or the Joint Lead Managers have authorised any other person to provide investors with different information. In addition, investors should assume that the information contained in this Prospectus is accurate only as of the date of such information, regardless of the time of delivery of this Prospectus or any sale of Listed Notes offered by this Prospectus.

In making their investment decision regarding the Listed Notes, investors must rely on their own examination of the Issuer and the terms of the offering, including the merits and risks involved. In determining whether to purchase any of the Listed Notes, prospective investors should rely only on the information in this Prospectus and any information that has been incorporated into this Prospectus by reference. Investors should not rely on information that may be given by a third party. It may not be reliable.

## FORWARD-LOOKING STATEMENTS AND STATISTICAL INFORMATION

Certain matters contained in this Prospectus are forward-looking statements. Such statements appear in a number of places in this Prospectus, including, but not limited to, statements made in section "Risk Factors", with respect to assumptions on prepayment and certain other characteristics of the Purchased Home Loan Receivables, and reflect significant assumptions and subjective judgements by the Issuer that may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans" or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and regulatory changes.

This Prospectus also contains certain tables and other statistical data (the "**Statistical Information**"). Numerous assumptions have been used in preparing the Statistical Information, which may or may not be reflected in the material. As such, no assurance can be given as to the Statistical Information's accuracy, appropriateness or completeness in any particular context, or as to whether the Statistical Information and/or the assumptions upon which they are based reflect present market conditions or future market performance. The Statistical Information should not be construed as either projections or predictions or as legal, tax, financial or accounting advice. The average life of or the potential yields on the Listed Notes cannot be predicted, because the actual rate of repayment on the underlying assets, as well as a number of other relevant factors, cannot be determined. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Listed Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond

the control of the Issuer. No assurance can be given that the assumptions on which the possible average lives of or yields on the securities are made will prove to be realistic. Neither the Joint Arrangers, the Joint Lead Managers nor the Transaction Parties has attempted to verify any forward-looking statements or Statistical Information, nor does it make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements or Statistical Information. None of the Joint Arrangers, the Joint Lead Managers nor the Transaction Parties assumes any obligation to update these forward-looking statements or Statistical Information or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements or Statistical Information, as applicable.

## INTERPRETATION

Certain figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

## NO STABILISATION

In connection with the issue of the Listed Notes, no stabilisation will take place and none of the Joint Arrangers or the Joint Lead Managers will be acting as stabilising manager in respect of the Listed Notes.

## FULL CAPITAL STRUCTURE OF THE NOTES

*Please refer to the section entitled "Terms and Conditions of the Notes" for further detail in respect of the terms of the Notes.*

| | **Class A Notes** | **Class B Notes** | **Class C Notes** |
|---|---|---|---|
| Currency | Euro | Euro | Euro |
| Initial Principal Amount | 650,000,000 | 24,800,000 | 35,600,000 |
| Issue Price | 101.208% | 100% | 100% |
| Interest Rate (1)(2)(6) | Three-month Euribor + 0.70% | Three-month Euribor + 0.95% | 2.50% |
| Subordinated Step-up Consideration following First Optional Redemption Date | an amount equal to the Principal Amount Outstanding of the Class A Notes multiplied by the Class A Subordinated Step-up Margin | an amount equal to the Principal Amount Outstanding of the Class B Notes multiplied by the Class B Subordinated Step-up Margin | N/A |
| Subordinated Step-up Margin | 0.70% | 0.475% | N/A |
| Frequency of payments of interest (3) | Quarterly | Quarterly | Quarterly |
| Frequency of payments of principal (4) | Quarterly | Quarterly | Quarterly |
| Redemption Profile during the Normal Amortisation Period | Sequential redemption subject to and in accordance with the Principal Priority of Payments | Sequential redemption subject to and in accordance with the Principal Priority of Payments | Sequential redemption subject to and in accordance with the Principal Priority of Payments |
| Redemption Profile during the Accelerated Amortisation Period | Sequential redemption subject to and in accordance with the Accelerated Priority of Payments | Sequential redemption subject to and in accordance with the Accelerated Priority of Payments | Sequential redemption subject to and in accordance with the Accelerated Priority of Payments |
| Payment Dates (5) | 27th day of each month | 27th day of each month | 27th day of each month |
| First Payment Date (5) | 27 February 2020 | 27 February 2020 | 27 February 2020 |
| First Optional Redemption Date | 27 November 2024 | 27 November 2024 | 27 November 2024 |
| Interest Accrual Method | Day Count Fraction (Actual/360) | Day Count Fraction (Actual/360) | Day Count Fraction (Actual/365) |
| Final Maturity Date | 27 November 2062 | 27 November 2062 | 27 November 2062 |
| Denomination | €100,000 | €100,000 | €100,000 |
| Credit Enhancement and Liquidity Support | Subordination of the Class B Notes and the Class C Notes. Subordination in payment of interest of the Class B Notes and the Class C Notes, Liquidity Reserve Deposit.<br><br>In addition, the right of payment of the Class A Notes Subordinated Step-up Consideration, unless an | Subordination of Class C Notes. Subordination in payment of interest of the Class C Notes, Liquidity Reserve Deposit.<br><br>In addition, the right of payment of the Class B Notes Subordinated Step-up Consideration, unless an Accelerated Amortisation Event | N/A |

| | Class A Notes | Class B Notes | Class C Notes |
|---|---|---|---|
| | Accelerated Amortisation Event has occurred is subordinated to the right of certain other payments including the interest on the Notes, if any. | has occurred is subordinated to the right of certain other payments including the interest on the Notes, if any. | |
| Rating of Fitch at closing (7) | AAAsf | A+sf | N/A |
| Rating of Moody's at closing (7) | Aaa(sf) | A3(sf) | N/A |
| Form of the Notes at closing | Bearer | Bearer | Registered |
| Application for Listing | Euronext Paris | Euronext Paris | N/A |
| Clearing | Euroclear France and Clearstream | Euroclear France and Clearstream | N/A |
| Common Code | 206069651 | 206069759 | N/A |
| ISIN | FR0013449626 | FR0013449683 | N/A |
| Governing Law | French law | French law | French law |

(1) The rate of interest payable on each respective Class of Listed Notes and each accrual period will be based on a per annum rate equal to EURIBOR for three (3) month plus a Relevant Margin subject to a floor at 0.00 per cent. per annum as described above.
(2) "Three month euribor" means Euribor for three (3) month Euro deposits.
(3) Subject to and in accordance with the Interest Priority of Payments during the Normal Amortisation Period and subject to and in accordance with the Accelerated Priority of Payments during the Accelerated Amortisation Period.
(4) Subject to and in accordance with the Principal Priority of Payments during the Normal Amortisation Period and subject to and in accordance with the Accelerated Priority of Payments during the Accelerated Amortisation Period.
(5) Subject to adjustment for non-business days in accordance with the Modified Following Business Day Convention.
(6) As of the Closing Date, the Applicable Reference Rate will be Euribor for three (3) month. Euribor may be replaced in accordance with Condition 12(c) of the Notes.
(7) The credit ratings of the Listed Notes do not address the likelihood of payment of the Subordinated Step-up Consideration in respect of any of the Class A Notes and Class B Notes.

## OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

*Please refer to the section entitled "Terms and Conditions of the Notes" for further detail in respect of the terms of the Notes.*

**Issuance of the Notes**

On the Closing Date the Issuer shall issue the Class A Notes, the Class B Notes and the Class C Notes (the "**Notes**") (see "GENERAL DESCRIPTION OF THE NOTES" and "TERMS AND CONDITIONS OF THE NOTES").

**Form and Denomination of the Notes and the Residual Units**

***Class A Notes***

The EUR 650,000,000 Class A Asset Backed Floating Rate Notes due 27 November 2062 (the "**Class A Notes**") to be issued by the Issuer on the Issue Date at a price of 101.208 per cent. of their initial principal amount (the "**Class A Notes Initial Principal Amount**").

***Class B Notes***

The EUR 24,800,000 Class B Asset Backed Floating Rate Notes due 27 November 2062 (the "**Class B Notes**") to be issued by the Issuer on the Issue Date at a price of 100 per cent. of their initial principal amount (the "**Class B Notes Initial Principal Amount**").

***Class C Notes***

The EUR 35,600,000 Class C Asset Backed Fixed Rate Notes due 27 November 2062 (the "**Class C Notes**") to be issued by the Issuer on the Issue Date at a price of 100 per cent. of their initial principal amount (the "**Class C Notes Initial Principal Amount**").

***Units***

The EUR 3,624 Asset Backed Residual Units due 27 November 2062 (the "**Residual Units**") to be issued by the Issuer on the Issue Date at a price of 100 per cent. of their initial principal amount. The Residual Units will only receive payment of interest, in accordance with the applicable Priority of Payments and shall be redeemed in full to the extent of the Issuer Liquidation Surplus on the Issuer Liquidation Date.

**Status and Ranking**

***General***

All of the Class A Notes are entitled to receive payments *pari passu* among themselves, all of the Class B Notes are entitled to receive payments *pari passu* among themselves and all of the Class C Notes are entitled to receive payments *pari passu* among themselves in accordance with the Principal Priority of Payments before the occurrence of an Accelerated Amortisation Event and in accordance with the Accelerated Priority of Payments after the occurrence of an Accelerated Amortisation Event.

Subject to and in accordance with the Conditions and the Issuer Regulations, the Notes within each Class will rank *pari passu* and rateably without any preference or priority among themselves as to payments of interest and principal at all times, *provided that*:

***Class A Notes***

The Class B Notes and the Class C Notes are subordinated to the Class A Notes as to payments of interest and principal at all times.

The obligation of the Issuer to pay the Class A Notes Subordinated Step-up Consideration, unless an Accelerated Amortisation Event has occurred, is

| | |
|---|---|
| | subordinated to payments of a higher order of priority including, but not limited to, payments of principal and interest on the Class A Notes, the Class B Notes and the Class C Notes in accordance with the Interest Priority of Payments.<br><br>***Class B Notes***<br><br>The Class B Notes rank junior to the Class A Notes and senior to the Class C Notes, as provided in the Conditions and the Issuer Regulations.<br><br>The obligation of the Issuer to pay the Class B Notes Subordinated Step-up Consideration, unless an Accelerated Amortisation Event has occurred, is subordinated to payments of a higher order of priority including, but not limited to, payments of principal and interest on the Class A Notes, the Class B Notes and the Class C Notes in accordance with the Interest Priority of Payments.<br><br>***Class C Notes***<br><br>The Class C Notes rank junior to the Class A Notes and the Class B Notes and senior to the Residual Units as provided in the Conditions and the Issuer Regulations.<br><br>***Residual Units***<br><br>All payments on the Residual Units shall always be subordinated to all payments on the Notes. |
| **Proceeds of the Notes** | EUR 710,400,000 (excluding the Class A Notes Issuance Premium). |
| **Proceeds of the Residual Units** | EUR 3,624. |
| **Issue Date** | 4 November 2019. |
| **Use of Proceeds** | The proceeds of the issue of the Notes (excluding the Class A Notes Issuance Premium) and of the Residual Units on the Closing Date will be applied by the Management Company, acting for and on behalf of the Issuer, in meeting the Purchase Price to be paid by the Issuer in consideration for the purchase Home Loan Receivables and their Ancillary Rights from the Seller on the Closing Date pursuant to the Home Loan Receivables Transfer Agreement. |
| **Rate of Interest with respect to the Notes** | The rate of interest in respect of each Class of Notes shall be determined by the Management Company in respect of each Interest Period.<br><br>***Class A Notes***<br><br>The Class A Notes bear interest on their Principal Amount Outstanding at an annual interest rate equal to the aggregate of three-month Euribor plus the Relevant Margin subject to a floor at 0.00 per cent. per annum (the "**Class A Notes Interest Rate**").<br><br>***Class B Notes***<br><br>The Class B Notes bear interest on their Principal Amount Outstanding at an annual interest rate equal to the aggregate of three-month Euribor plus the Relevant Margin subject to a floor at 0.00 per cent. per annum (the "**Class B Notes Interest Rate**"). |

Where the respective Relevant Margins are:

(i) 0.70 per cent. *per annum* in respect of the Class A Notes; and

(ii) 0.95 per cent. *per annum* in respect of the Class B Notes.

***Class C Notes***

The Class C Notes bear interest on their Principal Amount Outstanding at an annual interest rate equal to 2.50 per cent. per annum (the "**Class C Notes Interest Rate**").

**Subordinated Step-up Consideration from (and including) the First Optional Redemption Date**

If on the First Optional Redemption Date the Class A Notes and the Class B Notes have not been redeemed in full, the relevant Subordinated Step-up Consideration will be due by the Issuer to the Class A Noteholders and the Class B Noteholders, respectively, on each Payment Date following the First Optional Redemption Date in accordance with the applicable Priority of Payments.

The Subordinated Step-up Consideration is, in respect of each of the Class A Notes and the Class B Notes, an amount equal to the relevant Principal Amount Outstanding of such Class of Listed Notes multiplied by the Subordinated Step-up Margin applicable to such Class.

Following the First Optional Redemption Date and provided that no Accelerated Amortisation Event has occurred, the obligation of the Issuer to pay the Subordinated Step-up Consideration in respect of the Class A Notes and the Class B Notes is subordinated to payments of a higher order of priority including, but not limited to, any amount necessary to (i) pay interest (and other than, for the avoidance of doubt, the Subordinated Step-up Consideration) on such Class of Listed Notes, (ii) make good any shortfall reflected in the relevant sub-ledger of the Principal Deficiency Ledger in respect of the Class A Notes and the Class B Notes until the debit balance, if any, on each such sub-ledger of the Principal Deficiency Ledger is reduced to zero and (iii) replenish the Liquidity Reserve Account up to the Liquidity Reserve Required Amount, in accordance with and subject to the Interest Priority of Payments.

**Subordinated Step-up Margin:**

The Subordinated Step-up Margin applicable to the Class A Notes and the Class B Notes will be equal to:

(i) 0.70 per cent. *per annum* in respect of the Class A Notes; and

(ii) 0.475 per cent. *per annum* in respect of the Class B Notes.

**Interest Deferral**

Interest due and payable on the Most Senior Class of Notes will not be deferred. For as long as the Class A Notes are outstanding, interest due and payable on the Class B Notes may be deferred in accordance with Condition 14 (*Subordination by Deferral of Interest and Subordinated Step-up Consideration*). Deferred interest will also accrue interest in accordance with Condition 14 (*Subordination by Deferral of Interest and Subordinated Step-up Consideration*) if amount remains due and payable for at least one year (*dus au moins pour une année entière*) and such additional interest may also be deferred under Condition 14 (*Subordination by Deferral of Interest and Subordinated Step-up Consideration*). Deferred interest and any interest accrued on it shall not be deferred beyond the Final Maturity Date.

**Payment Dates**

Payments of interest and principal on the Notes shall be made in Euros on a quarterly basis in arrear on each Payment Date (subject to adjustment for non-Business Days) until the earlier of (x) the date on which the Principal Amount

Outstanding of the Notes is reduced to zero, and (y) the Final Maturity Date. The First Payment Date is 27 February 2020.

"**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).

**Business Day Convention** Modified Following Business Day Convention.

**Final Maturity Date** Unless previously redeemed, the Notes will be redeemed at their Principal Amount Outstanding on the date falling on 27 November 2062 (the "**Final Maturity Date**"), or if such day is not a Business Day, on the next succeeding Business Day to the extent of the Assets of the Issuer. The Notes may be redeemed prior to the Final Maturity Date.

**Redemption of the Notes**

***General***

The Notes shall be redeemed sequentially in the following order:

(a) *firstly*, the Class A Notes, until fully redeemed;

(b) *secondly*, the Class B Notes, until fully redeemed; and

(c) *thirdly*, the Class C Notes, until fully redeemed.

***Normal Amortisation Period***

The Notes are subject to mandatory partial redemption commencing on the First Payment Date subject to the Principal Priority of Payments (see Condition 7 (*Redemption*)).

On each Payment Date payments of principal in respect of the Notes will be made in sequential order at all times in accordance with the Principal Priority of Payments and therefore the Class B Notes will not be further redeemed for so long as the Class A Notes have not been redeemed in full and the Class C Notes will not be further redeemed for so long as the Class B Notes have not been redeemed in full.

***Accelerated Amortisation Period***

Following the occurrence of any of the Accelerated Amortisation Events each Class of Notes shall become due and payable and shall be subject to mandatory redemption in full on each Payment Date falling on or immediately after the date on which such Accelerated Amortisation Event until the earlier of (x) the date on which the Principal Amount Outstanding of each Class of Notes is reduced to zero or (y) the Issuer Liquidation Date or (z) the Final Maturity Date. The Class A Notes shall be redeemed in full to the extent of Available Distribution Amount on each Payment Date subject to the Accelerated Priority of Payments. Neither payment of principal nor payment of interest on the Class B Notes shall be made until the Principal Amount Outstanding of the Class A Notes has been reduced to zero. Once the Class A Notes have been redeemed in full, the Class B Notes shall be redeemed in full to the extent of Available Distribution Amount on each Payment Date subject to the Accelerated Priority of Payments. Neither payment of principal nor payment of interest on the Class C Notes shall be made until the Principal Amount Outstanding of the Class B Notes has been reduced to zero. Once the Class B Notes have been redeemed in full, the Class C Notes shall be redeemed in full to the extent of Available Distribution Amount on each Payment Date subject to the Accelerated Priority of Payments. Once the Class C Notes have been redeemed in full, the Residual Units shall be redeemed in

full to the extent of the Issuer Liquidation Surplus on the Issuer Liquidation Date.

***Optional Redemption of all Notes upon the exercise of the Seller Call Option***

On each Optional Redemption Date the Seller will have the right (but not the obligation), subject to the satisfaction of the Seller Call Option Conditions Precedent, to repurchase all (but not some only) the Purchased Home Loan Receivables from the Issuer, by delivery of a Seller Call Option Notice to the Issuer.

On each Optional Redemption Date the Issuer will redeem the Notes at their Principal Amount Outstanding, together with interest and Subordinated Step-up Consideration accrued up to and including the date of redemption.

The Issuer shall apply on the applicable Payment Date the Available Distribution Amount in accordance with the applicable Priority of Payments.

***Optional Redemption of all Notes upon the exercise of the Clean-up Call Option***

Upon the occurrence of a Clean-up Call Event, the Seller may exercise the Clean-up Call Event by delivery of a Clean-up Call Event Notice to the Issuer at least sixty (60) calendar days before the relevant Payment Date.

On each Optional Redemption Date the Issuer will redeem the Notes at their Principal Amount Outstanding, together with interest and Subordinated Step-up Consideration accrued up to and including the date of redemption.

The Issuer shall apply on the applicable Payment Date the Available Distribution Amount in accordance with the applicable Priority of Payments.

***Optional Redemption of all Notes upon the occurrence of a Note Tax Event***

If a Note Tax Event has occurred and a Note Tax Event Notice has been delivered by the Management Company (acting for and on behalf of the Issuer) to the Seller, the Custodian, the Paying Agent and the Noteholders in accordance with Condition 13 (*Notice to the Noteholders*) and if the Noteholders of each Class of Listed Notes outstanding have passed Extraordinary Resolutions to instruct the Management Company, acting for and on behalf of the Issuer, to dispose of all (but not part) of the Purchased Home Loan Receivables, then the Management Company shall offer all (but not part) of the Purchased Home Loan Receivables to the Seller for an amount equal to the Repurchase Price, to which the Seller shall to the extent it wishes to purchase such Purchased Home Loan Receivables, provide his acceptance within ten (10) Business Days by serving notice stating the intended date of repurchase which shall fall no less than five (5) Business Days and no more than ten (10) Business Days after the date of the offer. If the Seller accepts the offer, the Seller should deliver to the Management Company a solvency certificate duly signed by an authorised representative of the Seller dated no more than three (3) Business Days prior to the Repurchase Date.

On any Optional Redemption Date, the Issuer will redeem all Notes, at their Principal Amount Outstanding, together with interest and Subordinated Step-up Consideration accrued up to and including the date of redemption.

The Issuer shall apply on the applicable Payment Date the Available Distribution Amount in accordance with the applicable Priority of Payments.

**Issuer Events of Default**

An Issuer Event of Default shall have occurred if:

(a) the default by the Issuer in the payment of any interest and/or principal on the Most Senior Class of Notes when the same becomes due and payable and such default continues for a period of five (5) Business Days, excluding the payment of any Subordinated Step-up Consideration; or

(b) the Issuer defaults in the payment of principal on any Class of Notes on the Final Maturity Date.

**Resolutions of Noteholders**

In accordance with Article L. 213-6-3 I of the French Monetary and Financial Code the Notes contain provisions pursuant to which the Listed Noteholders may agree by resolution to amend the Conditions and to decide upon certain other matters regarding the Notes including, without limitation, the appointment or removal of a chairman for the Listed Noteholders of any Class. Any Resolution passed at a General Meeting of Noteholders of one or more Classes of Notes duly convened and held in accordance with the Issuer Regulations and Condition 11 (*Meetings of Listed Noteholders*) and a Written Resolution shall be binding on all Noteholders of each Class, regardless of whether or not a Noteholder was present at such General Meeting and whether or not, in the case of a Written Resolution, they have participated in such Written Resolution and each of them shall be bound to give effect to the Resolution accordingly. Any Resolution duly passed by a holder of any Listed Notes will be irrevocable and binding as to such holder and on all future holders of such Listed Notes, regardless of the date on which such Resolution was passed (see "OVERVIEW OF THE RIGHTS OF LISTED NOTEHOLDERS" and Condition 11 (*Meetings of Listed Noteholders*)).

**Taxation - Gross-up**

All payments of principal and/or interest in respect of each Class of Notes will be subject to any applicable tax law in any relevant jurisdiction. Payments of principal and interest in respect of each Class of Notes will be made subject to any applicable withholding tax without the Issuer or the Paying Agent being obliged to pay any additional amounts in respect thereof (see "RISK FACTORS – 4.2 Withholding and No Additional Payment" and "TERMS AND CONDITIONS OF THE NOTES – Condition 9 (*Taxation*)").

Additional payments may be made to the Hedge Counterparties if withholding tax or deduction on account of any tax is applied to any amounts payable to the Hedge Counterparties under the Hedge Agreements (see "THE HEDGE AGREEMENTS").

**Credit Enhancement**

***General***

Any Class of Notes will be subordinated to Classes of Notes ranking more senior thereto, thereby ensuring that available funds are applied to such more senior Class of Notes in priority to such Class of Notes. The Class A Notes benefit from credit enhancement in the form of subordination of the Class B Notes, the Class C Notes and the Residual Units. The Class B Notes benefit from credit enhancement in the form of subordination of the Class C Notes and the Residual Units. The Class C Notes benefit from credit enhancement in the form of subordination of the Residual Units.

***Class A Notes***

Credit enhancement for the Class A Notes will be provided by the subordination of payments due in respect of the Class B Notes, the Class C Notes and the Residual Units in accordance with the applicable Priority of Payments.

***Class B Notes***

Credit enhancement for the Class B Notes will be provided by the subordination of payments due in respect of the Class C Notes and the Residual Units in accordance with the applicable Priority of Payments.

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| | ***Class C Notes*** |
| | Credit enhancement for the Class C Notes will be provided by the subordination of payments due in respect of the Residual Units in accordance with the applicable Priority of Payments. |
| | (see "CREDIT AND LIQUIDITY STRUCTURE - Credit Enhancement"). |
| **Liquidity Support** | Subordination in payment of interest of the Class B Notes and the Class C Notes will provide liquidity support for the Class A Notes. |
| | Subordination in payment of interest of the Class C Notes will provide liquidity support for the Class B Notes. |
| **Limited Recourse** | **The Notes and any contractual obligations of the Issuer are obligations solely of the Issuer. Neither the Notes nor the Purchased Home Loan Receivables purchased by the Issuer will be guaranteed in any way by CIFD, EuroTitrisation, BNP PARIBAS Securities Services, Crédit Agricole Corporate and Investment Bank, BNP PARIBAS or any of their respective affiliate. The Noteholders have no direct recourse whatsoever against the Borrowers with respect to the Purchased Home Loan Receivables.** |
| **Selling and Transfer Restrictions** | The Listed Notes shall be only offered and sold to (i) qualified investors (*investisseurs qualifiés*) within the meaning of Article L. 411-2 and Article D. 411-1 of the French Monetary and Financial Code and (ii) investors resident outside France (see "PLAN OF DISTRIBUTION, SELLING AND TRANSFER RESTRICTIONS"). |
| **Ratings** | *Class A Notes* |
| | It is a condition of the issue of the Class A Notes that the Class A Notes are assigned, on issue, a rating of AAAsf by Fitch and a rating of Aaa(sf) by Moody's. |
| | *Class B Notes* |
| | It is a condition of the issue of the Class B Notes that the Class B Notes are assigned, on issue, a rating of A+sf by Fitch and a rating of A3(sf) by Moody's. |
| | The credit ratings of the Listed Notes do not address the likelihood of payment of the Subordinated Step-up Consideration in respect of any of the Listed Notes. |
| | **The assignment of ratings to the Class A Notes is not a recommendation to invest in the Class A Notes. The assignment of ratings to the Class B Notes is not a recommendation to invest in the Class B Notes. Any credit rating assigned to the Class A Notes and the Class B Notes, may be revised, suspended or withdrawn at any time. A credit rating as issued by any rating agency is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency**. |
| | (see "RATINGS OF THE LISTED NOTES"). |
| **Securities Depositaries** | Title to the Listed Notes will be evidenced in accordance with Article L. 211-3 of the French Monetary and Financial Code by book-entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of French Monetary and Financial Code) will be issued in respect of the Notes. The Listed Notes will, upon issue, be inscribed |

in the books (*inscription en compte*) of Euroclear France which shall credit the accounts of the Euroclear France Account Holders. For the purpose of these Conditions, "**Euroclear France Account Holder**" shall mean any authorised financial intermediary institution entitled to hold accounts, directly or indirectly, on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV ("**Euroclear**") and the depositary bank for Clearstream Banking S.A. ("**Clearstream**"). Title to the Listed Notes shall be evidenced by entries in the books of Euroclear France Account Holders and will pass upon, and transfer of Listed Notes may only be effected through, registration of the transfer in such books. In this paragraph, "**Account Holder**" shall mean any authorised financial intermediary institution entitled to hold accounts on behalf of its customers. The payments of principal and of interest on the Listed Notes will be paid to the person whose name is recorded in the ledger of the Account Holders at the relevant Payment Date.

| **Clearing** | **Class of Listed Notes** | **ISIN** | **Common Codes** |
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| | Class A Notes | FR0013449626 | 206069651 |
| | Class B Notes | FR0013449683 | 206069759 |

**Governing Law** The Notes will be governed by French law.

**Listing** Application has been made to Euronext Paris to list the Listed Notes (see "General Information").

**Eurosystem monetary policy operations** It is intended that the Class A Notes will constitute eligible collateral for Eurosystem monetary policy operations. No assurance can be given that the Class A Notes will always constitute eligible collateral for Eurosystem monetary policy operations. Such recognition will depend upon satisfaction at the Eurosystem's discretion of the Eurosystem eligibility criteria as amended from time to time, which criteria will include the requirement that loan-by-loan information be made available to investors in accordance with the template which is available on the website of the European Central Bank or, following a three month transitional period after the final implementing technical standards pursuant to Article 7(4) of the Securitisation Regulation become applicable and a repository has been designated pursuant to Article 10 (*Registration of a securitisation repository*) of the Securitisation Regulation, in accordance with the final disclosure templates as adopted in such final regulatory technical standards and final implementing technical standards. It has been agreed in the Servicing Agreement that the Servicer, shall use its best efforts to make such loan-by-loan information available on a quarterly basis within one month after each Payment Date, for as long as such requirement is effective and to the extent it has such information available.

**Retention of a Material Net Economic Interest** Pursuant to the Listed Notes Subscription Agreement, the Seller, as "originator" for the purposes of Article 6(1) of the Securitisation Regulations has undertaken that, for so long as any Listed Note remains outstanding, it will (i) retain on an ongoing basis a material net economic interest in the securitisation of not less than five (5) per cent., (ii) at all relevant times comply with the requirements of Article 7(l)(e)(iii) of the Securitisation Regulation by confirming in the investor reports the risk retention of the Seller as contemplated by Article 6(1) of the Securitisation Regulation, (iii) not change the manner in which it retains such material net economic interest, except to the extent permitted by the Securitisation Regulation and (iv) not sell, hedge or otherwise enter into any credit risk mitigation, short position or any other credit risk hedge with respect to its retained material net economic interest, except to the extent permitted by the Securitisation Regulation.

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| | As at the Closing Date the Seller intends to retain on an ongoing basis a material net economic interest of not less than five (5) per cent. in the securitisation through the holding of all Class C Notes as required by paragraph (d) of Article 6(3) of the Securitisation Regulation.<br><br>Any change to the manner in which such interest is held will be notified to Noteholders (see "SECURITISATION REGULATION COMPLIANCE — Retention Requirements under the Securitisation Regulation" herein). |
| **Simple, Transparent and Standardised (STS) Securitisation** | The securitisation transaction described in this Prospectus is intended to qualify as an STS-securitisation within the meaning of Article 18 (*Use of the designation 'simple, transparent and standardised securitisation'*) of the Securitisation Regulation. Consequently, the securitisation transaction described in this Prospectus meets, on the date of this Prospectus, the requirements of Articles 19 to 22 of the Securitisation Regulation and has been notified by the Seller, as originator, to be included in the list published by ESMA referred to in Article 27(5) of the Securitisation Regulation. The Seller, as originator and the Issuer have used the service of Prime Collateralised Securities (PCS) EU SAS ("**PCS**") which is authorised by the *Autorité des Marchés Financiers* as a third-party verification agent, pursuant to Article 28 (*Third party verifying STS compliance*) of the Securitisation Regulation, to verify whether the securitisation transaction described in this Prospectus complies with Articles 19 to 22 of the Securitisation Regulation and the compliance with such requirements is expected to be verified by PCS on the Closing Date. No assurance can be provided that the securitisation transaction described in this Prospectus does or continues to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future. None of the Issuer, the Joint Arrangers, the Joint Lead Managers, the Seller, the Servicer or any of the Transaction Parties makes any representation or accepts any liability for the securitisation transaction described in this Prospectus to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future.<br><br>Accordingly, no representation or assurance is given that the securitisation transaction described in this Prospectus may be designated or will qualify as a "simple, transparent and standard" securitisation within the meaning of Article 18 (*Use of the designation 'simple, transparent and standardised securitisation'*) of the Securitisation Regulation or, if it qualifies as a "simple, transparent and standard" securitisation within the meaning of Article 18 of the Securitisation Regulation, no representation or assurance is given that the securitisation transaction will remain a "simple, transparent and standard" securitisation within the meaning of Article 18 of the Securitisation Regulation (see "RISK FACTORS – 5.5 Securitisation Regulation" and "SECURITISATION REGULATION COMPLIANCE" herein). |
| **Investment Considerations** | See "RISK FACTORS" and the other information included in this Prospectus for a discussion of certain factors that should be considered before investing in the Notes. |
| **Selling and Transfer Restrictions** | For a description of certain restrictions on offers, sales and deliveries of the Notes and on distribution of offering material in certain jurisdictions (see "PLAN OF DISTRIBUTION, SELLING AND TRANSFER RESTRICTIONS"). |

## OVERVIEW OF THE RIGHTS OF LISTED NOTEHOLDERS

*Please refer to the section entitled "Terms and Conditions of the Notes" for further detail in respect of the rights of Noteholders, conditions for exercising such rights and relationship between Noteholders.*

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| **Convening a General Meeting prior to an Issuer Event of Default** | Prior to or after the occurrence of an Issuer Event of Default, the Management Company, acting for and on behalf of the Issuer, may at any time, and Listed Noteholders holding not less than 10 per cent. of the Principal Amount Outstanding of the Listed Notes then outstanding of any Class are entitled to, upon requisition in writing to the Issuer, convene a Listed Noteholders' meeting to consider any matter affecting their interests. |
| **Convening a General Meeting following an Issuer Event of Default** | Following the occurrence of an Issuer Event of Default:<br>(a) Listed Noteholders may, if they hold not less than one-fifth of the Principal Amount Outstanding of the Most Senior Class then outstanding or if the Noteholders of the Most Senior Class, pass an Extraordinary Resolution, instruct the Management Company to declare the commencement of the Accelerated Amortisation Period and the acceleration of all Classes of the Listed Notes at their respective Principal Amount Outstanding together with accrued interest; and<br>(b) Listed Noteholders of the Most Senior Class may pass an Extraordinary Resolution to instruct the Management Company, acting for and on behalf the Issuer, to dispose of all (but not part) of the Purchased Home Loan Receivables. An Extraordinary Resolution passed at any meeting of the Listed Noteholders of the Most Senior Class to instruct the Management Company to dispose of all (but not part) of the Purchased Home Loan Receivables shall be binding on such Noteholders and all other Classes of Listed Noteholders irrespective of the effect it has upon them. |
| **Written Resolution or Electronic Consent** | The Management Company may, in lieu of convening a General Meeting, seek the approval of a Resolution from the Listed Noteholders by way of a Written Resolution, including by way of an Electronic Consent. |
| **Written Resolution:** | Pursuant to Article L. 228-46-1 of the French Commercial Code, the Management Company, acting for and on behalf of the Issuer, shall be entitled, in lieu of convening a General Meeting, to seek approval of a Resolution from the Listed Noteholders of any Class and, in certain circumstances, more than one Class, by way of a resolution in writing signed by or on behalf of all Listed Noteholders of the relevant Class, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Listed Notes (a "**Written Resolution**").<br>A Written Resolution has the same effect as an Ordinary |

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| | | Resolution or, as applicable, an Extraordinary Resolution. | |
| **Electronic Consent:** | | Pursuant to Article L. 228-46-1 of the French Commercial Code, approval of a Written Resolution may also be given by way of electronic communication ("**Electronic Consent**"). Listed Noteholders may pass an Ordinary Resolution or an Extraordinary Resolution by way of electronic consents communicated through the electronic communications systems of the clearing system(s) to the Paying Agent or another specified agent and/or the Management Company in accordance with the operating rules and procedures of the relevant clearing system(s).<br><br>An Electronic Consent has the same effect as an Ordinary Resolution or, as applicable, an Extraordinary Resolution. | |
| | | <u>Any initial meeting other than a meeting adjourned for want of quorum</u> | <u>Meeting previously adjourned for want of quorum</u> |
| **Noteholders meeting provisions:** | **Notice period:** | At least 30 calendar days (and no more than sixty (60) calendar days) for the initial meeting (exclusive of the day on which the notice is given and of the day of the meeting). | At least 10 calendar days (and no more than twenty (20) calendar days) (exclusive of the day on which the notice is given and of the day of the meeting) of a meeting adjourned through want of quorum (and no more than 20 calendar days in the case of an initial adjournment of a meeting at which an Extraordinary Resolution is to be proposed). |
| | **Quorum:** | ***Ordinary Resolutions***<br><br>At least 25 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Listed Notes then outstanding for all Ordinary Resolutions. | ***Ordinary Resolutions***<br><br>Any holding by one or more persons being or representing a Noteholder of the relevant Class or Classes of Listed Notes, whatever the aggregate Principal Amount Outstanding of the Listed Notes of such Class or Classes held or represented by it or them. |
| | | ***Extraordinary Resolutions***<br><br>At least 50 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Listed Notes for the initial meeting to pass an | ***Extraordinary Resolutions***<br><br>At least one or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the |

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| | | Extraordinary Resolution (other than a Basic Terms Modification). | Listed Notes of such Class or Classes for a meeting to pass an Extraordinary Resolution (other than a Basic Terms Modification). |
| | | At least 75 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Listed Notes for the initial meeting to pass an Extraordinary Resolution in relation to a Basic Terms Modification. | At least one or more persons holding or representing not less than 50 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Listed Notes to pass an Extraordinary Resolution in relation to a Basic Terms Modification. |
| | **Required majority:** | ***Ordinary Resolutions***<br><br>More than 50 per cent. of votes cast for matters requiring Ordinary Resolution.<br><br>***Extraordinary Resolutions***<br><br>At least 75 per cent. of votes cast for matters requiring Extraordinary Resolution. | |
| **Entitlement to vote:** | Pursuant to the terms of the Issuer Regulations, for Extraordinary Resolution other than Basic Terms Modifications, the Listed Notes of a given Class held or controlled for or by the Seller or and/or any holding company of the Seller and/or any affiliate of the Seller will not be taken into account for the purposes of the right to participate in a meeting in person, by proxy, by correspondence or by any other means and to vote at any meeting of that Class or any Written Resolution in respect of that Class, except where the Seller or and/or any holding company of the Seller and/or any affiliate of the Seller holds alone or together 100% of the Listed Notes of that Class.<br><br>Each Listed Note carries the right to one vote. | | |
| **Matters requiring Extraordinary Resolution:** | The following matters may only be sanctioned by an Extraordinary Resolution of each Class of Listed Noteholders:<br><br>(a) to approve any Basic Terms Modification;<br><br>(b) to approve any alteration of the provisions of the Conditions of the Notes or any Transaction Document which shall be proposed by the Management Company and are expressly required to be submitted to the Listed Noteholders in accordance with the provisions of the Conditions of the Notes or any Transaction Document;<br><br>(c) to authorise the Management Company or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;<br><br>(d) to give any other authorisation or approval which under the Issuer Regulations or the Listed Notes is required to be given by Extraordinary Resolution; | | |

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| | (e) with respect to the Listed Noteholders of each Class, instruct the Management Company to dispose all (but not part) of the Purchased Home Loan Receivables upon the occurrence of a Note Tax Event;<br><br>(f) to appoint any persons as a committee to represent the interests of the Listed Noteholders and to convey upon such committee any powers which the Listed Noteholders could themselves exercise by Extraordinary Resolution,<br><br>*provided, however*, that no Extraordinary Resolution of the Listed Noteholders of any Class shall be effective unless (i) the Management Company is of the opinion that it will not be materially prejudicial to the interests of the Most Senior Class or (ii) (to the extent that the Management Company is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Noteholders of the Most Senior Class. |
| **Right of modification without Noteholders' consent:** | Pursuant to and in accordance with the detailed provisions of Condition 12(a) (*General Right of Modification without Noteholders' consent*), the Management Company may, without the consent or sanction of the Noteholders at any time and from time to time, agree to:<br><br>(a) any modification of the Conditions or of any of the Transaction Documents (excluding in relation to a Basic Terms Modification) which, in the opinion of the Management Company, is not materially prejudicial to the interests of the Noteholders of any Class; or<br><br>(b) any modification of the Conditions or of any of the Transaction Documents (including in relation to a Basic Terms Modification) which, in the opinion of the Management Company, is of a formal, minor or technical nature, to correct a manifest error or an error which is, in the opinion of the Management Company, proven.<br><br>Pursuant to and in accordance with the detailed provisions of Condition 12(b) (*General Additional Right of Modification without Noteholders' consent*), the Management Company may be obliged, without any consent or sanction of the Noteholders, to proceed with any modification (other than in respect of a Basic Terms Modification) to the Conditions and/or any Transaction Document that the Issuer considers necessary or as proposed by each Hedge Counterparty or enter into any new, supplemental or additional documents for the purposes of:<br><br>(a) complying with, or implementing or reflecting, any change in criteria of the Rating Agencies;<br><br>(b) in order to enable the Issuer and/or each Hedge Counterparty to comply with any obligation which applies to it under EMIR;<br><br>(c) modifying the terms of the Transaction Documents and/or the Conditions and/or to enter into any additional agreements not expressly prohibited by the Issuer Regulations or these Conditions in order to enable the Issuer to comply with any requirements which apply to it under the Securitisation Regulation;<br><br>(d) enabling the Listed Notes to be (or to remain) listed and admitted to trading on Euronext Paris;<br><br>(e) enabling the Issuer or any other Transaction Party to comply with FATCA;<br><br>(f) making such changes as are necessary to facilitate the transfer of any Hedge Agreement to a replacement counterparty or the roles of any other |

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| | Transaction Party to a replacement transaction party; and<br><br>(g) modifying the terms of the Transaction Documents and/or the Conditions in order to comply with, or reflect, any amendment to Articles L. 214-167 to L. 214-186 and Articles R. 214-217 to R. 214-235 of the French Monetary and Financial Code which are applicable to the Issuer and/or any amendment to the provisions of the AMF General Regulations which are applicable to the Issuer, the Management Company and the Custodian (including, without limitation, any amendment in relation to the rights, duties and obligations which will apply to the Custodian as of 1st January 2020 with new Articles L. 214-175-2 to L. 214-175-8 of the French Monetary and Financial Code which will enter into force on 1st January 2020 and any subsequent amendment to Articles R. 214-217 to R. 214-235 of the French Monetary and Financial Code, the replacement of Article D. 214-229 of the French Monetary and Financial Code relating to certain duties of custodians of *fonds communs de titrisation* by Article D. 214-233 with amended duties as of 1 January 2020 and any amendment to the AMF General Regulations in order to implement the 2017 Ordinance after the Closing Date).<br><br>For the avoidance of doubt, no modification will be made if such modification would result in a downgrade, qualification or withdrawal of the then current ratings assigned to any Class of Listed Notes by any Rating Agency. For further details see Condition 12(b)(*General Additional Right of Modification* without Noteholders' consent).<br><br>In addition, the Management Company shall be obliged, without any consent or sanction of the Noteholders, to proceed with any modification (other than in respect of a Basic Terms Modification) to the Conditions and/or any Transaction Document that the Issuer considers necessary or as proposed by each Hedge Counterparty for the purpose of changing the screen rate or the base rate that then applies in respect of the Listed Notes as adjusted to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value as a result of such replacement by taking into account any Adjustment Spread and making such other related or consequential amendments as are necessary or advisable to facilitate such change. For further details see Condition 12(c) (*Additional Right of Modification without Noteholders' consent in relation to EURIBOR Discontinuation or Cessation*). |
| **Relationship between Classes of Noteholders:** | See further Condition 4 (*Status, Ranking, Priority and Relationship between the Classes of Notes and Units*) of the Notes for more information. |
| **Basic Terms Modifications:** | Each of the following will constitute a Basic Terms Modification and be required to be passed by an Extraordinary Resolution of each affected Class of Noteholders:<br><br>(a) the modification of (i) the amount of principal or the rate of interest payable in respect of any Class of the Notes (other than a Base Rate Modification (as defined in Condition 12(c) (*Additional Right of Modification without Noteholders' consent in relation to EURIBOR Discontinuation or Cessation*))) or (ii) any provision relating to (x) any date of payment of principal or interest or other amount in respect of the Notes of any Class or (y) the amount of principal or interest due on any date in respect of the Notes of any Class or (z) the date of maturity of any Class of the Notes or (iii) where applicable, of the method of calculating the amount of any principal or interest payable in respect of any Class of the Notes;<br><br>(b) any alteration of the Interest Priority of Payments, the Principal Priority of |

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| | Payments or the Accelerated Priority of Payments or of any payment items in the Priority of Payments; or<br><br>(c) the modification of the provisions concerning the quorum required at any General Meeting of Noteholders or the minimum percentage required to pass an Ordinary Resolution or an Extraordinary Resolution or any other provision of the Issuer Regulations or the Conditions which requires the written consent of the Noteholders of a requisite Principal Amount Outstanding of the Notes of any Class outstanding; or<br><br>(d) the modification of any item requiring approval by Extraordinary Resolution pursuant to the Conditions or any Transaction Document; or<br><br>(e) the modification of the definition of a "Basic Terms Modification".<br><br>For the avoidance of doubt, the approval of a Basic Terms Modification may only be made by Extraordinary Resolution and no Extraordinary Resolution involving a Basic Terms Modification that is passed by Noteholders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of each of the other Classes of Notes affected.<br><br>Any amendment to the Priority of Payments following an Extraordinary Resolution passed at a General Meeting or a Written Resolution which will materially adversely affect the repayment of the Notes shall be reported to investors without undue delay in accordance with Condition 13 (*Notice to the Noteholders*). |
| **Provision of Information to the Noteholders:** | The Management Company shall make available the reports set out in section "Information relating to the Issuer".<br><br>The Management Company, acting as the Reporting Entity, shall make available the information required to be released pursuant to Article 7 (*Transparency requirements for originators, sponsors and SSPEs*) of the Securitisation Regulation (see "Securitisation Regulation Compliance"). |
| **Governing Law:** | The Notes and all rights of the Noteholders under the Issuer Regulations and the Conditions of the Notes are governed by French law. |

## OVERVIEW OF THE SECURITISATION TRANSACTION AND THE TRANSACTION DOCUMENTS

*This overview is only a general description of the transaction and must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole. The following section highlights selected information contained in this Prospectus relating to the Issuer, the issue of the Notes, the legal and financial terms of the Notes, the Home Loan Receivables and the Transaction Documents. It should be considered by potential investors, subscribers and holders of the Listed Notes by reference to the more detailed information appearing elsewhere in this Prospectus.*

*Capitalised words or expressions shall have the meanings given to them in the glossary of terms.*

## OVERVIEW OF THE SECURITISATION TRANSACTION

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| **The Issuer** | "**HARMONY FRENCH HOME LOANS FCT 2019-1**" (the "**Issuer**") is a French securitisation fund (*fonds commun de titrisation*) which will be jointly established by EuroTitrisation (the "**Management Company**") and BNP PARIBAS Securities Services (the "**Custodian**") on 4 November 2019 (the "**Issuer Establishment Date**"). The Issuer is regulated and governed by Articles L. 214-167 to L. 214-186 and Articles R. 214-217 to R. 214-235 of the French Monetary and Financial Code and by the Issuer Regulations made on 30 October 2019 between the Management Company and the Custodian (see "THE ISSUER").<br><br>In accordance with Article L. 214-180 of the French Monetary and Financial Code, the Issuer is a joint ownership entity (*copropriété*) of assets having the form of receivables. In accordance with Article L. 214-180 of the French Monetary and Financial Code, the Issuer does not have a legal personality (*personnalité morale*). The Issuer shall have no compartment. |
| **Purpose of the Issuer** | In accordance with Article L. 214-168 I and Article L. 214-175-1 I of the French Monetary and Financial Code and pursuant to the terms of the Issuer Regulations, the purpose of the Issuer is to:<br>(a) be exposed to credit and interest rate risks by acquiring Eligible Receivables from the Seller on the Closing Date; and<br>(b) finance and hedge in full such credit and interest rate risks by issuing the Notes and the Residual Units on the Issue Date and entering into the Hedge Agreements. |
| **The Funding Strategy of the Issuer** | In accordance with Article R. 214-217 2° of the French Monetary and Financial Code and pursuant to the terms of the Issuer Regulations, the funding strategy (*stratégie de financement*) of the Issuer is to issue the Notes and the Residual Units, the proceeds of which (excluding the Class A Notes Issuance Premium) will be applied by the Issuer to purchase from the Seller the Home Loan Receivables. |
| **The Hedging Strategy of the Issuer** | In accordance with Article R. 214-217 2° of the French Monetary and Financial Code and pursuant to the terms of the Issuer Regulations, the Issuer shall implement its hedging strategy (*stratégie de couverture*) by entering into the Hedge Agreements with the Hedge Counterparties (see "THE HEDGE AGREEMENTS"). |
| **Joint Arrangers** | BNP PARIBAS and Crédit Agricole Corporate and Investment Bank. |
| **Management Company** | EuroTitrisation, a commercial company (*société anonyme*) with a share capital of EUR 684,000, is licensed as a portfolio management company (*société de gestion de portefeuille*) under number GP 14000029 and supervised by the French financial market authority (*Autorité des Marchés Financiers)*. The Management Company is authorised to manage alternative investment funds (*fonds d'investissement alternatifs*) including securitisation |

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| | vehicles (*organismes de titrisation*). The registered office of the Management Company is located at 12 rue James Watt, 93200 Saint-Denis, France, registered with the Trade and Companies Register of Bobigny under number 352 458 368. |
| **Custodian** | BNP PARIBAS Securities Services is the custodian of the Purchased Home Loan Receivables and the Issuer Available Cash pursuant to the terms of the Issuer Regulations. |
| **Seller** | CIFD is the Seller in accordance with the Home Loan Receivables Transfer Agreement. |
| **Servicer and Servicing of the Purchased Home Loan Receivables** | CIFD has been appointed as Servicer by the Management Company with the prior approval of the Custodian pursuant to the terms of the Servicing Agreement in accordance with Article L. 214-172 of the French Monetary and Financial Code.<br><br>The appointment of the Seller as Servicer under the Servicing Agreement may be terminated by the Management Company in accordance with the terms of the Servicing Agreement following the occurrence of a "Servicer Termination Event" (see "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES - *Termination of Appointment - Substitution*" for further details). |
| **Liquidity Reserve Provider** | CIFD is the Liquidity Reserve Provider in accordance with the Liquidity Reserve Deposit Agreement. |
| **Data Protection Agent** | BNP PARIBAS Securities Services has been appointed by the Management Company with the prior approval of the Custodian as Data Protection Agent under the terms of the Data Protection Agency Agreement. |
| **Account Bank** | BNP PARIBAS Securities Services is the Account Bank pursuant to the Account Bank Agreement.<br><br>If the Account Bank ceases to have the Account Bank Required Ratings or is subject to a proceeding governed by the provisions of Book VI of the French Commercial Code, the Management Company (acting for and on behalf of the Issuer) shall terminate the Account Bank Agreement and shall, within thirty (30) calendar days after the downgrade of the ratings of the Account Bank below the Account Bank Required Ratings, with the assistance of the Custodian appoint a new account bank having at least the Account Bank Required Ratings (see "ISSUER BANK ACCOUNTS - Termination of the Account Bank Agreement - *Downgrade or Insolvency Events and Termination of the Account Bank's Appointment by the Management Company*"). |
| **Paying Agent** | BNP PARIBAS Securities Services has been appointed by the Management Company with the prior approval of the Custodian as Paying Agent under the terms of the Paying Agency Agreement (subject to the right of the Management Company and the Paying Agent to terminate the Paying Agency Agreement) (see "GENERAL DESCRIPTION OF THE NOTES - Paying Agency Agreement"). |
| **Listing Agent** | BNP PARIBAS Securities Services has been appointed by the Management Company and the Custodian as the Listing Agent under the terms of the Paying Agency Agreement. |
| **Hedge Counterparties** | BNP PARIBAS and Crédit Agricole Corporate and Investment Bank (see "THE HEDGE AGREEMENTS"). |

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| **Seller's Receivables Warranties** | Pursuant to the Home Loan Receivables Transfer Agreement the Seller will make certain representations and warranties regarding the Home Loan Receivables to the Issuer on the Closing Date (the "**Receivables Warranties**") as more fully set out in and "SALE AND PURCHASE OF THE HOME LOAN RECEIVABLES". |
| **Liquidity Reserve Deposit** | Pursuant to Article L. 211-36-I 2° and Article L. 211-38-II of the French Monetary and Financial Code and the terms of the Liquidity Reserve Deposit Agreement, the Liquidity Reserve Provider has agreed to guarantee the performance of the Purchased Home Loan Receivables against any losses resulting from any default of the Borrowers (*pertes consécutives à la défaillance des débiteurs*) up to an amount equal to the Liquidity Reserve Deposit on the Closing Date. After the Closing Date, the Liquidity Reserve Deposit Provider will not make and shall not be obliged to make any additional deposit with the Issuer.<br><br>The Liquidity Reserve Account will be replenished up to the Liquidity Reserve Required Amount in accordance with the Normal Priority of Payments during the Normal Amortisation Period only. On the Closing Date the Liquidity Reserve Deposit is equal to EUR 7,104,000. After the Closing Date, the Liquidity Reserve Deposit Provider will not make and shall not be obliged to make any additional deposit with the Issuer (see "CREDIT AND STRUCTURE – Liquidity Support – *Liquidity Reserve Deposit*"). |
| **Specially Dedicated Account** | Pursuant to the terms of a specially dedicated account agreement dated 30 October 2019 and made between the Management Company, the Custodian, the Servicer and BRED Banque Populaire (the "**Specially Dedicated Account Bank**") (the "**Specially Dedicated Account Agreement**"), the Servicer has opened the Specially Dedicated Account in the books of Specially Dedicated Account Bank. (see "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES - The Specially Dedicated Account Agreement"). |
| **Commingling Reserve Deposit** | The Servicer has undertaken to guarantee the performance of its obligation to credit the Available Monthly Collections to the General Account on each 26th calendar day in each month. As a guarantee for its financial obligations (*obligations financières*) under such undertaking, the Servicer has agreed to provide the Issuer with the Commingling Reserve Deposit, by way of full transfer of title (*remise d'espèces en pleine propriété à titre de garantie*) in accordance with Article L. 211-36-I 2°, Article L. 211-38 and Article L. 211-40 of the French Monetary and Financial Code. The Management Company shall ensure that the Commingling Reserve Deposit shall be equal to the Commingling Reserve Required Amount on each relevant date in accordance with the Commingling Reserve Deposit Agreement (see "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES - The Commingling Reserve Deposit Agreement"). |
| **Principal Deficiency Ledger** | During the Normal Amortisation Period and with respect to any Payment Date, a principal deficiency ledger (the "**Principal Deficiency Ledger**") comprising three sub-ledgers referred to as the "**Class A Principal Deficiency Ledger**", the "**Class B Principal Deficiency Ledger**" and the "**Class C Principal Deficiency Ledger**", respectively, shall be established by the Management Company, acting for and on behalf of the Issuer, in order to record on any Payment Date the aggregate of (a) the Default Amounts and of (b) the Principal Application Amount (see "OPERATION OF THE ISSUER – Principal Deficiency Ledger"). |
| **Priority of Payments** | Pursuant to the Issuer Regulations and the other relevant Transaction Documents, the Management Company shall give instructions to the Account |

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| | Bank to ensure that during the Normal Amortisation Period and the Accelerated Amortisation Period the relevant order of priority (the "**Priority of Payments**") shall be carried out on a due and timely basis in relation to payments of expenses, principal, interest and any other amounts then due, to the extent of the available funds at the relevant date of payment (see "OPERATION OF THE ISSUER – Priority of Payments").<br><br>During the Normal Amortisation Period (i) the Available Interest Distribution Amount shall be distributed in accordance with the Interest Priority of Payments and (ii) the Available Principal Distribution Amount shall be distributed in accordance with the Principal Priority of Payments. During the Accelerated Amortisation Period the Available Distribution Amount shall be distributed in accordance with the Accelerated Priority of Payments. |
| **Issuer Liquidation Events** | The Issuer will be liquidated upon the occurrence of any Issuer Liquidation Events and if the Management Company has elected to liquidate the Issuer. |

## OVERVIEW OF THE TRANSACTION DOCUMENTS

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| **Issuer Regulations** | "HARMONY FRENCH HOME LOANS FCT 2019-1" (the "**Issuer**") will be established on the Issuer Establishment Date pursuant to the terms of the Issuer Regulations dated 30 October 2019 and made between the Management Company and the Custodian. |
| **Home Loan Receivables Transfer Agreement** | Under the terms of a Home Loan Receivables Transfer Agreement (the "**Home Loan Receivables Transfer Agreement**") dated 30 October 2019 made between the Management Company, the Custodian and CIFD (the "**Seller**"), the Seller has agreed to assign, sell and transfer to the Issuer, and the Management Company, acting for and on behalf of the Issuer and subject to the satisfaction of the relevant conditions precedent, has agreed to purchase the Home Loan Receivables and the related Ancillary Rights on the Closing Date from the Seller (see "SALE AND PURCHASE OF THE HOME LOAN RECEIVABLES"). |
| **Servicing Agreement** | Under the terms of a servicing agreement (the "**Servicing Agreement**") dated 30 October 2019 and made between the Management Company, the Custodian and CIFD (the "**Servicer**"), the Servicer has been appointed by the Management Company and the Custodian pursuant to Article L. 214-172 of the French Monetary and Financial Code, to manage, service and administer the Purchased Home Loan Receivables and their Ancillary Rights and to collect the payments thereon. The Servicer shall provide the Management Company with all the required data and information regarding the collection of the Purchased Home Loan Receivables and the enforcement of the related Ancillary Rights (see "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES – The Servicing Agreement"). |
| **Specially Dedicated Account Agreement** | Under the terms of a specially dedicated account agreement (the "**Specially Dedicated Account Agreement**") dated 30 October 2019 and made between the Management Company, the Custodian, the Servicer and BRED Banque Populaire (the "**Specially Dedicated Account Bank**"), the Specially Dedicated Account Bank will hold the Specially Dedicated Account (see "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES – The Specially Dedicated Account Agreement"). |
| **Data Protection Agency Agreement** | Under the terms of a data protection agency agreement (the "**Data Protection Agency Agreement**") dated 30 October 2019 and made between the Management Company, the Custodian, the Seller, the Servicer and BNP PARIBAS Securities Services (the "**Data Protection Agent**"), the Data Protection Agent has been appointed by the Management Company (see "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES – The Data Protection Agency Agreement"). |
| **Liquidity Reserve Deposit Agreement** | Under the terms of a liquidity reserve deposit agreement (the "**Liquidity Reserve Deposit Agreement**") dated 30 October 2019 and made between the Management Company, the Custodian and the Liquidity Reserve Provider, the Liquidity Reserve Deposit Provider has agreed to fund a cash collateral deposit (the "**Liquidity Reserve Deposit**") on the Issuer Establishment Date which will be credited to the Liquidity Reserve Account on the Closing Date (see "CREDIT AND LIQUIDITY STRUCTURE – Liquidity Support"). |

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| **Commingling Reserve Deposit Agreement** | Under the terms of a commingling reserve deposit agreement (the "**Commingling Reserve Deposit Agreement**") dated 30 October 2019 and made between the Management Company, the Custodian and the Servicer, the Servicer has agreed to fund a cash collateral deposit up to the Commingling Reserve Required Amount (the "**Commingling Reserve Deposit**") which will be credited to the Commingling Reserve Account (see "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES – The Commingling Reserve Deposit Agreement"). |
| **Account Bank Agreement** | Under the terms of an account bank agreement (the "**Account Bank Agreement**") dated 30 October 2019 and made between the Management Company, the Custodian and BNP PARIBAS Securities Services (the "**Account Bank**"), the Issuer Bank Accounts shall be held and maintained with the Account Bank (see "ISSUER BANK ACCOUNTS"). |
| **Paying Agency Agreement** | Under the terms of a paying agency agreement (the "**Paying Agency Agreement**") dated 30 October 2019 and made between the Management Company, the Custodian and BNP PARIBAS Securities Services (the "**Paying Agent**"), provision is made for the payment of principal and interest payable on the Listed Notes on each Payment Date (see "GENERAL DESCRIPTION OF THE NOTES – Paying Agency Agreement"). |
| **Hedge Agreements** | On the Signing Date the Management Company, acting for and on behalf of the Issuer, shall enter into the Hedge Agreements, in connection with the Listed Notes, with each of BNP Paribas and Crédit Agricole Corporate and Investment Bank, each in their capacity as Hedge Counterparties.<br><br>Each Hedge Agreement is governed by the 2013 *Fédération Bancaire Française* master agreement for foreign exchange and derivatives transactions (*convention-cadre FBF relative aux opérations sur instruments financiers*, the "**2013 FBF Master Agreement**"), as amended by a supplementary schedule and collateral annex and confirmed by a written confirmation governed by French law (see "THE HEDGE AGREEMENTS"). |
| **Listed Notes Subscription Agreement** | Subject to the terms and conditions set forth in the subscription agreement for the Listed Notes dated 30 October 2019 (the "**Listed Notes Subscription Agreement**") and made between BNP PARIBAS and Crédit Agricole Corporate and Investment Bank (the "**Joint Lead Managers**"), the Custodian, the Management Company and the Seller, the Joint Lead Managers have, subject to certain conditions, jointly but not severally agreed to purchase the Listed Notes at their respective issue prices. |
| **Class C Notes and Residual Units Subscription Agreement** | Under the terms of a Class C Notes and residual units subscription agreement (the "**Units Subscription Agreement**") dated 30 October 2019 and made between the Management Company, the Custodian and CIFD, CIFD has agreed to subscribe for the Class C Notes and the Residual Units at their issue price on the Closing Date. |
| **Master Definitions Agreement** | Under the terms of a master definitions agreement (the "**Master Definitions Agreement**") dated 30 October 2019, the Transaction Parties have agreed that the definitions set out therein would apply to the Transaction Documents. |
| **Jurisdiction** | The parties to the Transaction Documents have agreed to submit any dispute that may arise in connection with the Transaction Agreement to the exclusive jurisdiction of the *Tribunal de commerce de Paris.* |
| **Governing Law** | The Transaction Documents are governed by, and construed in accordance with, French law. |

## THE ISSUER

*Information below set out the general principles and features of the Issuer and only provides for a summary of the Issuer Regulations. Prospective or potential investors, subscribers and Noteholders should take into account all the information provided in this Prospectus before taking any investment decision concerning Notes which are the subject of this Prospectus.*

### Legal Framework

HARMONY FRENCH HOME LOANS FCT 2019-1 (the "**Issuer**") is a French securitisation fund (*fonds commun de titrisation*) jointly established by EuroTitrisation (the "**Management Company**") and BNP PARIBAS Securities Services (the "**Custodian**") on 4 November 2019 (the "**Issuer Establishment Date**"). The Issuer is regulated and governed by Articles L. 214-167 to L. 214-186 and Articles R. 214-217 to R. 214-235 of the French Monetary and Financial Code and by the Issuer Regulations entered into between the Management Company and the Custodian on 30 October 2019.

Pursuant to Article L. 214-180 of the French Monetary and Financial Code, the Issuer is a joint ownership entity (*copropriété*) which has no legal personality (*personnalité morale*). Provisions of the French Civil Code (*Code civil*) concerning *indivision* do not apply to the Issuer. Articles 1871 and 1873 of the French Civil Code (*Code civil*) do not apply to the Issuer either.

### Purpose of the Issuer – Funding Strategy and Hedging Strategy of the Issuer

The Issuer is a securitisation special purpose entity (SSPE) within the meaning of Article 2(2) of the Securitisation Regulation and whose sole purpose is to issue the Notes and the Residual Units and to purchase the Home Loan Receivables from the Seller.

#### *Purpose of the Issuer*

In accordance with Article L. 214-168 I and Article L. 214-175-1 I of the French Monetary and Financial Code and pursuant to the terms of the Issuer Regulations, the purpose of the Issuer is to:

(a) be exposed to credit and interest rate risks by acquiring Home Loan Receivables from the Seller on the Closing Date; and

(b) finance and hedge in full such credit and interest rate risks by issuing the Notes and the Residual Units on the Issue Date and entering into the Hedge Agreements.

#### *Funding Strategy of the Issuer*

In accordance with Article R. 214-217 2° of the French Monetary and Financial Code and pursuant to the terms of the Issuer Regulations, the funding strategy (*stratégie de financement*) of the Issuer is to issue the Notes and the Residual Units, the proceeds of which (excluding the Class A Notes Issuance Premium) will be applied to purchase from CIFD (the "**Seller**") the Home Loan Receivables.

#### *Hedging Strategy of the Issuer*

In accordance with Article R. 214-217 2° of the French Monetary and Financial Code and pursuant to the terms of the Issuer Regulations, the Issuer shall implement its hedging strategy (*stratégie de couverture*) by entering into the Hedge Agreements with the Hedge Counterparties in order to hedge its exposure under the Listed Notes.

### The Issuer Regulations

The Custodian and the Management Company have entered into the Issuer Regulations on 30 October 2019 which include, *inter alia*, (i) the general operating rules of the Issuer and (ii) the respective duties, obligations, rights and responsibilities of the Management Company and of the Custodian.

### Legal Representation

Pursuant to Article L. 214-183 I of the French Monetary and Financial Code, the Issuer shall be represented by the Management Company *vis à vis* third parties and in any legal proceedings, whether as plaintiff or

defendant.

**Principal Activities**

The Issuer has been established for the purpose of issuing asset backed securities. The Issuer is permitted, pursuant to the terms of its Issuer Regulations, *inter alia*, to issue the Notes and the Residual Units and to acquire the Purchased Home Loan Receivables and the Ancillary Rights.

The Issuer will not engage in any activities other than those incidental to its establishment, the entry into the Transaction Documents, the issue of the Notes and the Residual Units and matters referred to or contemplated in this document to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

There is no intention to accumulate surpluses in the Issuer.

**Use of Proceeds**

The proceeds of the issue of the Notes (excluding the Class A Notes Issuance Premium) and of the Residual Units on the Closing Date will be applied by the Management Company, acting for and on behalf of the Issuer, to pay the Purchase Price of the Home Loan Receivables and their Ancillary Rights to the Seller pursuant to the Home Loan Receivables Transfer Agreement.

**Non-Petition and Limited Recourse**

***Non-Petition***

Pursuant to Article L. 214-175 III of the French Monetary and Financial Code, provisions of Book VI of the French Commercial Code (which govern insolvency proceedings in France) are not applicable to the Issuer.

***Limited Recourse***

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 (including the Noteholders) as provided by law (*selon le rang de ses créanciers défini par la loi*) or, pursuant to Article L. 214-169 II of the French Monetary and Financial Code, in accordance with the Priority of Payments set out in the Issuer Regulations.

In accordance with Article L. 214-169 II of the French Monetary and Financial Code:

(a) the Assets of the Issuer may only be subject to civil proceedings (*mesures civiles d'exécution*) to the extent of the applicable Priority of Payments as set out in the Issuer Regulations;

(b) the Noteholders, the Residual Unitholder, the Transaction Parties and any creditors of the Issuer that have agreed thereto will be bound by the Priority of Payments as set out in the Issuer Regulations notwithstanding the opening 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 of the Noteholders, the Residual Unitholder, the Transaction Parties and any creditors of the Issuer. The Priority of Payments shall be applicable even if the Issuer is liquidated in accordance with the relevant provisions of the Issuer Regulations.

In accordance with Article L. 214-169 VI of the French Monetary and Financial Code, provisions of Article L. 632-2 of the French Commercial Code shall not apply to any payments received by the Issuer or any acts against payment made by the Issuer or for its interest (*ne sont pas applicables aux paiements reçus par un organisme de financement, ni aux actes à titre onéreux accomplis par un organisme de financement ou à son profit*) to the extent such payments 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 paiements ou ces actes sont directement relatifs aux opérations prévues à l'article L. 214-168*).

***Management Company's decisions binding***

In accordance with Article L. 214-169 II of the French Monetary and Financial Code the Noteholders, the Residual Unitholder, the Transaction Parties and any creditors of the Issuer that have agreed to them 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.

**Indebtedness Statement**

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

| | **EUR** |
|---|---|
| Class A Notes | 650,000,000 |
| Class B Notes | 24,800,000 |
| Class C Notes | 35,600,000 |
| Residual Units | 3,624 |
| **Total indebtedness** | 710,403,624 |

At the date of this Prospectus, the Issuer has no indebtedness (save for the Liquidity Reserve Deposit established on the Closing Date up to EUR 7,104,000) in the nature of borrowings, term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

**Financial Statements**

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

**Restrictions on Activities**

The Issuer will observe certain restrictions on its activities.

Pursuant to the Issuer Regulations the Issuer shall not:

(a) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage (unless required by applicable laws and regulations);

(b) issue any notes or units after the Closing Date;

(c) purchase any assets other than the Home Loan Receivables purchased from the Seller on the Closing Date;

(d) borrow any money or enter into any liquidity facility arrangement;

(e) grant or extend any loan, sub-participation or other financing;

(f) grant or give any guarantee, pledge, assignment, delegation subrogation on its assets other than provided for pursuant to the terms of the Transaction Documents;

(g) invest in any securities or instruments other than the Authorised Investments;

(h) incur any financial indebtedness or give any guarantee in respect of any financial indebtedness or of any other obligation of any person (including, for the avoidance of doubt, the Transaction Parties) other than the issuance of the Notes and of the Residual Units or other than pursuant to the terms of the Liquidity Reserve Deposit Agreement or of the Commingling Reserve Deposit Agreement;

(i) enter into any derivative agreement (including credit default swap) other than the Hedge Agreements;

(j) have an interest in any bank account other than the Issuer Bank Accounts and the Specially Dedicated Account; and

(k) have any compartment.

**Governing Law and Submission to Jurisdiction**

The Issuer Regulations are governed by French law. Any dispute regarding the establishment, the operation or the liquidation of the Issuer, the Notes, the Residual Units and the Transaction Documents will be submitted to the exclusive jurisdiction of the *Tribunal de commerce de Paris*.

## THE TRANSACTION PARTIES

*The following section sets out a summary of the parties participating in the securitisation transaction and the relevant Transaction Documents. Such summary is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus.*

### The Management Company

#### *General*

The Management Company is EuroTitrisation.

EuroTitrisation, a commercial company (*société anonyme*) with a share capital of EUR 684,000, is licensed as a portfolio management company (*société de gestion de portefeuille*) and supervised by the French Financial Market Authority (*Autorité des Marchés Financiers*). The Management Company is authorised to manage alternative investment funds (*fonds d'investissement alternatifs*) including securitisation vehicles (*organismes de titrisation*). The registered office of the Management Company is located at 12 rue James Watt, 93200 Saint-Denis, France. The Management Company is registered with the Trade and Companies Register of Bobigny under number 352 458 368.

Pursuant to the Issuer Regulations, the Management Company and the Custodian have jointly established the Issuer. The Management Company shall be responsible for the management of the Issuer and shall represent the Issuer *vis-à-vis* third parties and in any legal proceedings, whether as plaintiff or defendant. The Management Company shall made all decisions and take all steps and actions which it shall deem necessary or desirable to protect the Issuer's rights in relation to the Purchased Home Loan Receivables and the related Ancillary Rights.

Pursuant to Article 319-3 2° of the AMF General Regulations, the Management Company shall act in the best interest of the Issuer or the Residual Unitholder and the integrity of the market.

Pursuant to the terms of the Issuer Regulations it shall be bound to act at all times in the best interest of the Securityholders.

The Management Reports of the Issuer shall be made available at the registered office of the Management Company.

The Management Company has not been mandated as arranger of the transaction and did not appoint the Joint Arrangers as arrangers in respect of the securitisation transaction described in this Prospectus.

The Management Company did not engage any of the Rating Agencies in respect of any application for assigning the initial rating to the Listed Notes issued by the Issuer.

#### *Business*

EuroTitrisation is authorised to manage alternative investment funds (*fonds d'investissement alternatifs*) including securitisation vehicles (*organismes de titrisation*).

#### *Duties of the Management Company*

In accordance with Article L. 214-181 and Article L. 214-183-II of the French Monetary and Financial Code and pursuant to the provisions of the Issuer Regulations, the Management Company is, with respect to the Issuer, in charge of and responsible for the following tasks:

(a) enter into and/or amend any Transaction Documents with the relevant Transaction Parties which are necessary for the operation of the Issuer and ensure the proper performance of such Transaction Documents;

(b) ensure, on the basis of the information made available to it, that:

  (i) the Seller will comply with the provisions of the Home Loan Receivables Transfer Agreement;

(ii) the Servicer will comply with the provisions of the Servicing Agreement, the Specially Dedicated Account Agreement and the Commingling Reserve Deposit Agreement;

(iii) the Specially Dedicated Account Bank will comply with the provisions of the Specially Dedicated Account Agreement;

(iv) the Account Bank will comply with the provisions of the Account Bank Agreement;

(v) the Paying Agent will comply with the provisions of the Paying Agency Agreement;

(vi) each Hedge Counterparty will comply with the provisions of the relevant Hedge Agreement;

(vii) the Data Protection Agent will comply with the provisions of the Data Protection Agency Agreement;

(c) enforce the rights of the Issuer under the Transaction Documents if any Transaction Party has failed to comply with the provisions of any Transaction Document to which it is a party;

(d) determine, on the basis on the information available or provided to it, the occurrence of:

(i) a Servicer Termination Event and, upon the occurrence of a Servicer Termination Event, replace the Servicer, with the assistance of the Custodian, in accordance with the applicable laws and regulations and the provisions of the Servicing Agreement;

(ii) an Issuer Event of Default (the occurrence of an Issuer Event of Default will trigger the end of the Normal Amortisation Period, as the case may be, and the start of the Accelerated Amortisation Period);

(iii) an Issuer Liquidation Event,

(e) take the appropriate steps upon:

(i) the occurrence of an Issuer Event of Default (including after the receipt by it of a Note Acceleration Notice); or

(ii) the receipt of a Seller Call Option Notice from the Seller upon the exercise by the Seller of the Seller Call Option; or

(iii) the receipt of a Clean-up Call Event Notice from the Seller upon the exercise by the Seller of the Clean-up Call Option; or

(iv) the delivery by it of a Note Tax Event Notice upon the occurrence of a Note Tax Event; or

(f) comply with the instructions and directions given by the relevant Class(es) of Listed Noteholders pursuant to Extraordinary Resolutions;

(g) proceed with the relevant modifications in accordance with Condition 12(a) (*General Right of Modification without Noteholders' consent*), Condition 12(b) (*General Additional Right of Modification without Noteholders' consent*) and Condition 12(c) (*Additional Right of Modification without Noteholders' consent in relation to EURIBOR Discontinuation or Cessation*);

(h) ensure the payments of the Issuer Operating Expenses in accordance with the applicable Priority of Payments;

(i) verify that the payments received by the Issuer are consistent with the sums due with respect to its assets;

(j) provide all necessary information and instructions to the Account Bank in order for it to operate the Issuer Bank Accounts opened in its books in accordance with the provisions of the Issuer Regulations and the applicable Priority of Payments;

(k) allocate any payment received by the Issuer in accordance with the Transaction Documents;

(l) calculate:

(i) on each Interest Rate Determination Date the rate of interest applicable in respect of each Class of Listed Notes and the Notes Interest Amount payable with respect to each Class of Listed Notes;

(ii) before each Payment Date the Notes Interest Amount payable with respect to the Class C Notes;

(iii) after the First Optional Redemption Date, the applicable Subordinated Step-up Consideration with respect to each Class of Listed Notes;

(m) create:

(i) on the Closing Date and maintain on behalf of the Issuer during the Normal Amortisation Period the Principal Deficiency Ledger and sub-ledgers;

(ii) on the First Optional Redemption Date and maintain on behalf of the Issuer the Subordinated Step-up Consideration Deficiency Ledger and sub-ledgers;

(n) determine the principal due and payable to the Noteholders on each Payment Date;

(o) appoint and, if applicable, replace, the auditors of the Issuer pursuant to Article L. 214-185 of the French Monetary and Financial Code;

(p) notify, or cause to notify, the Borrowers in accordance with the terms of the Servicing Agreement upon the occurrence of a Borrower Notification Event;

(q) prepare and provide the Management Reports to the Custodian in accordance with the applicable provisions of the AMF General Regulations;

(r) prepare on a monthly basis and make available the Monthly Management Report (the content of each Monthly Management Report is detailed in sub-section "Monthly Information" of section "INFORMATION RELATING TO THE ISSUER) and provide on-line secured access to all Monthly Management Reports prepared by the Management Company to the Noteholders;

(s) provide on-line secured access to certain data for investors (through website facilities/intralink) in order to distribute any information provided by the Seller pursuant to Articles 6 (*Risk retention*) and Article 7 (*Transparency requirements for originators, sponsors and SSPEs*) of the Securitisation Regulation;

(t) prepare the documents required, under Article L. 214-175 of the French Monetary and Financial Code and the other applicable laws and regulations, for the information of, if applicable, the French Financial Markets Authority, the *Banque de France*, the Securityholders, the Rating Agencies, Euronext Paris, Euroclear France and Clearstream;

(u) provide any relevant information in relation to the FATCA reporting and the EMIR reporting in relation to the Hedge Agreements;

(v) invest the Issuer Available Cash in the Authorised Investments;

(w) provide all information, data, records or documents necessary for the Custodian to perform its obligations as custodian (including for the purpose of performing its supervisory role);

(x) comply with the requirements deriving from the CRA Regulation as amended by CRA3 to the extent it relates to the Issuer;

(y) comply at all times with the requirements deriving from EMIR including the disclosure requirements and execute any agreement necessary to perform such obligations on behalf of the Issuer; and

(z) make the decision to liquidate the Issuer upon the occurrence of an Issuer Liquidation Event in accordance with Article L. 214-175 IV and Article L. 214-186 of the French Monetary and Financial Code and the provisions of the Issuer Regulations.

***Calculations and Determinations***

The Management Company shall make all calculations and determinations which are required to be made pursuant to the Issuer Regulations in order to allocate and apply the Issuer's available funds and make all cash flows and payments during the Normal Amortisation Period and the Accelerated Amortisation Period in accordance with the Priority of Payments.

***Anti-money laundering and other obligations***

The Management Company shall exercise constant vigilance and shall perform the verifications called for under Title II, Paragraph 3 "*Obligation relating to anti-money laundering and combating the financial terrorism*" of the AMF General Regulations regarding its obligations as management company of the Issuer. The Management Company shall also comply with the provisions of Article L. 651-1 of the French Monetary and Financial Code and establish appropriate procedures in connection with anti-money laundering and prevention of terrorism in accordance with the provisions of Title VI Chapter I and Chapter II of Book V of the French Monetary and Financial Code.

***Instructions from the Management Company***

In order to ensure that all the allocations, distributions and payments will be made in a timely manner in accordance with the Priority of Payments, the Management Company, shall give the relevant instructions to, as the case may be, the Seller, the Servicer, the Specially Dedicated Account Bank, the Account Bank, the Hedge Counterparties and the Paying Agent.

***Performance of the duties of the Management Company***

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

***Delegation***

Subject to any applicable laws and regulations, the Management Company may delegate to any third party all or part of the administrative duties assigned to the Management Company by law, any agreement and/or the Issuer Regulations or appoint any third party to perform all or part of such duties, *provided, however, that* the Management Company shall remain solely responsible towards the Securityholders for the performance of its duties regardless of any such delegation and shall be liable for any failure to perform the said duties in accordance with the Issuer Regulations subject to:

(a) such sub-contract, delegation, agency or appointment complying with the applicable laws and regulations (including Article 318-58 of the AMF General Regulations);

(b) the AMF having received prior notice;

(c) the Rating Agencies having received prior notice; and

(d) the Custodian having received prior written notice.

*provided that* (i) the Management Company shall not delegate, directly or indirectly, all or part of its duties with respect to the Issuer to the Seller and (ii) such sub-contract, delegation, agency or appointment may not result in the Management Company being exonerated from any responsibility towards the Securityholders and the Custodian with respect to the Issuer Regulations.

***Conflicts of Interest***

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, prevent, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the Issuer and the Residual Unitholder.

Pursuant to Article 319-3 4° of the AMF General Regulations, the Management Company shall take all reasonable steps designed to avoid conflicts of interest and, when they cannot be avoided, to identify, manage and monitor and, where applicable, disclose, those conflicts of interest in order to prevent them from adversely affecting the interests of the Issuer and the Residual Unitholder and to ensure that the Issuer is fairly treated.

***Replacement of the Management Company***

*Replacement Events*

The Management Company shall be replaced by a new management company:

(a) at the request of the Management Company who may designate any replacement management company with the prior written consent of the Custodian *provided that* such substitution has been previously notified, upon not less than two (2) months' prior written notice, by the Management Company to the Custodian (with a copy to the other Transaction Parties) and the Rating Agencies; or

(b) at the request of the Custodian in the event that:

(i) the Management Company is subject to a cancellation (*radiation*) of its licence (*agrément*) by the *Autorité des Marchés Financiers*; or

(ii) the Management Company is (x) in a state of cessation of payments (*cessation des paiements*) within the meaning of Article L. 631-1 of the French Commercial Code or (y) subject to any of the proceedings governed by Book VI of the French Commercial Code and an administrator or a liquidator is legally and validly appointed over the Management Company or relating to all of the Management Company's revenues and assets; or

(iii) the Management Company has breached any of its material obligations ("*obligations essentielles*") under the Issuer Regulations.

*Conditions for Replacement of the Management Company*

A replacement of the Management Company is subject to the following conditions:

(a) the AMF, the Noteholders and the Residual Unitholder and the Rating Agencies shall have received prior written notification of such replacement;

(b) the replacement management company is duly licensed as a portfolio management company (*société de gestion de portefeuille*) within the meaning of Article L. 532-9 of the French Monetary and Financial Code by the *Autorité des Marchés Financiers*;

(c) the designation of the replacement portfolio management company would not result in any downgrade of the then current ratings of the Listed Notes;

(d) such replacement is made in compliance with the then applicable laws and regulations;

(e) the replacement portfolio management company has agreed to perform all legal and contractual duties of the Management Company;

(f) the fee payable to the Management Company in connection with its duties shall cease to be payable as of the effective date of substitution of the Management Company, and any excess amounts paid shall be repaid to the Issuer on the same date *pro rata temporis*, as a fee paid in advance;

(g) the Issuer shall not bear any additional costs in connection with such substitution;

(h) the Custodian has consented to the appointment of the replacement portfolio management company provided that the consent of the Custodian may not be unreasonably withheld; and

(i) no indemnity shall be paid by the Issuer to the Management Company.

**The Custodian**

***General***

The Custodian is BNP PARIBAS Securities Services.

BNP PARIBAS Securities Services shall act as the Custodian of the Purchased Home Loan Receivables and the Issuer Available Cash (*créances et trésorerie*) in accordance with Article L. 214-181 and Article L. 214-183-II of the French Monetary and Financial Code, Articles R. 214-217 to R. 214-235 of the French Monetary and Financial Code, the Issuer Regulations. It will participate, jointly with the Management Company, in the establishment of the Issuer.

Under the Issuer Regulations, the Custodian shall:

(a) act as custodian of the Issuer's Purchased Home Loan Receivables and Issuer Available Cash (*créances et trésorerie*) in accordance with Articles L. 214-181 and L. 214-183-II and Article D. 214-229 of the French Monetary and Financial Code, the Issuer Regulations and the AMF General Regulation;

(b) hold, in accordance with Article D. 214-229 1° of the French Monetary and Financial Code, on behalf of the Issuer, the Transfer Documents required by Article L. 214-169 V and Article D. 214-227 of the French Monetary and Financial Code and relating to any transfer or assignment of Receivables and their Ancillary Rights to the Issuer;

(c) be, pursuant to Article L. 214-183-II of the French Monetary and Financial Code, responsible for supervising the compliance (*régularité*) of any decision of the Management Company, it being *provided that* the Custodian shall take all necessary and appropriate steps in the event of failure by, incapacity or wilful misconduct (*dol*) of the Management Company to perform its duties;

(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) control that the Management Company has, pursuant to Article 425-15 of the AMF General Regulations, drawn up and published and subject to a verification made by the auditor of the Issuer:

  (i) no later than four (4) months following the end of each financial period of the Issuer, the annual activity report (*compte rendu d'activité de l'exercice*) of the Issuer; and

  (ii) no later than three (3) months following the end of the first semi-annual period of each financial period of the Issuer, the semi-annual activity report (*compte rendu d'activité semestriel*) of the Issuer;

(f) act in the interest of the Securityholders;

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

(h) perform the additional duties set out in the 2017 Ordinance amending the provisions of the French Monetary and Financial Code which are applicable to *fonds communs de titrisation* on 1st January 2020 and any related provisions of the AMF General Regulations.

***Anti-money laundering and other obligations***

The Custodian shall comply with the provisions of Article L. 651-1 of the French Monetary and Financial Code and establish appropriate procedures in connection with anti-money laundering and prevention of terrorism in accordance with the provisions of Title VI Chapter I and Chapter II of Book V of the French Monetary and Financial Code.

***Delegation***

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

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

(b) the AMF having received prior notice;

(c) the Rating Agencies having received prior notice; and

(d) 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 such approval is exclusively in the interest of the Securityholders,

*provided that* such sub-contract, delegation, agency or appointment may not result in the Custodian being exonerated from any liability towards the Securityholders and the Management Company with respect to the Issuer Regulations.

***Replacement of the Custodian***

*Replacement Events*

The Custodian shall be replaced by a new custodian:

(a) at the request of the Custodian who may designate any replacement custodian with the prior written consent of the Management Company *provided that* such substitution has been previously notified, upon not less than two (2) months' prior written notice, by the Custodian to the Management Company (with a copy to the other Transaction Parties) and the Rating Agencies; or

(b) at the request of the Management Company in the event that:

  (i) the Custodian is subject to a cancellation (*radiation*) or a withdrawal (*retrait*) of its banking licence (*agrément*) by the *Autorité de Contrôle Prudentiel et de Résolution*; or

  (ii) the Custodian is:

    (x) in a state of cessation of payments (*cessation des paiements*) within the meaning of Article L. 613-26 of the French Monetary and Financial Code; or

    (y) subject to any of the proceedings governed by Book VI of the French Commercial Code and an administrator or a liquidator is legally and validly appointed over the Custodian or relating to all of the Custodian's revenues and assets *provided always* that the opening of any judicial liquidation (*liquidation judiciaire*) or any safeguard procedure (*procédure de sauvegarde*) or any judicial recovery procedure (*procédure de redressement judiciaire*) against the Custodian shall have been subject to the approval (*avis conforme*) of the *Autorité de Contrôle Prudentiel et de Résolution* in accordance with Article L. 613-27 of the French Monetary and Financial Code; or

    (z) subject to resolution measures (*mesures de résolution*) decided by the Single Resolution Board and/or the *Autorité de Contrôle Prudentiel et de Résolution* in accordance with the applicable provisions of the French Monetary and Financial Code and such resolution measures (*mesures de résolution*) are likely to prevent the Custodian from performing its obligations under the Issuer Regulations and/or have a negative impact on its ability to perform its obligations under the Issuer Regulations; or

  (iii) the Custodian has breached any of its material obligations ("*obligations essentielles*") under the Issuer Regulations.

*Conditions for Replacement of the Custodian*

A replacement of the Custodian is subject to the following conditions:

(a) the AMF, the Noteholders and the Residual Unitholder and the Rating Agencies shall have received prior written notification of such replacement;

(b) the replacement custodian is duly licensed as a credit institution within the meaning of Article L. 214-183 II of the French Monetary and Financial Code;

(c) the designation of the replacement custodian would not result in any downgrade of the then current ratings of the Listed Notes;

(d) such replacement is made in compliance with the applicable laws and regulations;

(e) the replacement custodian has agreed to perform all legal and contractual duties of the Custodian;

(f) the fee payable to the Custodian in connection with its duties shall cease to be payable as of the effective date of substitution of the Custodian, and any excess amounts paid shall be repaid to the Issuer on the same date *pro rata temporis*, as a fee paid in advance;

(g) the Issuer shall not bear any additional costs in connection with such substitution;

(h) the Management Company has consented to the appointment of the replacement custodian provided that the consent of the Management Company may not be unreasonably withheld; and

(i) no indemnity shall be paid by the Issuer to the Custodian.

**The Seller**

***General***

The Seller is Crédit Immobilier de France Développement.

***Transfer of Home Loan Receivables***

In accordance with Article L. 214-169 V of the French Monetary and Financial Code and with the terms of the Home Loan Receivables Transfer Agreement dated 30 October 2019 and made between CIFD, the Management Company and the Custodian, the Seller shall assign and transfer to the Issuer, represented by the Management Company, Home Loan Receivables deriving from the Home Loan Agreements on the Closing Date (see "OPERATION OF THE ISSUER" and "SALE AND PURCHASE OF THE HOME LOAN RECEIVABLES RECEIVABLES").

**The Servicer**

***General***

The Servicer is Crédit Immobilier de France Développement.

In accordance with Article L. 214-172 of the French Monetary and Financial Code and the terms of the Servicing Agreement dated 30 October 2019 and made between Crédit Immobilier de France Développement, the Management Company and the Custodian, Crédit Immobilier de France Développement has been appointed by the Management Company with the prior approval of the Custodian as the Servicer of the Purchased Home Loan Receivables.

***Administration and Servicing of the Purchased Home Loan Receivables***

In its capacity as Servicer and pursuant to the terms of the Servicing Agreement, Crédit Immobilier de France Développement will service, administer and collect the Purchased Home Loan Receivables. The collection procedures include the servicing, administration and collection of the Purchased Home Loan Receivables, the enforcement of the Ancillary Rights, the remittance of the Available Monthly Collections to the General Account and the remittance of the Servicer Report to the Management Company on each Information Date and, if applicable, of the notification of the Borrowers in the event of the substitution of the Servicer in

accordance with Article L. 214-172 of the French Monetary and Financial Code (see "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES—The Servicing Agreement").

The Servicer has undertaken to service and administer the Purchased Home Loan Receivables pursuant to (a) the provisions of the Servicing Agreement and (b) the procedures generally used under such circumstances and for this type of loan receivables, the said procedures being, *inter alia*, subject to changes to the Consumer Credit Legislation or any applicable laws, as well as to the issuance of any new directives or regulations by any regulatory authority.

***Custody and Safekeeping of the Contractual Documents***

Pursuant to Article D. 214-229-2° and Article D. 214-229-3° of the French Monetary and Financial Code and the terms of the Servicing Agreement, CIFD, in its capacity as Servicer of the Purchased Home Loan Receivables, shall ensure the safekeeping of the Contractual Documents relating to the Purchased Home Loan Receivables and their respective Ancillary Rights.

The Servicer shall (a) be responsible for the safekeeping of the agreements and other documents relating to the Purchased Home Loan Receivables and their respective Ancillary Rights and (b) establish appropriate documented custody procedures and an independent internal on-going control of such procedures.

Pursuant to Article D. 214-229-3° of the French Monetary and Financial Code and in accordance with the provisions of the Servicing Agreement:

(a) the Custodian shall ensure, on the basis of a statement (*déclaration*) of the Servicer, that appropriate documented custody procedures have been set up. This statement (*déclaration*) shall enable the Custodian to check if the Servicer has established appropriate documented custody procedures allowing the safekeeping of the Purchased Home Loan Receivables, their security interest and their related ancillary rights and that the Purchased Home Loan Receivables are collected for the sole benefit of the Issuer; and

(b) at the request of the Management Company or at the request of the Custodian, the Servicer shall forthwith provide to the Custodian, or any other entity designated by the Custodian and the Management Company, the Contractual Documents relating to the Purchased Home Loan Receivables.

***Substitution of the Servicer***

Under the Servicing Agreement, the Management Company may, or will be obliged to, terminate the appointment of the Servicer as more fully described in sub-section "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES—The Servicing Agreement— *Termination of Appointment - Substitution*".

**The Specially Dedicated Account Bank**

The Specially Dedicated Account Bank is BRED Banque Populaire.

BRED Banque Populaire is a *société anonyme coopérative de banque populaire* incorporated under the laws of France, whose registered office is at 18, quai de la Rapée, 75012 Paris, registered with the Trade and Companies Register of Paris (*Registre du Commerce et des Sociétés de Paris*) under number 552 091 795 and licensed in France as a credit institution by the *Autorité de Contrôle Prudentiel et de Résolution.*

BRED Banque Populaire shall act as the Specially Dedicated Account Bank in accordance with Article L. 214-173 and Article D. 214-228 of the French Monetary and Financial Code. Pursuant to the terms of the Specially Dedicated Account Agreement dated 30 October 2019 and made between the Specially Dedicated Account Bank, the Management Company, the Custodian and the Servicer, the Specially Dedicated Account Bank will hold and maintain the Specially Dedicated Account for the exclusive benefit of the Issuer.

The Specially Dedicated Account Agreement is more fully described in section "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES – The Specially Dedicated Account Agreement".

**The Account Bank**

The Account Bank is BNP PARIBAS Securities Services.

BNP PARIBAS Securities Services shall act as the Account Bank under the Account Bank Agreement dated 30 October 2019 and made between the Management Company, the Custodian and the Account Bank.

The Issuer Bank Accounts will only be operated upon instructions of the Management Company and in accordance with the relevant provisions of the Account Bank Agreement. The Account Bank has agreed to be bound by the Priority of Payments set out in the Issuer Regulations.

A securities account will be opened in the books of the Account Bank in relation to each of the Issuer Bank Accounts in order for the Management Company to invest the Issuer's temporarily available cash in Authorised Investments pursuant to the Issuer Regulations. The Issuer Bank Accounts and the related securities accounts may only be debited within the limit of their respective credit balance.

The Account Bank is the credit institution in the books of which the Management Company has opened the Issuer Bank Accounts (for further details, see "ISSUER BANK ACCOUNTS").

**The Paying Agent**

The Paying Agent is BNP PARIBAS Securities Services.

BNP PARIBAS Securities Services shall act as the Paying Agent under the Paying Agency Agreement dated 30 October 2019 and made between the Management Company, the Custodian the Paying Agent and the Registrar.

**The Data Protection Agent**

The Data Protection Agent is BNP PARIBAS Securities Services.

BNP PARIBAS Securities Services shall act as the Data Protection Agent under the Data Protection Agency Agreement dated 30 October 2019 and made between the Management Company, the Custodian, the Servicer and the Data Protection Agent.

Pursuant to the terms of the Data Protection Agency Agreement, the Data Protection Agent shall hold the Decryption Key required to decrypt the information contained in any Encrypted Data File held by the Management Company and carefully safeguard each Decryption Key and protect it from unauthorised access by third parties.

**The Hedge Counterparties**

The Hedge Counterparties are BNP PARIBAS and Crédit Agricole Corporate and Investment Bank.

**The Statutory Auditor to the Issuer**

The Statutory Auditor of the Issuer is PricewaterhouseCoopers Audit at 63 rue de Villiers, 92208 Neuilly-sur-Seine, France.

In accordance with Article L. 214-185 of the French Monetary and Financial Code the Statutory Auditor of the Issuer has been appointed for six (6) fiscal years by the board of directors of the Management Company. Its appointment may be renewed upon the same conditions.

The Issuer's Statutory Auditor shall comply with the duties referred to in Article L. 214-185 of the French Monetary and Financial Code and shall, in particular: (a) certify, when required, the sincerity and the regularity of the accounts prepared by the Management Company within 60 days of the receipt thereof and verify the sincerity of information contained in the Management Report; (b) prepare an annual report for the Securityholders on the accounts as well as on the report prepared by the Management Company and shall publish such annual report no later than one hundred and twenty days following the end of each financial period of the Issuer; (c) inform the Management Company, the Custodian and the Financial Markets Authority of any irregularities or inaccuracies which the Statutory Auditor discovers in fulfilling its duties;

and (d) verify the annual and semi-annual information provided to the Securityholders by the Management Company.

## TRIGGERS TABLES

*The following is a summary of the rating triggers and the non-rating triggers set out in certain Transaction Documents. Such summary is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus.*

### Rating Triggers Table

| **Transaction Party** | **Required Ratings/Triggers** | **Requirements of ratings trigger being breached include the following** |
|---|---|---|
| **Servicer:** | If the Servicer has failed to credit the Commingling Reserve Account up to the Commingling Reserve Required Amount.<br><br>(please see "Servicing of the Purchased Home Loan Receivables – The Commingling Reserve Deposit Agreement" for further information). | The consequence of a breach will trigger a Servicer Termination Event (i.e. a breach of monetary obligations if such breach is not remedied by the Servicer within five (5) Business Days or thirty (30) Business Days if the breach is due to force majeure or technical reasons). |
| **Account Bank:** | The Account Bank is required to be an entity authorised to accept deposits in France having at least the Account Bank Required Ratings.<br><br>(please see "Issuer Bank Accounts" for further information). | The consequence of a breach is that the appointment of the Account Bank will be terminated and the Management Company will replace the Account Bank.<br><br>The Management Company will appoint a new account bank having at least the Account Bank Required Ratings within thirty (30) calendar days from the date on which the Account Bank ceases to have the Account Bank Required Ratings pursuant to the terms of the Account Bank Agreement. |
| **Specially Dedicated Account Bank** | The Specially Dedicated Account Bank is required to be an entity authorised to accept deposits in France having at least the Account Bank Required Ratings.<br><br>(please see "Servicing of the Purchased Home Loan Receivables – the Specially Dedicated Account Agreement" for further information). | The consequence of a breach is that the appointment of the Specially Dedicated Account Bank will be terminated and the Servicer (in cooperation with the Management Company) will replace the Specially Dedicated Account Bank.<br><br>The Servicer will appoint a new specially dedicated account bank having at least the Account Bank Required Ratings within thirty (30) calendar days after the downgrade of the ratings of the Specially Dedicated Account |

| | | |
|---|---|---|
| | | Bank below the Account Bank Required Ratings from the date on which the Specially Dedicated Account Bank ceases to have the Account Bank Required Ratings pursuant to the terms of the Specially Dedicated Account Agreement.<br><br>If the Servicer fails to appoint a new specially dedicated account bank having at least the Account Bank Required Ratings within thirty (30) calendar days from the date on which the Specially Dedicated Account Bank ceases to have the Account Bank Required Ratings pursuant to the terms of the Specially Dedicated Account Agreement, the Servicer will credit the Commingling Reserve Account up to the applicable Commingling Reserve Required Amount provided that the Servicer will credit the Commingling Reserve Account within fourteen (14) calendar days in case of a downgrade of the Specially Dedicated Account Bank by Fitch. |
| **Hedge Counterparty:** | **Hedge Agreement** | |
| | **Fitch** | |
| | See "THE HEDGE AGREEMENTS - Ratings Downgrade of the Hedge Counterparties - Fitch Required Ratings". | See "THE HEDGE AGREEMENTS - Ratings Downgrade of the Hedge Counterparties - Fitch Required Ratings". |
| | **Moody's** | |
| | See "THE HEDGE AGREEMENTS - Ratings Downgrade of the Hedge Counterparties – Moody's Required Ratings". | See "THE HEDGE AGREEMENTS - Ratings Downgrade of the Hedge Counterparties – Moody's Required Ratings". |

**Non-Rating Triggers Table**

| **Nature and Description of Trigger** | **Consequences of Trigger** |
|---|---|
| "**Servicer Termination Events**" means any of the following events:<br><br>1. Breach of obligations:<br><br>Any breach by the Servicer of:<br><br>(a) any of its material non-monetary obligations under the Servicing Agreement (other than the delivery of the Servicer Report to the Management Company referred to in (c) below) or under the Specially Dedicated Account Agreement or the Commingling Reserve Deposit Agreement and such breach is not remedied by the Servicer within:<br><br>(i) ten (10) Business Days; or<br><br>(ii) sixty (60) calendar days if the breach is due to force majeure,<br><br>after the earlier of the date on which it is aware of such breach and/or receipt of notification in writing to the Servicer by the Management Company to remedy such breach; or<br><br>(b) any of its monetary obligations under the Servicing Agreement, the Specially Dedicated Account Agreement or the Commingling Reserve Deposit Agreement and such breach is not remedied by the Servicer within:<br><br>(i) five (5) Business Days; or<br><br>(ii) thirty (30) calendar days if the breach is due to force majeure;<br><br>after the earlier of the date on which it is aware of such breach and/or receipt of notification in writing to the Servicer by the Management Company to remedy such breach.<br><br>2. Breach of warranties, representations or undertakings:<br><br>Any breach by the Servicer of any relevant representation, warranty or undertaking made or given by the Servicer in the Servicing Agreement (other than the representations or warranties or undertakings made or given by the Servicer with respect to the renegotiation of any Purchased Home Loan Receivables) or in the Specially Dedicated Account Agreement or the Commingling Reserve Deposit Agreement is materially false or incorrect or has been breached and such breach results in a material adverse effect on the Issuer's ability to make payments in respect of the Notes and, where such materially false or incorrect representation or warranty or breached undertaking can be corrected or remedied by the Servicer, is not corrected or remedied by the Servicer within:<br><br>(i) ten (10) Business Days; or<br><br>(ii) sixty (60) calendar days if the breach is due to force majeure,<br><br>after the earlier of the date on which it is aware of such misrepresentation or such breach and/or receipt of notification in | The consequence of a Servicer Termination Event is that the Management Company will terminate the appointment of the Servicer under the Servicing Agreement and will appoint a Substitute Servicer within thirty (30) calendar days from the date on which such Servicer Termination Event has occurred. |

writing to the Servicer by the Management Company to remedy such false or incorrect representation or warranty or breached undertaking.

3. Failure to deliver the Servicer Report:

The Servicer has failed to deliver the Servicer Report to the Management Company on the relevant Servicer Report Date, and such failure is not cured within five (5) Business Days (except for force majeure and except if the breach is due to technical reasons) and, if such breach is due to force majeure or technical reasons, such breach is not remedied by the Servicer within thirty (30) calendar days after the relevant Servicer Report Date.

4. Insolvency Events, additional or new resolution measures:

(a) Insolvency events

The Servicer is:

(i) in a state of cessation of payments (*cessation des paiements*) within the meaning of Article L. 613-26 of the French Monetary and Financial Code; or

(ii) subject to any of the proceedings governed by Book VI of the French Commercial Code and an administrator or a liquidator is legally and validly appointed over the Servicer or relating to all of the Servicer's revenues and assets,

provided always that the opening of any judicial liquidation (*liquidation judiciaire*) or any safeguard procedure (*procédure de sauvegarde*) or any judicial recovery procedure (*procédure de redressement judiciaire*) against the Servicer shall have been subject to the approval (*avis conforme*) of the *Autorité de Contrôle Prudentiel et de Résolution* in accordance with Article L. 613-27 of the French Monetary and Financial Code; or

(b) Additional or new resolutions measures

The then applicable orderly resolution plan of the CIF Group is either cancelled or rescinded or amended and the Servicer is subject to additional or new resolution measures (*mesures de résolution*) decided by the *Autorité de Contrôle Prudentiel et de Résolution* in accordance with the applicable provisions of the French Monetary and Financial Code which prevents the Servicer from continuing to perform its obligations under the Servicing Agreement, the Specially Dedicated Account Agreement or the Commingling Reserve Deposit Agreement and no replacement solution has been found by the parties, who undertake to negotiate on a bona fide basis, before the Payment Date following the entry into force of such resolution measure.

5. Change of control:

A change of control (within the meaning of Article L. 233-3 of the French Commercial Code) with respect to the Servicer or any merger with a third party of CIF Group or any demerger of the Servicer (the resulting entity of such merger or demerger being the "**New Entity**"),

| | |
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| which prevents the Servicer from continuing to perform its obligations under the Servicing Agreement, the Specially Dedicated Account Agreement or the Commingling Reserve Deposit Agreement.<br><br>6. Illegality:<br><br>It is or becomes unlawful for the Servicer to perform or comply with any or all of its material obligations under the Servicing Agreement or the Specially Dedicated Account Agreement or the Commingling Reserve Deposit Agreement or any or all of its material obligations under the Servicing Agreement or the Specially Dedicated Account Agreement or the Commingling Reserve Deposit Agreement are not, or cease to be, legal, valid and binding.<br><br>Please see "Servicing of the Purchased Home Loan Receivables – The Servicing Agreement" for further information. | |
| **Borrower Notification Events:**<br><br>The occurrence of any of the following events:<br><br>(a) a Servicer Termination Event; or<br><br>(b) the appointment of a Substitute Servicer by the Management Company pursuant to the Servicing Agreement. | Upon the occurrence of a Borrower Notification Event, Borrowers will be notified of the sale and assignment of the Purchased Home Loan Receivables by the Seller to the Issuer. Further, the Borrowers will be directed to make all payments in relation to the Purchased Home Loan Receivables onto the General Account or on any Issuer's substitute bank account held and operated by any authorised credit institution having the Account Bank Required Ratings in the event of the substitution and replacement of the Account Bank pursuant to the terms of the Account Bank Agreement. |
| **Issuer Events of Default:**<br><br>If the Issuer defaults in the payment of:<br><br>(a) the default by the Issuer in the payment of any interest and/or principal on the Most Senior Class of Notes when the same becomes due and payable and such default continues for a period of five (5) Business Days, excluding the payment of any Subordinated Step-up Consideration; or<br><br>(b) the Issuer defaults in the payment of principal on any Class of Notes on the Final Maturity Date. | The occurrence of an Issuer Event of Default is an Accelerated Amortisation Event.<br><br>Upon the occurrence of an Issuer Event of Default, the Normal Amortisation Period will terminate and the Accelerated Amortisation Period shall commence.<br><br>Please see "Operation of the Issuer – Operation of the Issuer during the Accelerated Amortisation Period" for further information. |
| **Accelerated Amortisation Events:**<br><br>The occurrence of any of the following events during the Normal | Upon the occurrence of an Accelerated Amortisation Event, the Normal Amortisation Period |

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| Amortisation Period:<br>(a) the occurrence of an Issuer Event of Default; or<br>(b) an Issuer Liquidation Event has occurred and the Management Company has elected to liquidate the Issuer. | will terminate and the Accelerated Amortisation Period shall commence. |
| **Insolvency Event with respect to the Specially Dedicated Account Bank**<br>If the Specially Dedicated Account Bank is subject to a proceeding governed by the provisions of Book VI of the French Commercial Code.<br>Please see "Servicing of the Purchased Home Loan Receivables – the Specially Dedicated Account Agreement" for further information. | Termination of appointment of Specially Dedicated Account Bank. The Servicer will replace the Specially Dedicated Account Bank within thirty (30) calendar days pursuant to the terms of the Specially Dedicated Account Agreement. |
| **Insolvency Event with respect to the Account Bank**<br>If the Account Bank is subject to a proceeding governed by the provisions of Book VI of the French Commercial Code.<br>Please see "Issuer Bank Accounts" for further information. | Termination of appointment of Account Bank. The Management Company will replace the Account Bank within thirty (30) calendar days pursuant to the terms of the Account Bank Agreement. |
| **Breach of the Account Bank's obligations:**<br>If the Account Bank breaches any of its obligations under the Account Bank Agreement and such breach continues unremedied for a period of three (3) Business Days following the receipt by the Account Bank of a notice in writing sent by the Management Company detailing such breach.<br>Please see "Issuer Bank Accounts" for further information. | The Management Company may, in its reasonable opinion, immediately terminate the Account Bank Agreement and will replace the Account Bank pursuant to the terms of the Account Bank Agreement. |
| **Insolvency Event with respect to the Paying Agent**<br>If the Paying Agent is subject to a proceeding governed by the provisions of Book VI of the French Commercial Code.<br>Please see "General Description of the Notes – Paying Agency Agreement". | Termination of appointment of Paying Agent. The Management Company will replace the Paying Agent pursuant to the terms of the Paying Agency Agreement. |
| **Breach of the Paying Agent's obligations:**<br>If the Paying Agent breaches any of its obligations under the Paying Agency Agreement and such breach continues unremedied for a period of three (3) Business Days following the receipt by the Paying Agent of a notice in writing sent by the Management Company detailing such breach.<br>Please see "General Description of the Notes – Paying Agency Agreement". | The Management Company may, in its reasonable opinion, immediately terminate the Paying Agency Agreement and will replace Paying Agent pursuant to the terms of the Paying Agency Agreement. |
| **Issuer Liquidation Events:**<br>The occurrence of:<br>(a) the liquidation of the Issuer is in the interest of the holders of the Notes and the holder of the Residual Units; or<br>(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 | If an Issuer Liquidation Event has occurred, the Accelerated Amortisation Period shall start.<br>Termination of the Normal Amortisation Period and commencement of the Accelerated Amortisation Period.<br>Commencement of the |

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| (c) a Clean-up Call Event.<br><br>Please see "Dissolution and Liquidation of the Issuer" for further information. | liquidation operations of the Issuer by the Management Company in accordance with the Issuer Regulations. |

## OPERATION OF THE ISSUER

### General

***Periods of the Issuer***

Pursuant to the Issuer Regulations The rights of the Noteholders and of the Residual Unitholder to receive payments of principal and interest on the Notes and the Residual Units, as applicable, will be determined in accordance with the relevant period of the Issuer.

The periods of the Issuer are:

(i) the Normal Amortisation Period,

and, upon the occurrence of any of the Accelerated Amortisation Events,

(ii) the Accelerated Amortisation Period.

***Decisions, Calculations and Determinations***

(a) The decisions, calculations and determinations which are required to be made by the Management Company during the Normal Amortisation Period and the Accelerated Amortisation Period with respect to the allocations of funds between the Issuer Bank Accounts and the Priority of Payments.

(b) In accordance with Article L. 214-169 II of the French Monetary and Financial Code, the Noteholders, the Residual Unitholder, the Transaction Parties and any creditors of the Issuer 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.

### Required Calculations and Determinations to be made by the Management Company

***Required Calculations and Determination***

On each Calculation Date, subject to the Priority of Payments to be applied during the Normal Amortisation Period or the Accelerated Amortisation Period, as applicable, the Management Company shall calculate, on the basis of the information provided to it by the Servicer in the Servicer Report:

(a) in respect of each Payment Date during each of the Normal Amortisation Period and during the Accelerated Amortisation Period:

  (i) the Available Distribution Amount;

  (ii) the Notes Interest Amounts for each Class of Notes;

  (iii) the Notes Amortisation Amount for each Class of Notes;

  (iv) the Principal Amount Outstanding for each Class of Notes;

  (v) during the Normal Amortisation Period (only), the Principal Deficiency Ledger;

  (vi) the Issuer Operating Expenses; and

  (vii) the Hedge Net Amount and any Hedge Counterparty Termination Amounts, Hedge Senior Termination Payments or Hedge Subordinated Termination Payments;

(b) on each Payment Date during the Normal Amortisation Period, the Management Company shall debit the aggregate of the Default Amount and the Principal Application Amount from the Principal Deficiency Ledger, starting the Class C Principal Deficiency Ledger up to an amount equal to the Principal Amount Outstanding of the Class C Notes, then with the Class B Principal Deficiency Ledger up to an amount equal to the Principal Amount Outstanding of the Class B Notes, then to the Class A Principal Deficiency Ledger up to an amount equal to the Principal Amount Outstanding of the Class A Notes.

***Failure to deliver the Servicer Report***

If the Servicer has failed to provide the Management Company with the Servicer Report, the Management Company shall determine or estimate, on the basis of the latest information received from the Servicer pursuant to the Servicing Agreement, as applicable, any element necessary in order to make payments in accordance with the applicable Priority of Payments.

**Principal Deficiency Ledger**

During the Normal Amortisation Period and with respect to any Payment Date, a principal deficiency ledger (the "**Principal Deficiency Ledger**") comprising three sub-ledgers referred to as the "**Class A Principal Deficiency Ledger**", the "**Class B Principal Deficiency Ledger**" and the "**Class C Principal Deficiency Ledger**", respectively, shall be established by the Management Company, acting for and on behalf of the Issuer, in order to record on any Payment Date the aggregate of (a) the Default Amounts and of (b) the Principal Application Amount.

Any (x) Default Amounts with respect to any Payment Date or (y) any reallocation of Principal Application Amount to interest made in accordance with item (1) of the Principal Priority of Payments, shall be debited on each Payment Date:

(a) *firstly*, from the Class C Principal Deficiency Ledger so long as the debit balance of such ledger is less than the Principal Amount Outstanding of the Class C Notes on such Payment Date prior to the giving effect of the Normal Priority of Payments;

(b) *secondly*, from the Class B Principal Deficiency Ledger so long as the debit balance of such ledger is less than the Principal Amount Outstanding of the Class B Notes on such Payment Date prior to the giving effect of the Normal Priority of Payments; and

(c) *thirdly*, from the Class A Principal Deficiency Ledger so long as the debit balance of such ledger is less than the Principal Amount Outstanding of the Class A Notes on such Payment Date prior to the giving effect of the Normal Priority of Payments.

During the Normal Amortisation Period, the Available Interest Distribution Amounts shall be credited on any Payment Date in accordance with items (4), (6) and (13) of the Interest Priority of Payments, respectively:

(a) *firstly*, to the Class A Principal Deficiency Ledger until the debit balance thereof is reduced to zero;

(b) *secondly*, to the Class B Principal Deficiency Ledger until the debit balance thereof is reduced to zero; and

(c) *thirdly*, to the Class C Principal Deficiency Ledger until the debit balance thereof is reduced to zero.

**Instructions given by the Management Company**

On each Payment Date during the Normal Amortisation Period or the Accelerated Amortisation Period, the Management Company shall give the appropriate instructions for the allocations and payments with respect to the Issuer on such dates.

In order to ensure that all the allocations, distributions and payments will be made in a timely manner in accordance with the Priority of Payments, the Management Company, acting on behalf of the Issuer, shall give the relevant instructions to the Servicer, the Seller, the Specially Dedicated Account Bank (if a Notice of Control has been delivered to the Specially Dedicated Account Bank), the Account Bank and the Hedge Counterparties.

The allocations and distributions shall be exclusively carried out by the Management Company with instructions given to the Account Bank under the supervision of the Custodian, respectively, to the extent of the monies standing from time to time to the credit balance of the General Account, the Liquidity Reserve Account and the Commingling Reserve Account in such manner that no Issuer Bank Account can present at any date a debit balance after applying the relevant Priority of Payments.

**Priority of Payments**

On each Payment Date during the Normal Amortisation Period, payments shall be made by the Issuer on each Payment Date in accordance with the Interest Priority of Payments and the Principal Priority of Payments.

***Priority of Payments during the Normal Amortisation Period***

(a) Interest Priority of Payments

On each Payment Date during the Normal Amortisation Period, the Management Company acting for and on behalf of the Issuer shall give instruction to the Account Bank to apply the Available Interest Distribution Amount, standing to the credit of the General Account and calculated on the Calculation Date preceding such Payment Date, and if the Available Interest Distribution Amount (excluding the amount referred to in item (a) of "Available Interest Distribution Amount") is insufficient, by debiting the Liquidity Reserve Account (provided always that the monies constituting the Liquidity Reserve Deposit shall only be applied to pay, respectively referred to in items (1) to (3) and (5) below), or, as applicable, the Issuer Liquidation Date, towards the following payments, provisions or allocations in the following order of priority, but in each case only to the extent that all payments, provisions or allocations of a higher priority have been made in full (the "**Interest Priority of Payments**"):

(1) payment of the Issuer Operating Expenses;

(2) (i) payment of any Hedge Net Amount due to the Hedge Counterparties on that Payment Date and (ii) on the Payment Date following any termination of the relevant Hedge Agreement, payment of any Hedge Senior Termination Payments due to the Hedge Counterparties upon such termination;

(3) payment, pari passu and pro rata of the Class A Notes Interest Amount;

(4) credit of the Class A Principal Deficiency Ledger in an amount sufficient to eliminate any debit on the Class A Principal Deficiency Ledger (any such amounts to be applied as Available Principal Distribution Amount pursuant to the Principal Priority of Payments);

(5) to the extent that (i) the Class B Notes are the Most Senior Class of Notes or (ii) the amount debited on the Class B Principal Deficiency Ledger is less than 25 per cent. of the Principal Amount Outstanding of the Class B Notes, payment on a pari passu and pro rata basis of the Class B Notes Interest Amounts payable in respect of the Class B Notes in respect of the Interest Period ending on such Payment Date;

(6) credit of the Class B Principal Deficiency Ledger in an amount sufficient to eliminate any debit on the Class B Principal Deficiency Ledger (any such amounts to be applied as Available Principal Distribution Amount pursuant to the Principal Priority of Payments);

(7) transfer to the Liquidity Reserve Account of an amount equal to the Liquidity Reserve Required Amount;

(8) repayment to the Liquidity Reserve Provider of the Liquidity Reserve Release Amount;

(9) so long as the Class C Principal Deficiency Ledger is not in debit, payment on a *pari passu* and *pro rata* basis of the Class C Notes Interest Amounts payable in respect of the Class C Notes in respect of the Interest Period ending on such Payment Date;

(10) payment on a *pari passu* and *pro rata* basis of the Class B Notes Interest Amounts payable in respect of the Class B Notes to the extent not already paid in accordance with item (5) above;

(11) after the First Optional Redemption Date, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof, of the Class A Notes Subordinated Step-up Consideration due or accrued due on the Class A Notes;

(12) after the First Optional Redemption Date, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof, of the Class B Notes Subordinated Step-up

Consideration due or accrued due on the Class B Notes;

(13) credit of the Class C Principal Deficiency Ledger in an amount sufficient to eliminate any debit on the Class C Principal Deficiency Ledger (any such amounts to be applied as Available Principal Distribution Amount pursuant to the Principal Priority of Payments);

(14) payment on a *pari passu* and *pro rata* basis of the Class C Notes Interest Amounts payable in respect of the Class C Notes to the extent not already paid in accordance with item (9) above;

(15) on the Payment Date following the termination of the relevant Hedge Agreement, payment of any Hedge Subordinated Termination Payments due to the Hedge Counterparty or to the Hedge Counterparties under the relevant Hedge Agreement upon such termination;

(16) on the First Payment Date (only), payment of the Pre-Acquisition Interests to the Seller;

(17) on the First Payment Date (only), payment of the Class A Notes Issuance Premium to the Seller; and

(18) payment to the Seller of the remaining, as the Deferred Purchase Price.

(b) Principal Priority of Payments

On each Payment Date during the Normal Amortisation Period, the Management Company will apply the Available Principal Distribution Amount, standing to the credit of the General Account and calculated on the Calculation Date preceding such Payment Date or, as applicable, the Issuer Liquidation 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 have been made in full (the "**Principal Priority of Payments**"):

(1) payments of amounts due and payable under items (1), (2), (3) and (5) of the Interest Priority of Payments where such payments remain unpaid, whether wholly or partially, after application of the Available Interest Distribution Amount in accordance with the Interest Priority of Payments;

(2) payment pari passu and pro rata of the Class A Notes Amortisation Amount, due and payable on that Payment Date, until the Class A Notes are fully redeemed;

(3) payment pari passu and pro rata of the Class B Notes Amortisation Amount, due and payable on that Payment Date, until the Class B Notes are fully redeemed; and

(4) payment pari passu and pro rata of the Class C Notes Amortisation Amount, due and payable on that Payment Date, until the Class C Notes are fully redeemed.

***Priority of Payments during the Accelerated Amortisation Period***

On each Payment Date following the occurrence of an Accelerated Amortisation Event, the Management Company acting for and on behalf of the Issuer shall give instruction to the Account Bank to apply the Available Distribution Amount, standing to the credit of the General Account and calculated on the Calculation Date preceding such Payment Date or, as applicable, the Issuer Liquidation Date, towards the following payments, provisions or allocations in the following order of priority, but in each case only to the extent that all payments, provisions or allocations of a higher priority have been made in full (the "**Accelerated Priority of Payments**"):

(1) payment of the Issuer Operating Expenses;

(2) (i) payment of any Hedge Net Amount due to the Hedge Counterparties on that Payment Date and (ii) on the Payment Date following any termination of the relevant Hedge Agreement, payment of any Hedge Senior Termination Payments due to the Hedge Counterparties upon such termination;

(3) payment pari passu and pro rata of the Class A Notes Interest Amount;

(4) payment pari passu and pro rata of the Class A Notes Amortisation Amount until all Class A Notes

are redeemed in full;

(5) payment pari passu and pro rata of the Class A Notes Subordinated Step-up Consideration due on the Class A Notes, if any;

(6) payment pari passu and pro rata of the Class B Notes Interest Amount;

(7) payment pari passu and pro rata of the Class B Notes Amortisation Amount until all Class B Notes are redeemed in full;

(8) payment pari passu and pro rata of the Class B Notes Subordinated Step-up Consideration due on the Class B Notes, if any;

(9) repayment of the Liquidity Reserve Deposit to the Liquidity Reserve Provider;

(10) payment pari passu and pro rata of the Class C Notes Interest Amount;

(11) payment pari passu and pro rata of the Class C Notes Amortisation Amount until all Class C Notes are redeemed in full;

(12) on the Payment Date following the termination of the relevant Hedge Agreement, payment of any Hedge Subordinated Termination Payments due to the Hedge Counterparty or to the Hedge Counterparties under the relevant Hedge Agreement upon such termination; and

(13) payment to the Seller of the remaining, as the Deferred Purchase Price.

## GENERAL DESCRIPTION OF THE NOTES

### General

#### *Legal Form of the Notes*

The Notes are:

(a) financial securities (*titres financiers*) within the meaning of Article L. 211-2 of the French Monetary and Financial Code; and

(b) French law securities as referred to in Article L. 214-175-1 I and Articles R. 214-221 and Articles R. 214-235 of the French Monetary and Financial Code, the Issuer Regulations and any other laws and regulations governing *fonds communs de titrisation.*

#### *Book-Entries Securities*

Title to the Notes will be evidenced in accordance with Article L. 211-3 of the French Monetary and Financial Code by book-entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of French Monetary and Financial Code) will be issued in respect of the Notes. The Listed Notes will, upon issue, be inscribed in the books (*inscription en compte*) of Euroclear France which shall credit the accounts of the Euroclear France Account Holders. For the purpose of these Conditions, "**Euroclear France Account Holder**" shall mean any authorised financial intermediary institution entitled to hold accounts, directly or indirectly, on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV ("**Euroclear**") and the depositary bank for Clearstream Banking S.A. ("**Clearstream**"). Title to the Listed Notes shall be evidenced by entries in the books of Euroclear France Account Holders and will pass upon, and transfer of the Listed Notes may only be effected through, registration of the transfer in such books.

### Description of the Securities Issued by the Issuer

#### *General*

Pursuant to the Issuer Regulations, on the Issuer Establishment Date, the Issuer will issue the EUR 650,000,000 Class A Asset Backed Floating Rate Notes due 27 November 2062 (the "**Class A Notes**"), the EUR 24,800,000 Class B Asset Backed Floating Rate Notes due 27 November 2062 (the "**Class B Notes**", together with the Class A Notes, the "**Listed Notes**") and the EUR 35,600,000 Class C Asset Backed Fixed Rate Notes due 27 November 2062 (the "**Class C Notes**", together with the Listed Notes, the "**Notes**").

The Issuer will simultaneously issue on the Issue Date the EUR 3,624 Asset Backed Residual Units due 27 November 2062 (the "**Residual Units**").

The Listed Notes will be placed (i) with qualified investors (*investisseurs qualifiés*) as defined by Article L. 411-2 II and Article D. 411-1 of the French Monetary and Financial Code and (ii) investors resident outside France and will be listed and admitted to trading on Euronext Paris.

The Class C Notes and the Residual Units will be subscribed for by CIFD.

#### *Listing of the Listed Notes*

Application has been made to Euronext Paris for the Listed Notes to be listed and admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EC, appearing on the list of regulated markets issued by the ESMA.

### Paying Agency Agreement

By a paying agency agreement (the "**Paying Agency Agreement**", which expression includes such document as amended, modified, novated or supplemented from time to time) dated 30 October 2019 and made between the Management Company, the Custodian, the Listing Agent, the Registrar and BNP PARIBAS Securities Services (the "**Paying Agent**"), provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes. The expression "Paying Agent" includes any successor or

additional paying agent appointed by the Management Company and the Custodian in connection with the Notes.

***Termination of the Paying Agency Agreement***

*Term*

Unless terminated earlier in the event of the occurrence of any events set out below, the Paying Agency Agreement shall terminate on the Issuer Liquidation Date.

The parties to the Paying Agency Agreement will remain bound to execute their obligations in respect of the Paying Agency Agreement until the date on which all of their obligations shall have been satisfied, even if such date falls after the Issuer Liquidation Date.

*Revocation and Termination of Appointment by the Management Company*

The Management Company reserves the right, without the consent or sanction of the Noteholders, to vary or terminate (by sending a letter with acknowledgement of receipt to the other parties not less than six (6) months prior to such effective date and that such effective date shall not fall less than thirty (30) calendar days before or after any due date for payment in respect of any Notes) and revoke the appointment of any Paying Agent and appoint, with the assistance of the Custodian, additional or other paying agent(s), provided that it will at all times maintain a Paying Agent having a specified office in Paris.

*Insolvency Event or Breach of Paying Agent's Obligations and Termination of Appointment by the Management Company*

If the Paying Agent becomes subject to any proceeding governed by Book VI of the French Commercial Code or breaches any of its obligations under the Paying Agency Agreement and such breach continues unremedied for a period of three (3) Business Days following the receipt by the Paying Agent of a notice in writing sent by the Management Company detailing such breach, the Management Company may terminate the Paying Agency Agreement *provided that*:

(a) such termination shall not take effect (and the Paying Agent shall continue to be bound hereby) until the transfer of the services to a substitute Paying Agent (a "substitute Paying Agent") and documentation has been executed to the satisfaction of the Management Company;

(b) the substitute Paying Agent can assume in substance the rights and obligations of the Paying Agent;

(c) the substitute Paying Agent shall have agreed with the Management Company and the Custodian to perform the duties and obligations of the Paying Agent pursuant to an agreement entered into between the Management Company, the Custodian and the substitute Paying Agent substantially similar to the terms of the Paying Agency Agreement;

(d) the Rating Agencies shall have been given prior notice of such substitution;

(e) the Custodian shall have given its prior written approval of such substitution and of the appointment of the substitute Paying Agent (such consent may not be unreasonably refused or withheld other than on the basis of legitimate, serious and reasonable grounds);

(f) the Issuer shall not bear any additional costs in connection with such substitution; and

(g) such substitution is made in compliance with the then applicable laws and regulations.

*Termination by the Paying Agent*

The Paying Agent may, at any time upon not less than six (6) calendar months' written notice, notify the Management Company and the Custodian in writing that it wishes to cease to be a party to the Paying Agency Agreement as Paying Agent (a "cessation notice"). Upon receipt of a cessation notice the Management Company and the Custodian will nominate a successor to the Paying Agent (a "substitute Paying Agent") provided, however, that such resignation shall not take effect until the following conditions are satisfied:

(a) a substitute Paying Agent shall have been appointed by the Custodian and the Management Company and a new paying agency agreement has been entered into substantially in the form of the Paying Agency Agreement and upon terms satisfactory to the Management Company and the Custodian;

(b) the Rating Agencies shall have been given prior notice of such substitution;

(c) the Management Company and the Custodian shall have given their prior written approval of such substitution and of the appointment of the substitute Paying Agent (such consent may not be unreasonably refused or withheld other than on the basis of legitimate, serious and reasonable grounds);

(d) the Issuer shall not bear any additional costs in connection with such substitution; and

(e) such substitution is made in compliance with the then applicable laws and regulations.

***Governing Law and Jurisdiction***

The Paying Agency 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 Paying Agency Agreement to the exclusive jurisdiction of the *Tribunal de commerce de Paris.*

## RATINGS OF THE LISTED NOTES

### Expected Ratings of the Listed Notes on the Closing Date

*Class A Notes*

It is a condition of the issue of the Class A Notes that the Class A Notes are assigned, on issue, a rating of AAAsf by Fitch and a rating of Aaa(sf) by Moody's.

*Class B Notes*

It is a condition of the issue of the Class B Notes that the Class B Notes are assigned, on issue, a rating of A+sf by Fitch and a rating of A3(sf) by Moody's.

The credit ratings of the Listed Notes do not address the likelihood of payment of the Subordinated Step-up Consideration in respect of any of the Listed Notes.

Ratings are expected to be assigned to each Class of Listed Notes as set out above on or before the Closing Date.

### Ratings of the Listed Notes

The ratings assigned by Fitch and Moody's to the Listed Notes address the likelihood of (a) in the case of the Class A Notes only, full and timely payment to the Listed Noteholders of interest due on each Payment Date and full payment of principal on a date that is not later than the Final Maturity Date and (b) in the case of all other Classes of Listed Notes, full payment of interest and principal on a date that is not later than the Final Maturity Date.

The ratings reflect the view of the Rating Agencies and are based on the Purchased Home Loan Receivables and the structural features of the securitisation, and, *inter alia*, the ratings of the Hedge Counterparties.

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 the Rating Agencies as a result of changes in or unavailability of information or if, in the Rating Agencies' judgement, circumstances so warrant.

For the avoidance of doubt and unless the context otherwise requires any references to "**ratings**" or "**rating**" in this Prospectus are references to the ratings assigned by the Rating Agencies only. Future events could have an adverse impact on the ratings of the Listed Notes.

By acquiring any Listed Note, each Noteholder acknowledges that any ratings affirmation given by the Rating Agencies:

(a) only addresses the effect of any relevant event, matter or circumstance on the current ratings assigned by the relevant Rating Agency to the Listed Notes;

(b) does not address whether any relevant event, matter or circumstance is permitted by the Transaction Documents; and

(c) does not address whether any relevant event, matter or circumstance is in the best interests of, or prejudicial to, some or all of the Listed Noteholders,

and that no person shall be entitled to assume otherwise.

In addition, rules adopted by the United States Securities Exchange Commission require nationally recognised statistical rating organisations ("**NRSROs**") that are hired by issuers and sponsors of a structured finance transaction to facilitate a process by which other NRSROs not hired in connection with the transaction can obtain the same information available to the hired NRSROs. Non-hired NRSROs may use this information to issue (and maintain) an unsolicited rating of the Listed Notes. Failure to make information available as required could lead to the ratings of the Listed Notes being withdrawn by the applicable rating agency or a non-hired NRSRO.

NRSROs have different methodologies, criteria, models and requirements, which may result in ratings on the Listed Notes that are lower than those assigned by the applicable Rating Agency. Unsolicited ratings of the Listed Notes may be assigned by a non-hired NRSRO at any time, even prior to the Issue Date. Such unsolicited ratings of the Listed Notes by a non-hired NRSRO may be lower than those assigned by the applicable Rating Agency. If a non-hired NRSRO issues a lower rating, the liquidity and market value of the affected Listed Notes could be materially and adversely affected. In addition, the mere possibility that such a rating could be issued may affect price levels in any secondary market that may develop. For the avoidance of doubt and unless the context otherwise requires, any reference to "ratings" or "rating" in this Prospectus is to the ratings assigned by the specified Rating Agencies only.

In addition, EU regulated investors (such as investment firms, insurance and reinsurance undertakings, UCITS funds and certain hedge fund managers) are restricted from using a rating issued by a credit rating agency established in the European Union for regulatory purposes unless such credit rating agency is registered under the CRA Regulation or has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused.

The assignment of ratings to the Class A Notes is not a recommendation to invest in the Class A Notes. The assignment of ratings to the Class B Notes is not a recommendation to invest in the Class B Notes. Any credit rating assigned to the Listed Notes may be revised, suspended or withdrawn at any time.

A rating is not a recommendation to buy, sell or hold the Listed Notes and may be subject to revision or withdrawal at any time by the Rating Agencies. Any such revision, suspension or withdrawal may have an effect on the market value of the Listed Notes. The ratings assigned to the Listed Notes should be evaluated independently from similar ratings on other types of securities. There is no assurance that any of the ratings mentioned above will continue for any period of time or that they will not be lowered, reviewed, revised, suspended or withdrawn by the Rating Agencies. In the event that the ratings initially assigned to the Listed Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to them.

**Rating Agency Confirmation**

Pursuant to the Conditions of the Listed Notes the Management Company may be obliged, without any consent or sanction of the Listed Noteholders, to proceed with any modification (other than in respect of a Basic Terms Modification) to the Conditions and/or any Transaction Document that the Issuer considers necessary or as proposed by a Hedge Counterparty or enter into any new, supplemental or additional documents for the purposes of certain actions listed in Condition 12 (*Modifications*) of the Notes subject to receipt of Rating Agency Confirmation.

No assurance can be given that any or all of the Rating Agencies will provide any confirmation or that, depending on the timing of the delivery of the request and any information needed to be provided, it may be the case that the Rating Agencies cannot provide their confirmation in the time available and, in either case, the Rating Agencies will not be responsible for the consequences thereof. Certain rating agencies have indicated that they will no longer provide Rating Agency Confirmations as a matter of policy. To the extent that a Rating Agency Confirmation cannot be obtained, whether or not a proposed action will ultimately take place will be determined in accordance with the provisions of the relevant Transaction Documents and, specifically, the relevant modification and waiver provisions. However, if a confirmation is provided, it should be noted that a Rating Agency's decision to reconfirm a particular rating may be made on the basis of a variety of factors. In particular, the holders of Listed Notes should be aware that the Rating Agencies owe no duties whatsoever to any parties to the transaction (including the Noteholders) in providing any confirmation of ratings. In addition, it should be noted that any confirmation of ratings:

(a) only addresses the effect of any relevant event, matter or circumstance on the current ratings assigned by the relevant Rating Agency to the Listed Notes;

(b) does not address whether any relevant event, matter or circumstance is permitted by the Transaction Documents; and

(c) does not address whether any relevant event, matter or circumstance is in the best interests of, or prejudicial to, some or all of the Listed Noteholders.

No assurance can be given that any such reconfirmation will not be given in circumstances where the relevant proposed matter would materially adversely affect the interests of Noteholders of a particular Class.

The Rating Agencies, in assigning credit ratings, do not comment upon the interests of the holders of securities (such as the Listed Notes).

## WEIGHTED AVERAGE LIFE OF THE LISTED NOTES AND ASSUMPTIONS

### General

The yields to maturity on each Class of Listed Notes will be affected by the amount and timing of delinquencies and default on the Purchased Home Loan Receivables. Furthermore, the ability of the Issuer to redeem in full each Class of Listed Notes on the Final Maturity Date will be affected by the delinquencies and defaults on the Purchased Home Loan Receivables.

### Estimated Weighted Average Lives of the Listed Notes

Weighted average life refers to the average amount of time that will elapse from the date of issuance of the Notes to the date of distribution to the investors of each Euro distributed in reduction of the principal of such security. The weighted average life of the Listed Notes will be influenced by the principal payments received on the Purchased Home Loan Receivables purchased by the Issuer. Such principal payments shall be calculated on the basis of the scheduled principal payments, the prepayments and the defaults on any Purchased Home Loan Receivable.

The weighted average life of the Notes shall be affected by the available funds allocated to redeem the Listed Notes.

### Structuring Assumptions

Assumptions used for calculation of each weighted average life of the Listed Notes are the following:

(a) the scheduled monthly payments for the pool of selected home loan receivables have been based on the aggregate Outstanding Principal Balances of the selected home loan receivables, the average interest rate, and remaining term to maturity;

(b) there are no delinquencies or losses on the Purchased Home Loan Receivables, and principal payments on the Purchased Home Loan Receivables will be timely received together with prepayments, if any, at the respective constant prepayment rates ("**CPRs**") set forth in the table below;

(c) no early liquidation of the Issuer by the Management Company except for the ten (10) per cent. clean-up call;

(d) interest is payable on the Listed Notes in Euro in arrear on the 27th day in February, May, August and November in each year, commencing on (and including) the Payment Date falling in February 2020;

(e) zero per cent. investment return is earned on the Issuer Bank Accounts;

(f) no debit on the Principal Deficiency Ledger has been recorded; and

(g) no shortfalls in any Notes Interest Amount are expected.

The actual characteristics and performance of the Purchased Home Loan Receivables are likely to differ from the assumptions used in constructing the table set forth below, which is hypothetical in nature and is provided only to give a general sense of how the principal cash flows might behave under varying prepayment scenarios. For example, it is unlikely that the home loan receivables prepay at a constant prepayment rate until maturity. Any difference between such assumptions and the actual characteristics and performance of the Purchased Home Loan Receivables, or actual prepayment or loss experience, will cause the weighted average life of the Listed Notes to differ (which difference could be material) from the corresponding information in the table for each indicated percentage of CPR and will affect the percentage of principal amount outstanding over time and the weighted average lives of the Listed Notes, respectively.

**Tables**

| | Scenario CPR : 0.0% - No Clean Up Call | | Scenario CPR : 4.0% - No Clean Up Call | | Scenario CPR : 8.0% - No Clean Up Call | | Scenario CPR : 12.0% - No Clean Up Call | | Scenario CPR : 16.0% - No Clean Up Call | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Class A Notes** | **Class B Notes** | **Class A Notes** | **Class B Notes** | **Class A Notes** | **Class B Notes** | **Class A Notes** | **Class B Notes** | **Class A Notes** | **Class B Notes** |
| First Payment Date | 27/02/2020 | 27/05/2037 | 27/02/2020 | 27/11/2034 | 27/02/2020 | 27/08/2032 | 27/02/2020 | 27/08/2030 | 27/02/2020 | 27/11/2028 |
| Last Payment Date | 27/05/2037 | 27/11/2038 | 27/11/2034 | 27/11/2036 | 27/08/2032 | 27/08/2034 | 27/08/2030 | 27/05/2032 | 27/11/2028 | 27/08/2030 |
| **WAL** | **7.45** | **18.29** | **5.72** | **16.02** | **4.53** | **13.68** | **3.71** | **11.60** | **3.10** | **9.90** |

| | Scenario CPR : 0.0% - Clean Up Call : 10.0% | | Scenario CPR : 4.0% - Clean Up Call : 10.0% | | Scenario CPR : 8.0% - Clean Up Call : 10.0% | | Scenario CPR : 12.0% - Clean Up Call : 10.0% | | Scenario CPR : 16.0% - Clean Up Call : 10.0% | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Class A Notes** | **Class B Notes** | **Class A Notes** | **Class B Notes** | **Class A Notes** | **Class B Notes** | **Class A Notes** | **Class B Notes** | **Class A Notes** | **Class B Notes** |
| First Payment Date | 27/02/2020 | 27/02/2037 | 27/02/2020 | 27/08/2034 | 27/02/2020 | 27/02/2032 | 27/02/2020 | 27/02/2030 | 27/02/2020 | 27/08/2028 |
| Last Payment Date | 27/02/2037 | 27/02/2037 | 27/08/2034 | 27/08/2034 | 27/02/2032 | 27/02/2032 | 27/02/2030 | 27/02/2030 | 27/08/2028 | 27/08/2028 |
| **WAL** | **7.45** | **17.32** | **5.71** | **14.81** | **4.53** | **12.31** | **3.70** | **10.32** | **3.10** | **8.81** |

| | Scenario CPR : 0.0% - FORD - No Clean Up Call | | Scenario CPR : 4.0% - FORD - No Clean Up Call | | Scenario CPR : 8.0% - FORD - No Clean Up Call | | Scenario CPR : 12.0% - FORD - No Clean Up Call | | Scenario CPR : 16.0% - FORD - No Clean Up Call | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Class A Notes** | **Class B Notes** | **Class A Notes** | **Class B Notes** | **Class A Notes** | **Class B Notes** | **Class A Notes** | **Class B Notes** | **Class A Notes** | **Class B Notes** |
| First Payment Date | 27/02/2020 | 27/11/2024 | 27/02/2020 | 27/11/2024 | 27/02/2020 | 27/11/2024 | 27/02/2020 | 27/11/2024 | 27/02/2020 | 27/11/2024 |
| Last Payment Date | 27/11/2024 | 27/11/2024 | 27/11/2024 | 27/11/2024 | 27/11/2024 | 27/11/2024 | 27/11/2024 | 27/11/2024 | 27/11/2024 | 27/11/2024 |
| **WAL** | **4.15** | **5.07** | **3.75** | **5.07** | **3.39** | **5.07** | **3.06** | **5.07** | **2.75** | **5.07** |

## THE ASSETS OF THE ISSUER

*This section sets out a general description of the Assets of the Issuer in accordance with the provisions of the Issuer Regulations.*

Pursuant to the Issuer Regulations and the other relevant Transaction Documents, the Assets of the Issuer consist of:

(a) the Purchased Home Loan Receivables and their respective Ancillary Rights;

(b) the Liquidity Reserve Deposit;

(c) the Commingling Reserve Deposit (when funded);

(d) any amounts received by the Issuer from the Hedge Counterparties, as the case may be, under each Hedge Agreement;

(e) the positive credit balances, if any, of the Issuer Bank Accounts;

(f) the Issuer Available Cash invested in the Authorised Investments; and

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

The securitised assets backing the issue have, at the date of the Prospectus, characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes.

## SALE AND PURCHASE OF THE HOME LOAN RECEIVABLES

### Introduction

***Purchase of the Home Loan Receivables on the Closing Date***

On the Closing Date and pursuant to the terms of the Home Loan Receivables Transfer Agreement, the Issuer will purchase a portfolio of Home Loan Receivables from the Seller for an amount not exceeding the Initial Portfolio Principal Outstanding Balance.

The Issuer shall not purchase any Home Loan Receivables after the Closing Date.

***No active portfolio management of the Purchased Home Loan Receivables***

For the avoidance of doubt, the Issuer will never engage in any active portfolio management of the Purchased Home Loan Receivables on a discretionary basis within the meaning of Article 20(7) of the Securitisation Regulation.

### Sales and Purchase of the Home Loan Receivables

***General***

The Seller and the Management Company, acting for and on behalf of the Issuer, have agreed under the provisions of Article L. 214-169 V and Article D. 214-227 of the French Monetary and Financial Code and subject to the terms of the Home Loan Receivables Transfer Agreement to sell, purchase and assign the Home Loan Receivables and their respective Ancillary Rights on the Closing Date.

***Transfer of the Home Loan Receivables and of the Ancillary Rights***

Pursuant to Article L. 214-169 V 1°and Article L. 214-169 V 2° of the French Monetary and Financial Code, the transfer of the Home Loan Receivables and their Ancillary Rights by the Seller to the Issuer shall be made by way of a Transfer Document.

Pursuant to Article L. 214-169 V 2° of the French Monetary and Financial Code "the assignment of receivables shall take effect between the parties (i.e. the assignor and the fund in its capacity as transferee) and shall be enforceable vis-à-vis third parties as of the date specified in the deed of transfer (*acte de cession de créances*), irrespective of the origination date, the maturity date or the due date of such receivables with no further formalities regardless of the law governing the transferred receivables and the law of the domicile of the assigned debtors."

Pursuant to Article L. 214-169 V 3° of the French Monetary and Financial Code "the delivery (*remise*) of the deed of transfer (*acte de cession de créances*) shall, as a matter of French law, entail the automatic (*de plein droit*) transfer of any ancillary rights (including any security interest, guarantees and other ancillary rights) attached to each receivable and the enforceability (*opposabilité*) of such transfer vis-à-vis third parties, without any further formalities (*sans qu'il soit besoin d'autre formalité*)."

Pursuant to Article L. 214-169 V 4° of the French Monetary and Financial Code "the assignment of the receivables and of their ancillary rights shall remain valid (*la cession conserve ses effets après le jugement d'ouverture*) notwithstanding that the seller in a state of cessation of payments (*cessation des paiements*) on the purchase date (*au moment de cette cession*) and notwithstanding the opening of any proceeding governed by Book VI of the French Commercial Code (*dispositions du Livre VI du Code de Commerce*) or any equivalent proceeding governed by any foreign law (*procédure équivalente sur le fondement d'un droit étranger*) against the seller after such purchase (*postérieurement à cette cession*)."

Pursuant to Article D. 214-227 of the French Monetary and Financial Code the Seller or the Servicer shall, when required to do so by the Management Company, carry out any act of formality in order to protect, amend, perfect, release or enforce any of the Ancillary Rights relating to the Purchased Home Loan Receivables.

Pursuant to Article L. 214-169 III of the French Monetary and Financial Code, the enforcement or the constitution of the Ancillary Rights entails the Issuer's ability to acquire the possession or the ownership of

the underlying assets. The conditions of enforcement of the Ancillary Rights are set out in the Servicing Agreement.

***Ancillary Rights related to the Purchased Home Loan Receivables***

The Ancillary Rights shall be transferred to the Issuer together with the relevant Purchased Home Loan Receivables on the Closing Date in accordance with Article L. 214-169 V of the French Monetary and Financial Code.

The Servicer shall be in charge with the safekeeping of any Ancillary Rights related to the Purchased Home Loan Receivables or to any security interest, as the case may be.

For the avoidance of doubt, the parties to the Home Loan Receivables Transfer Agreement have agreed that the transfer of the Purchased Home Loan Receivables shall entail the transfer of the benefit of the indemnities to be paid under the Insurance Policies.

**Purchase Price of the Home Loan Receivables**

***Calculation of the Purchase Price***

The purchase price of the Home Loan Receivables transferred by the Seller to the Issuer on the Closing Date shall be equal to the Initial Portfolio Principal Outstanding Balance in relation to the Purchased Home Loan Receivables on the Closing Date.

***Payment of the Purchase Price and the Deferred Purchase Price***

The Purchase Price of the Home Loan Receivables shall be paid by the Issuer to the Seller on the Closing Date.

The Management Company shall give the necessary instructions to the Account Bank for the payment of the Purchase Price of the Home Loan Receivables by the Issuer to the Seller on the Closing Date subject to any set-off against the payments due on such date by CIFD (as Class C Notes Purchaser and Residual Units Purchaser) to the Issuer as agreed in the Class C Notes and Residual Units Subscription Agreements. For the avoidance of doubt, the Commingling Reserve Deposit and the Liquidity Reserve Deposit may not form part of the netting arrangement pursuant to the Home Loan Receivables Transfer Agreement.

The Deferred Purchase Price shall be paid by the Issuer to the Seller in accordance with item (j) of the Interest Priority of Payments.

**Selection of the Home Loan Receivables**

The Purchased Home Loan Receivables shall have first been pre-selected by the Seller in a provisional pool of Home Loan Receivables selected as of 31 August 2019.

The Purchased Home Loan Receivables shall be selected randomly out of the provisional pool of Home Loan Receivables on the Initial Cut-off Date in a manner that will not be adverse to the Issuer and so that the selected portfolio will comply with the Eligibility Criteria.

In accordance with Article 6(2) of the Securitisation Regulation, the Seller has represented and warranted that it has not selected Home Loan Receivables to be transferred to the Issuer on the Closing Date with the aim of rendering losses on the Purchased Home Loan Receivables transferred to the Issuer, measured over four (4) years, higher than the losses over the same period on comparable home loan receivables held on its balance sheet.

**Effective Date of the Transfer of the Home Loan Receivables**

The effective date (*date de jouissance*) of the transfer of the Home Loan Receivables is the first calendar day following the Initial Cut-Off Date (for the avoidance of doubt, such date being included).

By way of exception, the Issuer shall be entitled to receive the Pre-Acquisition Interests relating to the Purchased Home Loan Receivables that are purchased on the Closing Date.

**Seller's Receivables Warranties**

***General Provisions***

When consenting to acquire from the Seller any Home Loan Receivables on the Closing Date, the Management Company, acting for and on behalf of the Issuer, will take into consideration, as an essential and determining condition for its consent (*condition essentielle et déterminante de son consentement*), the Receivables Warranties.

The Management Company may carry out consistency tests on some information provided to it by the Seller and may verify the compliance of certain of the Purchased Home Loan Receivables with certain of the Eligibility Criteria. Such tests will be non-exhaustive and will be undertaken in the manner to ensure the fulfilment by the Seller of its obligations as set out in the Home Loan Receivables Transfer Agreement, the protection of the interests of the Noteholders and the Residual Unitholder with respect to the Assets of the Issuer, and, more generally, in order to satisfy its legal and regulatory obligations as defined by the applicable provisions of the French Monetary and Financial Code. Nevertheless, the responsibility for the non-compliance of the Home Loan Receivables transferred by the Seller to the Issuer with the Eligibility Criteria on the Initial Cut-Off Date will at all times remain with the Seller only (and the Management Company shall under no circumstance be liable therefor) and the Management Company will therefore rely only on the Receivables Warranties.

***Receivables Warranties***

Pursuant to the provisions of the Home Loan Receivables Transfer Agreement the Seller has represented and warranted to the Management Company, acting for and on behalf of the Issuer, that (the "**Receivables Warranties**"):

(a) each Home Loan Agreement will comply on the Initial Cut-Off Date with the Eligibility Criteria of the Home Loan Agreements;

(b) each Home Loan Receivable which will be assigned, sold and transferred by it to the Issuer will comply on the Initial Cut-Off Date with the Eligibility Criteria of the Home Loan Receivables;

(c) each Borrower will comply on the Initial Cut-Off Date with the Eligibility Criteria of the Borrowers;

(d) the Home Loan Portfolio Eligibility Criteria will be satisfied on the Initial Cut-Off Date;

(e) it complies with the applicable provisions of French law relating to the protection of personal data in relation to the Purchased Home Loan Receivables;

(f) it is the sole owner and has full title in the Home Loan Receivables which will be assigned and sold by the Seller to the Issuer on the Closing Date;

(g) it is the sole owner and has full title of the Ancillary Rights which are attached to the Home Loan Receivables which will be assigned and sold by the Seller to the Issuer on the Closing Date;

(h) the information contained in and attached to the Transfer Document as of the Initial Cut-Off Date does not contain any statement which is untrue, misleading or inaccurate in any material respect or omit to state any fact or information, the omission of which makes the statements therein untrue, misleading or inaccurate in any material respect;

(i) to the best of the Seller's knowledge, the Home Loan Receivables which will be assigned by the Seller to the Issuer on the Closing Date are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the assignment with the same legal effect;

(j) each Home Loan Agreement has been initially executed between an Originating Bank and a Borrower in accordance with the applicable legal and regulatory requirements as prevailing at the time of its origination (including the provisions of the French Consumer Credit Legislation applicable to real estate consumer loans (*crédits immobiliers*));

(k) on the Initial Cut-Off Date, no Home Loan Agreement is subject to a termination or rescission procedure started by the Borrower;

(l) on the Initial Cut-Off Date, no Home Loan Receivable is a written-off receivable or a defaulted receivable (including, for the avoidance of doubt, within the meaning of Article 178(1) of Regulation (EU) No 575/2013) nor generally is a doubtful (*douteuse*), subject to litigation (*litigieuse*) except those which are subject to defense of payment in the proportion defined in paragraph (y) below or frozen (*immobilisée*) receivable;

(m) on the Initial Cut-Off Date, no Home Loan Receivable is a loan with capitalised interests payable in fine or a loan with prepaid interests;

(n) on the Initial Cut-Off Date, each Eligible Borrower (or several individuals (who are jointly liable (*co-débiteurs solidaires*) in case of several individuals)) who was a resident in metropolitan France (France métropolitaine) or in overseas departments and regions of France (*départements et régions d'outre-mer*) or any member states of the European Economic Area on the signing date of the relevant Home Loan Agreement; or

(o) on the Initial Cut-Off Date, with respect to any individual is referred to in item (n)(i) above, such individual:

(i) is deemed to have signed, to the best of the Seller's knowledge, the Home Loan Agreement in its capacity as consumer (*consommateur*) within the meaning of the French Consumer Code as of the origination date;

(ii) is not registered in the Banque de France's *Fichier national des incidents de remboursement des crédits aux particuliers* (FICP) files to the best of the Seller's knowledge at the date of origination of the Home Loan Agreement;

(iii) to the best of the Seller's knowledge, is not a credit-impaired borrower or guarantor, who on the basis of information obtained (i) from the Borrower of the Home Loan Receivable, (ii) in the course of CIFD's servicing of the Home Loan Receivables or CIFD's risk management procedures or (iii) from a third party:

(1) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer of the respective Home Loan Receivable by the Seller to the Issuer, except if:

(a) a restructured Home Loan Receivable has not presented new arrears since the date of the restructuring, which must have taken place at least one year prior to the date of transfer or assignment of the Home Loan Receivables by the Seller to the Issuer; and

(b) the information provided by the Seller and the Issuer in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) of the Securitisation Regulation explicitly sets out the proportion of restructured receivables, the time and details of the restructuring as well as their performance since the date of the restructuring;

(2) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the Seller; or

(3) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable home loan receivables held by CIFD and which are not assigned to the Issuer;

(iv) to the best of the Seller's knowledge, is not subject to any of the following procedures:

(1) a review by a commission responsible for assessing the overindebtedness of consumers (*commission de surendettement des particuliers*) pursuant to the provisions of Title II of Book VII (Titre II du Livre VII du Code de la consommation – Examen de la demande de traitement de la situation de surendettement);

(2) any personal recovery plan with or without liquidation (procédure de rétablissement personnel avec ou sans liquidation) pursuant to the provisions of Title IV of Book VII (*Titre IV du Livre VII du Code de la consommation – Rétablissement personnel*) of the French Consumer Code;

(3) any review by a jurisdiction pursuant to Article 1343-5 of the French Civil Code initiated by the Seller in relation to the relevant Home Loan Receivable; or

(4) any conservatory measures or forced execution measures which the Seller may apply on the financed property subject to the Home Loan Eligible Security; and

(v) does not benefit from a contractual right of set-off; and

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

(p) on the Initial Cut-Off Date, the RWA Limit is equal to or below 40 per cent.

***Breach of the Seller's Receivables Warranties and Consequences***

If the Management Company or the Seller becomes aware that any of Receivables Warranties was false or incorrect on the Initial Cut-Off Date by reference to the facts and circumstances existing on such date, the Management Company or the Seller, as applicable, will promptly inform the other party of such non-compliance.

If such breach of the Receivables Warranties is not remedied or not capable of remedy and has or would have an adverse effect on the relevant Purchased Home Loan Receivable (a "**Non-Compliant Purchased Home Loan Receivable**"), it will be remedied by the Seller by electing one of the following remedies:

(i) to the extent possible, and as soon as practicable after the notification of such breach of Receivables Warranties by a party to the other party, taking any appropriate steps to rectify such breach and ensure that the relevant Non-Compliant Purchased Home Loan Receivable will comply with the Eligibility Criteria no later than on the Remedy Date; or

(ii) if the remedy in (i) above is not available or not possible within the relevant timeframe, declaring the rescission *(résolution*) of the transfer or, alternatively, proceeding with the retransfer to the Seller, of that Non-Compliant Purchased Home Loan Receivables no later than on the Remedy Date and either:

(A) the Seller shall pay the Rescission Amount in consideration to the Non-Compliant Purchased Home Loan Receivable to the Issuer on the Remedy Date; or

(B) the Seller elects for the replacement of such Non-Compliant Purchased Home Loan Receivable with one or several Home Loan Receivable(s) which satisfy the Eligibility Criteria and which (aggregate) Principal Outstanding Balance is equal to the Rescission Amount (the "**Substitute Home Loan Receivable(s)**"). If the Seller decides to proceed with such substitution:

(x) such substitution shall take effect on the Remedy Date and the Substitute Home Loan Receivable(s) shall be transferred by the Seller to the Issuer, on the Remedy Date, in accordance with the provisions of the Home Loan Receivables Transfer Agreement by the remittance of a transfer deed duly completed by the Seller to the Management Company in accordance with the provisions of the Home Loan Receivables Transfer Agreement; and

(y) the Rescission Amount payable by the Seller to the Issuer on the Remedy Date in relation to the Non-Compliant Purchased Home Loan Receivable will be set-off against the purchase price of the Substitute Home Loan Receivable(s), up to the lower of the two amounts, provided that, for the avoidance of doubt, any part of the Rescission Amount remaining unpaid after such set off shall be paid by the Seller to the Issuer, on such following Remedy Date,

provided always that such substitution shall not negatively affect the Home Loan Portfolio Eligibility Criteria.

(C) Any Rescission Amount (or remaining portion after set off as provided above) paid by the Seller to the Issuer will:

(a) be credited to the General Account; and

(b) form part of the Available Monthly Collections in the Collection Period during which that amount is paid by the Seller and the amounts corresponding to principal paid to the Issuer by the Seller shall be added to the Available Distribution Collections.

(D) Without prejudice to any Pre-Acquisition Interests in relation to the Non-Compliant Purchased Home Loan Receivable, the effective date (*date de jouissance*) of the repurchase of such Non-Compliant Purchased Home Loan Receivable shall be the Cut-Off Date preceding the relevant Remedy Date. Any collections and other amounts of principal, interest, arrears, penalties and any other related payments received by the Issuer in relation to the Non-Compliant Purchased Home Loan Receivable between the relevant Cut-Off Date (excluded) and the relevant Remedy Date shall accrue to the Seller and any collections received by the Issuer (if any) in respect of such Non-Compliant Purchased Home Loan Receivables after the Cut-Off Date shall be repaid to the Seller.

(E) The rescission of the transfer or the repurchase of any Non-Compliant Purchased Home Loan Receivable shall not affect the validity of the transfer of the other Purchased Home Loan Receivables.

***Limitations in case of breach of the Receivables Warranties***

If the Receivables Warranties have been breached, the remedies set out in section "Breach of Receivables Warranties and Consequences" are the sole remedies available to the Issuer in respect of breach of any Receivables Warranties. Under no circumstance may the Management Company request an additional indemnity from the Seller relating to a breach of any such Receivables Warranties.

To the extent that any loss arises as a result of a matter which is not covered by those Receivables Warranties, except that the foregoing may be limited by circumstances giving rise to Deemed Collections, the loss will remain with the Issuer.

The Seller has not given and will not give any warranty or representation as to the ongoing solvency of the Borrowers of the Purchased Home Loan Receivables after the Closing Date.

Furthermore, the Receivables Warranties shall not entitle the Noteholders to assert any claim directly against the Seller, the Management Company having the exclusive competence under Article L. 214-183-I of the Monetary and Financial Code to represent the Issuer against third parties and in any legal proceedings.

**Additional Seller's Representations and Warranties**

Pursuant to the Home Loan Receivables Transfer Agreement, the Seller has represented and warranted that:

(i) *Assessment of the Borrowers' creditworthiness*: the assessment of each Borrower's creditworthiness by each Originating Bank met the requirements set out in Article 8 of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC (which was implemented in the French Consumer Code by

law n° 2010-737 dated 1st July 2010 amending consumer credit (*portant réforme du crédit à la consommation*));

(ii) *Credit granting-criteria*: each Originating Bank had applied to the Home Loan Receivables which will be assigned and transferred by the Seller to the Issuer on the Closing Date the same sound and well-defined criteria for credit-granting which such Originating Bank applied to non-securitised home loan receivables. To that end, the same clearly established processes for approving and, where relevant, amending, renewing and refinancing the Home Loan Receivables had been applied. Each Originating Bank had 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 Borrower's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the Borrower meeting his obligations under the Home Loan Agreement;

(iii) *Expertise in origination of the Home Loan Receivables*: the business of each Originating Bank had included the origination of exposures of a similar nature as the Purchased Home Loan Receivables for at least five (5) years prior to the date of the Orderly Resolution Plan;

(iv) *External verification*: a representative sample of the Home Loan Receivables has been subject to external verification, applying a confidence level of at least 99 per cent. prior to the issuance of the Notes by an appropriate and independent party, and in particular (i) verification of the compliance of the provisional portfolio with the Eligibility Criteria that were able to be tested prior to issuance of the Notes and (ii) verification that the data in respect of the Home Loan Receivables is accurate. The Seller confirms that not significant findings have been found; and

(v) *Homogeneity*: each Originating Bank had applied to the Home Loan Receivables which will be assigned and transferred by the Seller to the Issuer on the Closing Date the same underwriting standards which take into account the same elements (borrowers revenues/income and no self-certification) for the assessment of credit risk associated with the Home Loan Receivables.

**Seller Call Option**

***Exercise of the Seller Call Option***

The Seller will have the right (but not the obligation) to repurchase all (but not part) of the Purchased Home Loan Receivables (the "**Seller Call Option**") on the First Optional Redemption Date (the "**FORD**") subject to prior notice (the "**Seller Call Option Notice**") to the Management Company.

If not exercised by CIFD on the FORD, the Seller Call Option may be exercised by CIFD thereafter on any Optional Redemption Date.

The Seller Call Option Notice shall be sent no later than on a Servicer Report Date in respect of a Payment Date on which the Seller Call Option is intended to be exercised and the Repurchase Date shall be the Optional Redemption Date following such Servicer Report Date.

The Seller shall be entitled to substitute any entity in the benefit of the Seller Call Option.

The exercise of the Seller Call Option shall be irrevocable and binding on the Seller when delivered to the Management Company.

***Seller Call Option Conditions Precedent***

The exercise by the Seller of its Seller Call Option is subject to satisfaction of the following conditions precedent (the "**Seller Call Option Conditions Precedent**"):

(a) the Seller Call Option Notice is received by the Management Company no later than on the Servicer Report Date falling before the First Optional Redemption Date or any Servicer Report Date before each Optional Redemption Date falling after such First Optional Redemption Date; and

(b) the Seller has delivered to the Management Company a solvency certificate together with the Seller Call Option Notice; and

(c) no Accelerated Amortisation Event has occurred before the receipt of the Seller Call Option Notice.

If the Seller Call Option Conditions Precedent are not met, such Seller Call Option Notice shall lapse automatically.

If the Seller Call Option Conditions Precedent are met, the Management Company will immediately deliver to the Seller a written acceptance (the "**Seller Call Option Acceptance**") to the Seller with copy to the Custodian and the Hedge Counterparties no later than the Calculation Date following such Servicer Report Date.

***Repurchase Price and Re-Transfer Procedure***

*Repurchase Price*

The Seller shall pay to the Issuer the Repurchase Price of all Purchased Home Loan Receivables which shall be repurchased by the Seller.

*Re-Transfer Procedure*

If the Management Company has sent a Seller Call Option Acceptance to the Seller:

(a) on the corresponding Repurchase Date, the Seller shall credit the General Account of the Issuer with the Repurchase Price; and

(b) on the corresponding Repurchase Date and upon receipt by the Issuer of the Repurchase Price on the General Account, the Management Company shall deliver pursuant to the provisions of Article L. 214-169 V and Article D. 214-227 of the French Monetary and Financial Code, to the Seller a duly executed re-transfer document (a "**Re-Transfer Document**"). Upon receipt of such Re-Transfer Document, the Seller shall complete it with the targeted Repurchase Date and such repurchase shall be effective between the parties and enforceable against third parties without any further formality (*de plein droit*) as of the Repurchase Date specified by the Seller in the relevant Re-Transfer Document. No representation or warranty shall be made by the Management Company acting in the name and on behalf of the Issuer regarding the characteristics or the existence of the Repurchased Home Loan Receivables which are repurchased by the Seller and set out in any Re-Transfer Document.

Notwithstanding any provision to the contrary in the Home Loan Receivables Transfer Agreement, if the Repurchase Price is not paid in full by the Seller to the Management Company on the corresponding Repurchase Date, no re-transfer of the corresponding Repurchased Home Loan Receivables shall take place on the targeted Repurchase Date.

Without prejudice to any Pre-Acquisition Interests in relation to the Purchased Home Loan Receivable, the effective date (*date de jouissance*) of the repurchase of all Purchased Home Loan Receivable shall be the Cut-Off Date preceding the relevant Repurchase Date. Any collections and other amounts of principal, interest, arrears, penalties and any other related payments received by the Issuer in relation to the Purchased Home Loan Receivable between the relevant Cut-Off Date (excluded) and the relevant Repurchase Date shall accrue to the Seller and any collections received by the Issuer (if any) in respect of such Purchased Home Loan Receivables after the Cut-Off Date shall be repaid to the Seller.

**Consequences of the exercise of the Repurchase Option**

Subject to the satisfaction of the Seller Call Option Conditions Precedent, the Seller shall pay to the Issuer the Repurchase Price and the Issuer shall then apply on the applicable Payment Date the Available Distribution Amount in accordance with the applicable Priority of Payments.

**Clean-up Call Event**

Upon the occurrence of a Clean-up Call Event, the Seller may exercise the Clean-up Call Option by delivery of a Clean-up Call Event Notice to the Issuer at least sixty (60) calendar days before the relevant Payment Date.

The Issuer shall then apply on the applicable Payment Date the Available Distribution Amount in accordance with the applicable Priority of Payments

**Termination of the Home Loan Receivables Transfer Agreement**

The Home Loan Receivables Transfer Agreement shall terminate no later than the Issuer Liquidation Date.

**Governing Law and Jurisdiction**

The Home Loan Receivables Transfer 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 Home Loan Receivables Transfer Agreement to the exclusive jurisdiction of the *Tribunal de Commerce de Paris*.

## KEY UNDERWRITING PRINCIPLES

The origination Group CIFD's home loans policy was based on the borrower's capacity to pay. No home loan was therefore granted based on the sole (or even predominant) appraisal of the property. No home loan was been extended to an individual whose documented income/revenues and payment history were not strong enough to demonstrate their ability to repay the home loan.

All the applications were processed by the Crédit Immobilier de France teams according to the Group risk and lending policy. The risk and lending policy were frequently reviewed. Prescribers were not in charge of the underwriting process and there was a strict separation between the commercial and underwriting departments. To assess the ability of the borrower to repay, the CIF underwriting teams systematically checked for all types of applications:

(a) the applicant's presence within the French National database on Household Credit repayment Incident for all types of applications including for owner occupied and buy to let;

(b) income was checked based on Inland revenue statements or review of the last three months' payslips for all types of applications including for owner occupied and buy to let loans; and

(c) charges were derived from the latest monthly bank statements on current accounts for all types of applications including for owner occupied and buy to let.

The controls allowed to assess actual revenues and charges and to calculate a debt to income ratio (DTI). In addition to the debt-to-income ratio, a minimum available revenue after mortgage instalment repayment had to be reached based on the number of people composing the household in order to grant the loan. This minimum available revenue was defined on a regional basis.

Revenues or charges based on a self-certification declaration were prohibited.

According to the underwriting and risk policy, in most cases, it was considered that the value of the property was equal to the purchase price after a check of purchase price consistency with prices for comparable properties. Appraisal could be asked at origination for more expensive properties according to the risk and lending policy.

A loan to value ratio was determined with a maximum threshold at 110%.

A delegation framework was in place. Non delegated files at the underwriter or branch level had to be decided at the local or group committee level.

## STATISTICAL INFORMATION RELATING TO THE PORTFOLIO OF HOME LOAN RECEIVABLES

The provisional portfolio satisfies the homogeneous conditions of Article 1(a), (b), (c) and (d) of the RTS Homogeneity. The Home Loan Receivables comprised in 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 Loan Receivables, (iii) fall within the same asset category of residential loans secured with one mortgage 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 2 of the RTS Homogeneity, in accordance with item (h) of "Home Loan Agreement Eligibility Criteria", the Home Loan Receivables were granted for the purposes of financing (i) the acquisition, (ii) the acquisition and the renovation, or (iii) the construction of the underlying property, provided that the property is already built as at the Initial Cut-off Date, or (iv) refinancing the financing of the underlying property(ies) located in France.

### Summary Statistics

| **Cut-Off Date** | **30 September 2019** |
|---|---|
| Principal Outstanding Balance | 710,403,622 |
| Principal Original Balance | 1,157,003,348 |
| Number of Loans | 12,712 |
| Number of Borrowers | 8,882 |
| Average Principal Outstanding Balance of a Loan | 55,884 |
| Weighted Average Interest Rate | 2.40% |
| Weighted Average Original Term (Months) | 320 |
| Weighted Average Seasoning (Months) | 135 |
| Weighted Average Remaining Term (Months) | 182 |
| Weighted Average Original Loan To Value | 96.07% |
| Weighted Average Current Loan To Value | 65.16% |
| Weighted Average Debt To Income | 33.35% |
| Proportion of fixed rate / floating rates | 53.02% / 46.98% |
| Proportion of mortgages / home loan guarantees | 91.34% / 8.66% |

**1. Breakdown by Original Principal Outstanding Balance**

| Original Principal Balance | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [0 ; 25,000[ | 2,904 | 22.84% | 36,176,079 | 5.09% | 47,223,419 | 4.08% | 0.06% | 148.54 | 109.79 |
| [25,000 ; 50,000[ | 1,107 | 8.71% | 24,381,042 | 3.43% | 40,595,829 | 3.51% | 0.93% | 123.44 | 151.46 |
| [50,000 ; 75,000[ | 1,404 | 11.04% | 45,260,210 | 6.37% | 89,145,609 | 7.70% | 2.82% | 146.11 | 140.08 |
| [75,000 ; 100,000[ | 2,088 | 16.43% | 101,298,611 | 14.26% | 182,572,279 | 15.78% | 2.89% | 147.05 | 160.23 |
| [100,000 ; 125,000[ | 2,030 | 15.97% | 139,225,377 | 19.60% | 227,128,987 | 19.63% | 2.68% | 141.28 | 180.25 |
| [125,000 ; 150,000[ | 1,333 | 10.49% | 121,438,097 | 17.09% | 181,895,526 | 15.72% | 2.62% | 134.05 | 199.83 |
| [150,000 ; 175,000[ | 759 | 5.97% | 84,029,945 | 11.83% | 122,454,418 | 10.58% | 2.47% | 127.63 | 207.64 |
| [175,000 ; 200,000[ | 429 | 3.37% | 55,259,266 | 7.78% | 79,963,783 | 6.91% | 2.52% | 126.27 | 212.35 |
| [200,000 ; 225,000[ | 246 | 1.94% | 36,220,202 | 5.10% | 51,705,058 | 4.47% | 2.29% | 123.01 | 214.37 |
| [225,000 ; 250,000[ | 126 | 0.99% | 19,601,676 | 2.76% | 29,734,511 | 2.57% | 2.14% | 120.89 | 218.58 |
| [250,000 ; 275,000[ | 85 | 0.67% | 12,772,810 | 1.80% | 22,143,904 | 1.91% | 2.27% | 118.00 | 206.71 |
| [275,000 ; 300,000[ | 49 | 0.39% | 7,596,813 | 1.07% | 13,972,605 | 1.21% | 2.07% | 121.73 | 195.49 |
| [300,000 ; 325,000[ | 34 | 0.27% | 5,488,377 | 0.77% | 10,561,663 | 0.91% | 2.14% | 119.13 | 181.48 |
| [325,000 ; 350,000[ | 22 | 0.17% | 3,559,429 | 0.50% | 7,434,413 | 0.64% | 2.16% | 119.50 | 202.20 |
| [350,000 ; 375,000[ | 12 | 0.09% | 2,328,074 | 0.33% | 4,312,336 | 0.37% | 2.11% | 126.64 | 187.86 |
| [375,000 ; 400,000[ | 12 | 0.09% | 1,510,958 | 0.21% | 4,626,238 | 0.40% | 2.09% | 136.43 | 134.97 |
| [400,000 ; 425,000[ | 14 | 0.11% | 1,108,913 | 0.16% | 5,752,864 | 0.50% | 1.68% | 156.61 | 106.82 |
| [425,000 ; 450,000[ | 9 | 0.07% | 2,018,248 | 0.28% | 3,939,019 | 0.34% | 1.48% | 112.23 | 164.39 |
| [450,000 ; 475,000[ | 10 | 0.08% | 1,444,605 | 0.20% | 4,612,310 | 0.40% | 2.31% | 119.38 | 159.40 |
| [475,000 ; 500,000[ | 4 | 0.03% | 1,041,714 | 0.15% | 1,921,466 | 0.17% | 1.39% | 92.17 | 149.96 |
| [500,000 ; 525,000[ | 7 | 0.06% | 2,057,273 | 0.29% | 3,535,337 | 0.31% | 1.14% | 102.31 | 156.18 |
| [525,000 ; 550,000[ | 2 | 0.02% | 358,465 | 0.05% | 1,075,394 | 0.09% | 4.34% | 89.04 | 218.44 |
| [550,000 ; 575,000[ | 5 | 0.04% | 871,352 | 0.12% | 2,829,829 | 0.24% | 1.13% | 130.50 | 98.54 |
| [575,000 ; 600,000[ | 2 | 0.02% | 393,287 | 0.06% | 1,176,000 | 0.10% | 3.60% | 115.23 | 169.37 |
| [600,000 ; 625,000[ | 4 | 0.03% | 818,407 | 0.12% | 2,438,000 | 0.21% | 1.05% | 113.82 | 99.67 |
| [625,000 ; 650,000[ | 2 | 0.02% | 514,690 | 0.07% | 1,271,000 | 0.11% | 1.78% | 95.83 | 128.92 |
| [700,000 ; 725,000[ | 3 | 0.02% | 625,442 | 0.09% | 2,124,960 | 0.18% | 0.91% | 119.54 | 87.22 |
| [725,000 ; 750,000[ | 2 | 0.02% | 368,967 | 0.05% | 1,476,591 | 0.13% | 3.84% | 171.47 | 119.30 |
| [750,000 ; 775,000[ | 1 | 0.01% | 260,533 | 0.04% | 750,000 | 0.06% | 1.67% | 199.23 | 67.00 |
| [950,000 ; 975,000[ | 1 | 0.01% | 276,554 | 0.04% | 960,000 | 0.08% | 1.57% | 73.99 | 137.00 |
| [975,000 ; 1,000,000[ | 1 | 0.01% | 151,795 | 0.02% | 980,000 | 0.08% | 0.69% | 159.18 | 64.00 |
| [1,000,000 ; 1,025,000[ | 1 | 0.01% | 667,779 | 0.09% | 1,000,000 | 0.09% | 1.79% | 94.98 | 146.00 |
| [1,050,000 ; 1,075,000[ | 1 | 0.01% | 447,276 | 0.06% | 1,050,000 | 0.09% | 1.64% | 91.17 | 159.00 |
| [1,175,000 ; 1,200,000[ | 1 | 0.01% | 597,130 | 0.08% | 1,184,000 | 0.10% | 1.09% | 112.85 | 137.00 |
| [1,450,000 ; 1,475,000[ | 1 | 0.01% | 31,225 | 0.00% | 1,456,000 | 0.13% | 0.74% | 103.46 | 24.00 |
| [2,000,000 ; 2,025,000[ | 1 | 0.01% | 203,001 | 0.03% | 2,000,000 | 0.17% | 0.77% | 99.25 | 67.00 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

| | |
|---|---|
| Min | 2,650.00 |
| Max | 2,000,000.00 |
| Avg | 91,016.63 |

**2. Breakdown by Principal Outstanding Balance**

| Principal Outstanding Balance | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [0 ; 25,000[ | 4,353 | 34.24% | 58,103,510 | 8.18% | 142,007,866 | 12.27% | 0.92% | 152.67 | 99.46 |
| [25,000 ; 50,000[ | 2,681 | 21.09% | 98,848,035 | 13.91% | 214,440,629 | 18.53% | 2.32% | 158.49 | 116.96 |
| [50,000 ; 75,000[ | 2,020 | 15.89% | 124,262,401 | 17.49% | 214,248,479 | 18.52% | 2.51% | 147.33 | 156.28 |
| [75,000 ; 100,000[ | 1,527 | 12.01% | 132,833,862 | 18.70% | 194,451,761 | 16.81% | 2.65% | 133.37 | 195.75 |
| [100,000 ; 125,000[ | 1,012 | 7.96% | 112,973,802 | 15.90% | 151,192,479 | 13.07% | 2.64% | 126.75 | 217.01 |
| [125,000 ; 150,000[ | 538 | 4.23% | 73,164,375 | 10.30% | 94,011,947 | 8.13% | 2.57% | 119.43 | 228.10 |
| [150,000 ; 175,000[ | 294 | 2.31% | 47,373,469 | 6.67% | 61,069,940 | 5.28% | 2.57% | 116.17 | 234.22 |
| [175,000 ; 200,000[ | 146 | 1.15% | 27,146,770 | 3.82% | 33,928,558 | 2.93% | 2.38% | 111.04 | 240.18 |
| [200,000 ; 225,000[ | 62 | 0.49% | 13,129,643 | 1.85% | 18,500,668 | 1.60% | 2.35% | 111.63 | 230.51 |
| [225,000 ; 250,000[ | 31 | 0.24% | 7,220,440 | 1.02% | 9,068,771 | 0.78% | 2.44% | 109.40 | 237.09 |
| [250,000 ; 275,000[ | 18 | 0.14% | 4,697,714 | 0.66% | 7,686,516 | 0.66% | 2.38% | 121.36 | 202.68 |
| [275,000 ; 300,000[ | 7 | 0.06% | 1,985,471 | 0.28% | 3,270,516 | 0.28% | 2.70% | 109.11 | 222.18 |
| [300,000 ; 325,000[ | 8 | 0.06% | 2,498,208 | 0.35% | 3,595,418 | 0.31% | 2.49% | 94.78 | 190.42 |
| [325,000 ; 350,000[ | 4 | 0.03% | 1,345,605 | 0.19% | 1,985,564 | 0.17% | 1.26% | 104.96 | 170.14 |
| [350,000 ; 375,000[ | 4 | 0.03% | 1,432,352 | 0.20% | 2,019,735 | 0.17% | 1.72% | 91.36 | 178.18 |
| [400,000 ; 425,000[ | 2 | 0.02% | 811,938 | 0.11% | 1,155,589 | 0.10% | 2.91% | 104.93 | 217.13 |
| [425,000 ; 450,000[ | 3 | 0.02% | 1,311,120 | 0.18% | 2,184,912 | 0.19% | 1.51% | 89.89 | 187.65 |
| [575,000 ; 600,000[ | 1 | 0.01% | 597,130 | 0.08% | 1,184,000 | 0.10% | 1.09% | 112.85 | 137.00 |
| [650,000 ; 675,000[ | 1 | 0.01% | 667,779 | 0.09% | 1,000,000 | 0.09% | 1.79% | 94.98 | 146.00 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

| | |
|---|---|
| Min | 646.92 |
| Max | 667,778.96 |
| Avg | 55,884.49 |

**3. Breakdown by Initial LTV**

| Initial LTV | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [5% ; 10% [ | 3 | 0.02% | 34,358 | 0.00% | 76,693 | 0.01% | 2.64% | 137.20 | 131.40 |
| [10% ; 15% [ | 12 | 0.09% | 140,534 | 0.02% | 277,018 | 0.02% | 1.97% | 137.11 | 99.91 |
| [15% ; 20% [ | 16 | 0.13% | 486,481 | 0.07% | 1,070,143 | 0.09% | 2.21% | 102.27 | 89.83 |
| [20% ; 25% [ | 43 | 0.34% | 1,051,082 | 0.15% | 1,943,242 | 0.17% | 2.40% | 128.52 | 136.62 |
| [25% ; 30% [ | 34 | 0.27% | 967,269 | 0.14% | 1,910,703 | 0.17% | 2.69% | 114.53 | 111.45 |
| [30% ; 35% [ | 55 | 0.43% | 1,819,455 | 0.26% | 3,731,244 | 0.32% | 2.73% | 128.84 | 120.32 |
| [35% ; 40% [ | 59 | 0.46% | 2,474,185 | 0.35% | 4,942,994 | 0.43% | 2.45% | 122.62 | 143.27 |
| [40% ; 45% [ | 88 | 0.69% | 4,427,333 | 0.62% | 8,245,009 | 0.71% | 2.47% | 118.68 | 155.78 |
| [45% ; 50% [ | 136 | 1.07% | 5,905,248 | 0.83% | 13,105,032 | 1.13% | 2.48% | 130.08 | 127.03 |
| [50% ; 55% [ | 146 | 1.15% | 6,131,239 | 0.86% | 12,721,066 | 1.10% | 2.44% | 143.37 | 138.60 |
| [55% ; 60% [ | 209 | 1.64% | 10,780,856 | 1.52% | 20,296,910 | 1.75% | 2.19% | 129.83 | 159.05 |
| [60% ; 65% [ | 209 | 1.64% | 11,542,484 | 1.62% | 19,746,772 | 1.71% | 2.46% | 127.60 | 175.75 |
| [65% ; 70% [ | 259 | 2.04% | 14,120,947 | 1.99% | 24,792,158 | 2.14% | 2.49% | 130.03 | 173.22 |
| [70% ; 75% [ | 296 | 2.33% | 16,248,224 | 2.29% | 27,875,546 | 2.41% | 2.43% | 130.94 | 168.36 |
| [75% ; 80% [ | 441 | 3.47% | 25,331,482 | 3.57% | 44,580,302 | 3.85% | 2.70% | 124.81 | 177.22 |
| [80% ; 85% [ | 470 | 3.70% | 27,775,847 | 3.91% | 45,205,087 | 3.91% | 2.61% | 127.63 | 184.03 |
| [85% ; 90% [ | 721 | 5.67% | 37,669,467 | 5.30% | 62,145,457 | 5.37% | 2.66% | 130.97 | 190.15 |
| [90% ; 95% [ | 879 | 6.91% | 49,379,212 | 6.95% | 75,512,147 | 6.53% | 2.54% | 132.37 | 193.63 |
| [95% ; 100% [ | 1,584 | 12.46% | 85,711,154 | 12.07% | 131,617,210 | 11.38% | 2.47% | 131.99 | 197.11 |
| [100% ; 105% [ | 3,013 | 23.70% | 171,358,827 | 24.12% | 292,131,642 | 25.25% | 2.42% | 138.42 | 180.35 |
| [105% ; 110% [ | 3,086 | 24.28% | 188,284,830 | 26.50% | 288,127,613 | 24.90% | 2.22% | 138.18 | 183.58 |
| [110% ; 115% [ | 953 | 7.50% | 48,763,107 | 6.86% | 76,949,361 | 6.65% | 2.19% | 142.09 | 173.98 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

| | |
|---|---|
| Min | 5.00% |
| Max | 115.00% |
| Avg | 95.04% |
| WA | 96.07% |

**4. Breakdown by Initial LTV – Loan Guarantor**

| OLTV Loan Guarantor | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [5% ; 10% [ | 3 | 0.28% | 34,358 | 0.06% | 76,693 | 0.08% | 2.64% | 137.20 | 131.40 |
| [10% ; 15% [ | 5 | 0.47% | 56,644 | 0.09% | 115,393 | 0.11% | 2.99% | 143.49 | 91.31 |
| [15% ; 20% [ | 7 | 0.66% | 201,694 | 0.33% | 467,140 | 0.46% | 2.03% | 108.13 | 88.45 |
| [20% ; 25% [ | 14 | 1.33% | 228,685 | 0.37% | 360,949 | 0.36% | 3.12% | 145.08 | 140.59 |
| [25% ; 30% [ | 18 | 1.71% | 591,658 | 0.96% | 1,113,307 | 1.11% | 2.82% | 110.50 | 100.77 |
| [30% ; 35% [ | 26 | 2.46% | 847,323 | 1.38% | 1,569,782 | 1.56% | 2.74% | 125.92 | 115.36 |
| [35% ; 40% [ | 21 | 1.99% | 718,883 | 1.17% | 1,279,258 | 1.27% | 2.93% | 125.76 | 129.38 |
| [40% ; 45% [ | 32 | 3.03% | 1,244,262 | 2.02% | 2,692,633 | 2.68% | 2.81% | 121.30 | 116.97 |
| [45% ; 50% [ | 25 | 2.37% | 1,190,297 | 1.93% | 2,633,331 | 2.62% | 2.88% | 130.55 | 126.89 |
| [50% ; 55% [ | 36 | 3.41% | 1,262,842 | 2.05% | 2,722,607 | 2.71% | 2.84% | 142.00 | 108.14 |
| [55% ; 60% [ | 35 | 3.32% | 1,807,534 | 2.94% | 3,416,849 | 3.40% | 2.13% | 134.00 | 128.68 |
| [60% ; 65% [ | 42 | 3.98% | 1,740,245 | 2.83% | 3,034,995 | 3.02% | 2.86% | 131.62 | 135.47 |
| [65% ; 70% [ | 28 | 2.65% | 1,542,370 | 2.51% | 2,606,613 | 2.59% | 2.78% | 130.05 | 153.83 |
| [70% ; 75% [ | 21 | 1.99% | 1,239,268 | 2.01% | 2,115,929 | 2.10% | 2.14% | 132.68 | 150.84 |
| [75% ; 80% [ | 45 | 4.27% | 2,423,075 | 3.94% | 3,786,239 | 3.76% | 2.44% | 119.95 | 179.84 |
| [80% ; 85% [ | 54 | 5.12% | 2,978,101 | 4.84% | 4,527,855 | 4.50% | 2.76% | 128.77 | 189.91 |
| [85% ; 90% [ | 51 | 4.83% | 3,065,704 | 4.98% | 4,849,512 | 4.82% | 2.18% | 128.00 | 185.30 |
| [90% ; 95% [ | 52 | 4.93% | 3,033,830 | 4.93% | 4,667,274 | 4.64% | 1.88% | 124.59 | 173.61 |
| [95% ; 100% [ | 75 | 7.11% | 5,373,542 | 8.73% | 8,311,753 | 8.26% | 2.01% | 127.69 | 200.07 |
| [100% ; 105% [ | 176 | 16.68% | 11,690,147 | 18.99% | 21,970,396 | 21.84% | 2.36% | 127.82 | 165.42 |
| [105% ; 110% [ | 203 | 19.24% | 14,849,439 | 24.13% | 20,686,064 | 20.57% | 2.26% | 124.76 | 199.24 |
| [110% ; 115% [ | 86 | 8.15% | 5,424,129 | 8.81% | 7,581,463 | 7.54% | 2.25% | 127.24 | 192.66 |
| Total | 1,055 | 100.00% | 61,544,030 | 100.00% | 100,586,037 | 100.00% | 2.35% | 127.06 | 174.58 |

| | |
|---|---|
| Min | 5.00% |
| Max | 114.48% |
| Avg | 84.47% |
| WA | 90.44% |

**5. Breakdown by Initial LTV - Mortgage**

| OLTV Mortgage | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [10% ; 15% [ | 7 | 0.06% | 83,889 | 0.01% | 161,625 | 0.02% | 1.28% | 132.81 | 105.71 |
| [15% ; 20% [ | 9 | 0.08% | 284,786 | 0.04% | 603,003 | 0.06% | 2.33% | 98.11 | 90.81 |
| [20% ; 25% [ | 29 | 0.25% | 822,397 | 0.13% | 1,582,292 | 0.15% | 2.19% | 123.92 | 135.51 |
| [25% ; 30% [ | 16 | 0.14% | 375,611 | 0.06% | 797,397 | 0.08% | 2.48% | 120.87 | 128.27 |
| [30% ; 35% [ | 29 | 0.25% | 972,132 | 0.15% | 2,161,462 | 0.20% | 2.73% | 131.38 | 124.65 |
| [35% ; 40% [ | 38 | 0.33% | 1,755,303 | 0.27% | 3,663,736 | 0.35% | 2.26% | 121.33 | 148.96 |
| [40% ; 45% [ | 56 | 0.48% | 3,183,071 | 0.49% | 5,552,376 | 0.53% | 2.34% | 117.65 | 170.95 |
| [45% ; 50% [ | 111 | 0.95% | 4,714,952 | 0.73% | 10,471,701 | 0.99% | 2.38% | 129.96 | 127.07 |
| [50% ; 55% [ | 110 | 0.94% | 4,868,397 | 0.75% | 9,998,459 | 0.95% | 2.34% | 143.72 | 146.51 |
| [55% ; 60% [ | 174 | 1.49% | 8,973,322 | 1.38% | 16,880,061 | 1.60% | 2.20% | 128.99 | 165.17 |
| [60% ; 65% [ | 167 | 1.43% | 9,802,238 | 1.51% | 16,711,777 | 1.58% | 2.39% | 126.89 | 182.90 |
| [65% ; 70% [ | 231 | 1.98% | 12,578,577 | 1.94% | 22,185,545 | 2.10% | 2.45% | 130.03 | 175.59 |
| [70% ; 75% [ | 275 | 2.36% | 15,008,957 | 2.31% | 25,759,618 | 2.44% | 2.46% | 130.79 | 169.81 |
| [75% ; 80% [ | 396 | 3.40% | 22,908,407 | 3.53% | 40,794,062 | 3.86% | 2.73% | 125.33 | 176.94 |
| [80% ; 85% [ | 416 | 3.57% | 24,797,745 | 3.82% | 40,677,232 | 3.85% | 2.59% | 127.49 | 183.32 |
| [85% ; 90% [ | 670 | 5.75% | 34,603,763 | 5.33% | 57,295,945 | 5.42% | 2.71% | 131.23 | 190.58 |
| [90% ; 95% [ | 827 | 7.09% | 46,345,382 | 7.14% | 70,844,873 | 6.71% | 2.58% | 132.88 | 194.94 |
| [95% ; 100% [ | 1,509 | 12.95% | 80,337,613 | 12.38% | 123,305,457 | 11.67% | 2.50% | 132.28 | 196.91 |
| [100% ; 105% [ | 2,837 | 24.34% | 159,668,680 | 24.61% | 270,161,246 | 25.57% | 2.43% | 139.20 | 181.45 |
| [105% ; 110% [ | 2,883 | 24.73% | 173,435,390 | 26.73% | 267,441,549 | 25.32% | 2.22% | 139.33 | 182.24 |
| [110% ; 115% [ | 867 | 7.44% | 43,338,978 | 6.68% | 69,367,898 | 6.57% | 2.19% | 143.95 | 171.64 |
| Total | 11,657 | 100.00% | 648,859,592 | 100.00% | 1,056,417,311 | 100.00% | 2.40% | 135.93 | 182.68 |

| | |
|---|---|
| Min | 11.80% |
| Max | 115.00% |
| Avg | 96.00% |
| WA | 96.60% |

**6. Breakdown by Current Loan-to-value**

| Current Loan-to-value | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [0% ; 5% [ | 110 | 0.87% | 683,871 | 0.10% | 14,071,110 | 1.22% | 2.96% | 186.15 | 27.03 |
| [5% ; 10% [ | 275 | 2.16% | 3,462,430 | 0.49% | 29,551,716 | 2.55% | 2.86% | 169.13 | 60.04 |
| [10% ; 15% [ | 289 | 2.27% | 6,686,781 | 0.94% | 34,498,876 | 2.98% | 2.42% | 157.36 | 74.11 |
| [15% ; 20% [ | 260 | 2.05% | 7,381,585 | 1.04% | 26,774,542 | 2.31% | 2.21% | 154.11 | 77.37 |
| [20% ; 25% [ | 260 | 2.05% | 9,395,676 | 1.32% | 27,282,439 | 2.36% | 2.40% | 153.35 | 91.18 |
| [25% ; 30% [ | 312 | 2.45% | 11,443,049 | 1.61% | 27,882,501 | 2.41% | 2.32% | 157.07 | 102.76 |
| [30% ; 35% [ | 434 | 3.41% | 14,834,913 | 2.09% | 34,043,900 | 2.94% | 2.29% | 156.32 | 105.23 |
| [35% ; 40% [ | 598 | 4.70% | 24,301,956 | 3.42% | 50,962,565 | 4.40% | 2.43% | 154.61 | 116.43 |
| [40% ; 45% [ | 779 | 6.13% | 32,680,518 | 4.60% | 65,691,737 | 5.68% | 2.08% | 158.07 | 116.57 |
| [45% ; 50% [ | 985 | 7.75% | 42,696,235 | 6.01% | 81,408,014 | 7.04% | 2.06% | 158.85 | 118.47 |
| [50% ; 55% [ | 1,043 | 8.20% | 48,139,145 | 6.78% | 84,724,748 | 7.32% | 2.22% | 151.91 | 132.97 |
| [55% ; 60% [ | 900 | 7.08% | 44,688,329 | 6.29% | 72,248,967 | 6.24% | 2.32% | 148.23 | 152.38 |
| [60% ; 65% [ | 926 | 7.28% | 54,463,742 | 7.67% | 80,959,055 | 7.00% | 2.33% | 140.39 | 171.59 |
| [65% ; 70% [ | 1,028 | 8.09% | 66,373,029 | 9.34% | 92,996,398 | 8.04% | 2.28% | 136.36 | 190.30 |
| [70% ; 75% [ | 1,162 | 9.14% | 80,140,250 | 11.28% | 108,547,664 | 9.38% | 2.29% | 134.27 | 200.64 |
| [75% ; 80% [ | 1,146 | 9.02% | 83,561,669 | 11.76% | 108,133,923 | 9.35% | 2.48% | 124.56 | 213.43 |
| [80% ; 85% [ | 1,097 | 8.63% | 84,561,605 | 11.90% | 104,771,540 | 9.06% | 2.71% | 114.64 | 229.94 |
| [85% ; 90% [ | 827 | 6.51% | 67,758,952 | 9.54% | 81,227,731 | 7.02% | 2.60% | 108.47 | 250.68 |
| [90% ; 95% [ | 243 | 1.91% | 23,212,356 | 3.27% | 26,828,088 | 2.32% | 2.79% | 109.76 | 263.33 |
| [95% ; 100% [ | 38 | 0.30% | 3,937,531 | 0.55% | 4,397,833 | 0.38% | 2.61% | 117.54 | 266.47 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

| | |
|---|---|
| Min | 0.39% |
| Max | 98.80% |
| Avg | 58.00% |
| WA | 65.16% |

**7. Breakdown by Current LTV - Loan Guarantor**

| CLTV Loan Guarantor | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [0% ; 5% [ | 17 | 1.61% | 116,110 | 0.19% | 1,462,354 | 1.45% | 2.59% | 166.16 | 58.09 |
| [5% ; 10% [ | 40 | 3.79% | 542,739 | 0.88% | 3,231,343 | 3.21% | 3.06% | 152.94 | 66.91 |
| [10% ; 15% [ | 43 | 4.08% | 1,232,906 | 2.00% | 5,061,568 | 5.03% | 2.57% | 147.85 | 75.13 |
| [15% ; 20% [ | 62 | 5.88% | 1,816,272 | 2.95% | 4,675,154 | 4.65% | 2.37% | 130.90 | 88.76 |
| [20% ; 25% [ | 50 | 4.74% | 2,085,495 | 3.39% | 5,448,939 | 5.42% | 2.78% | 138.77 | 88.54 |
| [25% ; 30% [ | 46 | 4.36% | 1,982,393 | 3.22% | 3,994,253 | 3.97% | 2.84% | 141.93 | 122.82 |
| [30% ; 35% [ | 40 | 3.79% | 1,798,728 | 2.92% | 3,390,873 | 3.37% | 2.49% | 135.20 | 107.52 |
| [35% ; 40% [ | 70 | 6.64% | 3,234,490 | 5.26% | 5,744,878 | 5.71% | 2.74% | 139.33 | 118.52 |
| [40% ; 45% [ | 45 | 4.27% | 1,867,985 | 3.04% | 3,565,572 | 3.54% | 2.42% | 136.35 | 128.72 |
| [45% ; 50% [ | 61 | 5.78% | 3,156,606 | 5.13% | 5,481,311 | 5.45% | 1.92% | 136.15 | 134.39 |
| [50% ; 55% [ | 39 | 3.70% | 2,075,422 | 3.37% | 3,520,869 | 3.50% | 2.09% | 126.21 | 121.80 |
| [55% ; 60% [ | 54 | 5.12% | 3,649,626 | 5.93% | 5,389,913 | 5.36% | 1.97% | 127.89 | 168.42 |
| [60% ; 65% [ | 61 | 5.78% | 3,765,557 | 6.12% | 5,550,293 | 5.52% | 2.23% | 129.01 | 172.36 |
| [65% ; 70% [ | 78 | 7.39% | 5,964,146 | 9.69% | 8,005,952 | 7.96% | 2.27% | 121.14 | 201.38 |
| [70% ; 75% [ | 85 | 8.06% | 6,265,144 | 10.18% | 8,490,421 | 8.44% | 2.43% | 126.99 | 188.40 |
| [75% ; 80% [ | 100 | 9.48% | 8,038,900 | 13.06% | 10,270,628 | 10.21% | 2.24% | 121.46 | 213.19 |
| [80% ; 85% [ | 96 | 9.10% | 8,275,125 | 13.45% | 10,471,163 | 10.41% | 2.58% | 119.88 | 220.35 |
| [85% ; 90% [ | 51 | 4.83% | 4,043,825 | 6.57% | 4,929,524 | 4.90% | 2.11% | 113.54 | 236.82 |
| [90% ; 95% [ | 16 | 1.52% | 1,507,126 | 2.45% | 1,753,097 | 1.74% | 1.96% | 114.49 | 235.13 |
| [95% ; 100% [ | 1 | 0.09% | 125,436 | 0.20% | 147,930 | 0.15% | 1.52% | 125.31 | 245.00 |
| Total | 1,055 | 100.00% | 61,544,030 | 100.00% | 100,586,037 | 100.00% | 2.35% | 127.06 | 174.58 |

| | |
|---|---|
| Min | 0.39% |
| Max | 95.73% |
| Avg | 52.34% |
| WA | 61.50% |

**8. Breakdown by Current LTV - Mortgage**

| CLTV Mortgage | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [0% ; 5% [ | 93 | 0.80% | 567,761 | 0.09% | 12,608,756 | 1.19% | 3.04% | 190.23 | 20.68 |
| [5% ; 10% [ | 235 | 2.02% | 2,919,690 | 0.45% | 26,320,372 | 2.49% | 2.83% | 172.14 | 58.76 |
| [10% ; 15% [ | 246 | 2.11% | 5,453,875 | 0.84% | 29,437,309 | 2.79% | 2.39% | 159.51 | 73.88 |
| [15% ; 20% [ | 198 | 1.70% | 5,565,313 | 0.86% | 22,099,388 | 2.09% | 2.15% | 161.69 | 73.66 |
| [20% ; 25% [ | 210 | 1.80% | 7,310,181 | 1.13% | 21,833,500 | 2.07% | 2.30% | 157.52 | 91.93 |
| [25% ; 30% [ | 266 | 2.28% | 9,460,656 | 1.46% | 23,888,248 | 2.26% | 2.22% | 160.25 | 98.56 |
| [30% ; 35% [ | 394 | 3.38% | 13,036,185 | 2.01% | 30,653,027 | 2.90% | 2.26% | 159.23 | 104.92 |
| [35% ; 40% [ | 528 | 4.53% | 21,067,466 | 3.25% | 45,217,687 | 4.28% | 2.38% | 156.96 | 116.11 |
| [40% ; 45% [ | 734 | 6.30% | 30,812,534 | 4.75% | 62,126,166 | 5.88% | 2.06% | 159.39 | 115.83 |
| [45% ; 50% [ | 924 | 7.93% | 39,539,629 | 6.09% | 75,926,703 | 7.19% | 2.07% | 160.66 | 117.20 |
| [50% ; 55% [ | 1,004 | 8.61% | 46,063,723 | 7.10% | 81,203,879 | 7.69% | 2.22% | 153.07 | 133.47 |
| [55% ; 60% [ | 846 | 7.26% | 41,038,704 | 6.32% | 66,859,054 | 6.33% | 2.35% | 150.04 | 150.95 |
| [60% ; 65% [ | 865 | 7.42% | 50,698,185 | 7.81% | 75,408,761 | 7.14% | 2.34% | 141.23 | 171.53 |
| [65% ; 70% [ | 950 | 8.15% | 60,408,883 | 9.31% | 84,990,446 | 8.05% | 2.29% | 137.86 | 189.21 |
| [70% ; 75% [ | 1,077 | 9.24% | 73,875,106 | 11.39% | 100,057,243 | 9.47% | 2.28% | 134.89 | 201.67 |
| [75% ; 80% [ | 1,046 | 8.97% | 75,522,769 | 11.64% | 97,863,295 | 9.26% | 2.50% | 124.89 | 213.46 |
| [80% ; 85% [ | 1,001 | 8.59% | 76,286,480 | 11.76% | 94,300,376 | 8.93% | 2.72% | 114.07 | 230.98 |
| [85% ; 90% [ | 776 | 6.66% | 63,715,128 | 9.82% | 76,298,207 | 7.22% | 2.64% | 108.14 | 251.56 |
| [90% ; 95% [ | 227 | 1.95% | 21,705,230 | 3.35% | 25,074,990 | 2.37% | 2.85% | 109.43 | 265.29 |
| [95% ; 100% [ | 37 | 0.32% | 3,812,095 | 0.59% | 4,249,903 | 0.40% | 2.64% | 117.28 | 267.18 |
| Total | 11,657 | 100.00% | 648,859,592 | 100.00% | 1,056,417,311 | 100.00% | 2.40% | 135.93 | 182.68 |

| | |
|---|---|
| Min | 0.84% |
| Max | 98.80% |
| Avg | 58.51% |
| WA | 65.50% |

**9. Breakdown by Indexed CLTV**

| Indexed CLTV | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [0% ; 5% [ | 141 | 1.11% | 1,101,242 | 0.16% | 16,846,548 | 1.46% | 3.16% | 183.70 | 34.48 |
| [5% ; 10% [ | 304 | 2.39% | 4,744,626 | 0.67% | 32,657,270 | 2.82% | 2.57% | 168.25 | 60.44 |
| [10% ; 15% [ | 356 | 2.80% | 8,982,916 | 1.26% | 39,808,886 | 3.44% | 2.53% | 163.44 | 76.69 |
| [15% ; 20% [ | 422 | 3.32% | 12,577,203 | 1.77% | 38,320,515 | 3.31% | 2.47% | 166.75 | 81.54 |
| [20% ; 25% [ | 461 | 3.63% | 17,111,399 | 2.41% | 44,352,600 | 3.83% | 2.47% | 166.45 | 96.38 |
| [25% ; 30% [ | 582 | 4.58% | 21,364,088 | 3.01% | 48,095,349 | 4.16% | 2.60% | 171.18 | 102.35 |
| [30% ; 35% [ | 629 | 4.95% | 25,346,020 | 3.57% | 53,211,325 | 4.60% | 2.31% | 161.53 | 110.51 |
| [35% ; 40% [ | 733 | 5.77% | 31,666,721 | 4.46% | 61,645,452 | 5.33% | 2.23% | 158.85 | 118.82 |
| [40% ; 45% [ | 748 | 5.88% | 35,524,787 | 5.00% | 65,132,000 | 5.63% | 2.12% | 153.14 | 127.04 |
| [45% ; 50% [ | 802 | 6.31% | 38,335,582 | 5.40% | 65,676,768 | 5.68% | 2.05% | 148.24 | 141.20 |
| [50% ; 55% [ | 705 | 5.55% | 38,403,093 | 5.41% | 60,936,223 | 5.27% | 2.26% | 141.70 | 159.02 |
| [55% ; 60% [ | 637 | 5.01% | 37,963,177 | 5.34% | 57,705,892 | 4.99% | 2.35% | 137.77 | 176.69 |
| [60% ; 65% [ | 755 | 5.94% | 47,184,084 | 6.64% | 68,535,592 | 5.92% | 2.31% | 138.56 | 182.66 |
| [65% ; 70% [ | 848 | 6.67% | 52,891,175 | 7.45% | 74,090,646 | 6.40% | 2.25% | 134.57 | 194.85 |
| [70% ; 75% [ | 952 | 7.49% | 65,545,876 | 9.23% | 87,938,320 | 7.60% | 2.32% | 129.03 | 201.94 |
| [75% ; 80% [ | 966 | 7.60% | 69,275,491 | 9.75% | 90,431,897 | 7.82% | 2.37% | 122.46 | 213.79 |
| [80% ; 85% [ | 1,037 | 8.16% | 75,801,728 | 10.67% | 96,209,898 | 8.32% | 2.52% | 118.85 | 222.78 |
| [85% ; 90% [ | 1,002 | 7.88% | 76,571,270 | 10.78% | 94,862,590 | 8.20% | 2.63% | 115.51 | 233.98 |
| [90% ; 95% [ | 531 | 4.18% | 42,746,742 | 6.02% | 51,677,839 | 4.47% | 2.76% | 111.52 | 246.15 |
| [95% ; 100% [ | 101 | 0.79% | 7,266,402 | 1.02% | 8,867,737 | 0.77% | 2.80% | 112.11 | 247.74 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

| | |
|---|---|
| Min | 0.37% |
| Max | 99.50% |
| Avg | 56.08% |
| WA | 63.56% |

**10. Breakdown by Indexed CLTV – Loan Guarantor**

| Indexed CLTV Loan Guarantor | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [0% ; 5% [ | 29 | 2.75% | 330,859 | 0.54% | 2,724,840 | 2.71% | 3.35% | 168.73 | 44.45 |
| [5% ; 10% [ | 35 | 3.32% | 573,525 | 0.93% | 3,193,961 | 3.18% | 2.56% | 152.57 | 62.22 |
| [10% ; 15% [ | 55 | 5.21% | 1,960,218 | 3.19% | 6,701,811 | 6.66% | 2.31% | 144.84 | 81.01 |
| [15% ; 20% [ | 67 | 6.35% | 2,150,807 | 3.49% | 5,680,917 | 5.65% | 2.37% | 126.93 | 83.87 |
| [20% ; 25% [ | 47 | 4.45% | 2,210,569 | 3.59% | 4,704,437 | 4.68% | 2.88% | 140.39 | 110.53 |
| [25% ; 30% [ | 42 | 3.98% | 1,693,865 | 2.75% | 3,355,304 | 3.34% | 2.95% | 137.68 | 107.54 |
| [30% ; 35% [ | 38 | 3.60% | 1,816,859 | 2.95% | 3,296,818 | 3.28% | 2.26% | 140.76 | 111.07 |
| [35% ; 40% [ | 45 | 4.27% | 1,981,981 | 3.22% | 3,596,523 | 3.58% | 2.68% | 143.32 | 114.28 |
| [40% ; 45% [ | 58 | 5.50% | 2,748,418 | 4.47% | 5,035,950 | 5.01% | 2.29% | 133.41 | 116.69 |
| [45% ; 50% [ | 67 | 6.35% | 3,231,570 | 5.25% | 5,231,840 | 5.20% | 2.25% | 130.57 | 146.54 |
| [50% ; 55% [ | 59 | 5.59% | 3,819,474 | 6.21% | 5,814,531 | 5.78% | 2.19% | 124.65 | 160.35 |
| [55% ; 60% [ | 34 | 3.22% | 2,299,865 | 3.74% | 3,235,718 | 3.22% | 1.81% | 133.69 | 185.55 |
| [60% ; 65% [ | 55 | 5.21% | 4,058,323 | 6.59% | 5,702,804 | 5.67% | 2.26% | 126.17 | 191.00 |
| [65% ; 70% [ | 62 | 5.88% | 4,454,566 | 7.24% | 6,146,117 | 6.11% | 2.02% | 117.46 | 203.01 |
| [70% ; 75% [ | 74 | 7.01% | 6,319,238 | 10.27% | 8,160,763 | 8.11% | 2.31% | 123.78 | 208.00 |
| [75% ; 80% [ | 93 | 8.82% | 6,759,666 | 10.98% | 8,904,859 | 8.85% | 2.27% | 121.01 | 201.46 |
| [80% ; 85% [ | 77 | 7.30% | 5,931,772 | 9.64% | 7,524,458 | 7.48% | 2.44% | 119.48 | 214.49 |
| [85% ; 90% [ | 75 | 7.11% | 5,940,615 | 9.65% | 7,484,267 | 7.44% | 2.58% | 122.06 | 225.00 |
| [90% ; 95% [ | 37 | 3.51% | 2,826,207 | 4.59% | 3,516,231 | 3.50% | 2.28% | 119.84 | 217.15 |
| [95% ; 100% [ | 6 | 0.57% | 435,636 | 0.71% | 573,886 | 0.57% | 2.20% | 128.72 | 202.41 |
| Total | 1,055 | 100.00% | 61,544,030 | 100.00% | 100,586,037 | 100.00% | 2.35% | 127.06 | 174.58 |

| | |
|---|---|
| Min | 0.37% |
| Max | 99.50% |
| Avg | 52.29% |
| WA | 60.91% |

**11. Breakdown by Indexed CLTV – Mortgage**

| Indexed CLTV Mortgage | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [0% ; 5% [ | 112 | 0.96% | 770,383 | 0.12% | 14,121,708 | 1.34% | 3.08% | 190.13 | 30.20 |
| [5% ; 10% [ | 269 | 2.31% | 4,171,102 | 0.64% | 29,463,309 | 2.79% | 2.57% | 170.41 | 60.19 |
| [10% ; 15% [ | 301 | 2.58% | 7,022,697 | 1.08% | 33,107,075 | 3.13% | 2.59% | 168.63 | 75.49 |
| [15% ; 20% [ | 355 | 3.05% | 10,426,396 | 1.61% | 32,639,597 | 3.09% | 2.49% | 174.96 | 81.06 |
| [20% ; 25% [ | 414 | 3.55% | 14,900,830 | 2.30% | 39,648,163 | 3.75% | 2.41% | 170.31 | 94.29 |
| [25% ; 30% [ | 540 | 4.63% | 19,670,224 | 3.03% | 44,740,045 | 4.24% | 2.57% | 174.06 | 101.90 |
| [30% ; 35% [ | 591 | 5.07% | 23,529,161 | 3.63% | 49,914,507 | 4.72% | 2.31% | 163.13 | 110.46 |
| [35% ; 40% [ | 688 | 5.90% | 29,684,740 | 4.57% | 58,048,930 | 5.49% | 2.20% | 159.89 | 119.12 |
| [40% ; 45% [ | 690 | 5.92% | 32,776,369 | 5.05% | 60,096,050 | 5.69% | 2.11% | 154.80 | 127.90 |
| [45% ; 50% [ | 735 | 6.31% | 35,104,012 | 5.41% | 60,444,928 | 5.72% | 2.04% | 149.87 | 140.71 |
| [50% ; 55% [ | 646 | 5.54% | 34,583,619 | 5.33% | 55,121,691 | 5.22% | 2.27% | 143.58 | 158.87 |
| [55% ; 60% [ | 603 | 5.17% | 35,663,312 | 5.50% | 54,470,173 | 5.16% | 2.38% | 138.03 | 176.12 |
| [60% ; 65% [ | 700 | 6.00% | 43,125,761 | 6.65% | 62,832,789 | 5.95% | 2.32% | 139.73 | 181.87 |
| [65% ; 70% [ | 786 | 6.74% | 48,436,609 | 7.46% | 67,944,529 | 6.43% | 2.27% | 136.15 | 194.10 |
| [70% ; 75% [ | 878 | 7.53% | 59,226,638 | 9.13% | 79,777,557 | 7.55% | 2.33% | 129.59 | 201.30 |
| [75% ; 80% [ | 873 | 7.49% | 62,515,825 | 9.63% | 81,527,039 | 7.72% | 2.38% | 122.61 | 215.12 |
| [80% ; 85% [ | 960 | 8.24% | 69,869,956 | 10.77% | 88,685,440 | 8.39% | 2.52% | 118.79 | 223.48 |
| [85% ; 90% [ | 927 | 7.95% | 70,630,655 | 10.89% | 87,378,323 | 8.27% | 2.63% | 114.96 | 234.74 |
| [90% ; 95% [ | 494 | 4.24% | 39,920,535 | 6.15% | 48,161,608 | 4.56% | 2.80% | 110.93 | 248.20 |
| [95% ; 100% [ | 95 | 0.81% | 6,830,766 | 1.05% | 8,293,851 | 0.79% | 2.84% | 111.05 | 250.63 |
| Total | 11,657 | 100.00% | 648,859,592 | 100.00% | 1,056,417,311 | 100.00% | 2.40% | 135.93 | 182.68 |

| | |
|---|---|
| Min | 0.67% |
| Max | 98.84% |
| Avg | 56.42% |
| WA | 63.81% |

**12. Breakdown by Debt to Income**

| Debt to income | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [0% ; 5% [ | 2 | 0.02% | 74,695 | 0.01% | 114,493 | 0.01% | 1.27% | 156.19 | 147.68 |
| [5% ; 10% [ | 61 | 0.48% | 2,034,078 | 0.29% | 6,823,488 | 0.59% | 2.26% | 144.35 | 115.44 |
| [10% ; 15% [ | 136 | 1.07% | 6,515,083 | 0.92% | 16,626,492 | 1.44% | 2.01% | 128.84 | 129.29 |
| [15% ; 20% [ | 448 | 3.52% | 19,615,170 | 2.76% | 41,698,899 | 3.60% | 2.48% | 135.78 | 143.89 |
| [20% ; 25% [ | 1,152 | 9.06% | 52,791,329 | 7.43% | 97,972,082 | 8.47% | 2.54% | 140.40 | 153.70 |
| [25% ; 30% [ | 2,494 | 19.62% | 125,628,326 | 17.68% | 220,094,346 | 19.02% | 2.43% | 137.72 | 166.17 |
| [30% ; 35% [ | 3,702 | 29.12% | 209,345,001 | 29.47% | 337,665,757 | 29.18% | 2.41% | 134.90 | 182.60 |
| [35% ; 40% [ | 2,885 | 22.70% | 180,841,946 | 25.46% | 267,967,078 | 23.16% | 2.38% | 131.25 | 198.16 |
| [40% ; 45% [ | 1,248 | 9.82% | 77,366,957 | 10.89% | 112,948,408 | 9.76% | 2.33% | 134.33 | 200.02 |
| [45% ; 50% [ | 584 | 4.59% | 36,191,039 | 5.09% | 55,092,305 | 4.76% | 2.22% | 141.80 | 189.00 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

| | |
|---|---|
| Min | 4.65% |
| Max | 49.95% |
| Avg | 32.57% |
| WA | 33.35% |

**13. Breakdown by Original Term (in months)**

| Original Term | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [96 ; 108[ | 35 | 0.28% | 174,572 | 0.02% | 934,096 | 0.08% | 1.09% | 86.30 | 20.65 |
| [108 ; 120[ | 25 | 0.20% | 193,961 | 0.03% | 1,002,749 | 0.09% | 0.59% | 101.18 | 24.00 |
| [120 ; 132[ | 20 | 0.16% | 331,786 | 0.05% | 1,048,011 | 0.09% | 2.85% | 82.69 | 41.00 |
| [132 ; 144[ | 4 | 0.03% | 54,499 | 0.01% | 212,069 | 0.02% | 2.07% | 102.70 | 30.81 |
| [144 ; 156[ | 222 | 1.75% | 2,997,352 | 0.42% | 9,593,961 | 0.83% | 0.96% | 102.52 | 53.11 |
| [156 ; 168[ | 12 | 0.09% | 348,013 | 0.05% | 836,503 | 0.07% | 3.49% | 104.71 | 66.27 |
| [168 ; 180[ | 20 | 0.16% | 613,655 | 0.09% | 1,370,094 | 0.12% | 3.65% | 100.93 | 74.36 |
| [180 ; 192[ | 260 | 2.05% | 7,841,007 | 1.10% | 20,447,105 | 1.77% | 2.92% | 108.35 | 78.10 |
| [192 ; 204[ | 197 | 1.55% | 2,662,472 | 0.37% | 6,082,610 | 0.53% | 1.04% | 135.49 | 75.25 |
| [204 ; 216[ | 597 | 4.70% | 7,601,372 | 1.07% | 20,072,530 | 1.73% | 0.79% | 144.96 | 67.29 |
| [216 ; 228[ | 239 | 1.88% | 5,313,768 | 0.75% | 14,194,946 | 1.23% | 2.62% | 145.96 | 78.60 |
| [228 ; 240[ | 292 | 2.30% | 6,585,172 | 0.93% | 11,239,450 | 0.97% | 0.98% | 136.46 | 101.35 |
| [240 ; 252[ | 1,556 | 12.24% | 61,222,471 | 8.62% | 148,287,440 | 12.82% | 2.55% | 140.24 | 100.58 |
| [252 ; 264[ | 655 | 5.15% | 11,489,518 | 1.62% | 16,182,906 | 1.40% | 0.58% | 147.37 | 112.92 |
| [264 ; 276[ | 1,308 | 10.29% | 28,298,972 | 3.98% | 50,859,236 | 4.40% | 1.08% | 151.58 | 114.86 |
| [276 ; 288[ | 295 | 2.32% | 14,261,428 | 2.01% | 30,985,625 | 2.68% | 2.47% | 157.74 | 120.85 |
| [288 ; 300[ | 342 | 2.69% | 15,278,376 | 2.15% | 27,147,208 | 2.35% | 2.21% | 156.40 | 138.01 |
| [300 ; 312[ | 2,894 | 22.77% | 184,845,063 | 26.02% | 324,954,659 | 28.09% | 2.54% | 146.78 | 147.36 |
| [312 ; 324[ | 210 | 1.65% | 9,120,913 | 1.28% | 11,530,745 | 1.00% | 1.29% | 118.92 | 199.36 |
| [324 ; 336[ | 114 | 0.90% | 10,344,246 | 1.46% | 14,867,209 | 1.28% | 2.78% | 120.16 | 203.00 |
| [336 ; 348[ | 150 | 1.18% | 8,503,716 | 1.20% | 11,260,818 | 0.97% | 2.39% | 123.79 | 216.17 |
| [348 ; 360[ | 66 | 0.52% | 6,146,558 | 0.87% | 8,432,456 | 0.73% | 2.55% | 138.94 | 219.26 |
| [360 ; 372[ | 2,867 | 22.55% | 284,323,104 | 40.02% | 373,257,665 | 32.26% | 2.55% | 127.06 | 233.24 |
| [372 ; 384[ | 9 | 0.07% | 1,122,650 | 0.16% | 1,297,962 | 0.11% | 3.26% | 120.86 | 250.39 |
| [384 ; 396[ | 12 | 0.09% | 1,053,512 | 0.15% | 1,433,043 | 0.12% | 1.90% | 125.79 | 199.92 |
| [396 ; 408[ | 10 | 0.08% | 1,249,149 | 0.18% | 1,550,558 | 0.13% | 2.25% | 122.36 | 246.64 |
| [408 ; 420[ | 4 | 0.03% | 410,491 | 0.06% | 517,830 | 0.04% | 2.94% | 129.03 | 255.07 |
| [420 ; 432[ | 261 | 2.05% | 33,966,722 | 4.78% | 42,185,683 | 3.65% | 2.41% | 112.95 | 274.41 |
| [432 ; 444[ | 3 | 0.02% | 229,754 | 0.03% | 302,164 | 0.03% | 4.79% | 139.39 | 294.66 |
| [444 ; 456[ | 4 | 0.03% | 431,195 | 0.06% | 487,033 | 0.04% | 4.30% | 131.47 | 298.39 |
| [456 ; 468[ | 3 | 0.02% | 286,375 | 0.04% | 448,559 | 0.04% | 3.55% | 127.98 | 251.33 |
| [480 ; 492[ | 26 | 0.20% | 3,101,779 | 0.44% | 3,980,426 | 0.34% | 4.53% | 137.94 | 298.69 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

| | |
|---|---|
| Min | 96.00 |
| Max | 480.00 |
| Avg | 287.42 |
| WA | 319.52 |

**14. Breakdown by Maximum Original Term (in months)**

| Maximum Original Term | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [96 ; 108[ | 36 | 0.28% | 186,457 | 0.03% | 989,126 | 0.09% | 1.20% | 85.58 | 21.44 |
| [108 ; 120[ | 25 | 0.20% | 193,961 | 0.03% | 1,002,749 | 0.09% | 0.59% | 101.18 | 24.00 |
| [120 ; 132[ | 21 | 0.17% | 365,935 | 0.05% | 1,843,703 | 0.16% | 2.99% | 83.61 | 41.66 |
| [132 ; 144[ | 9 | 0.07% | 128,560 | 0.02% | 920,409 | 0.08% | 4.08% | 105.59 | 40.06 |
| [144 ; 156[ | 218 | 1.71% | 2,880,076 | 0.41% | 8,482,999 | 0.73% | 0.97% | 103.14 | 53.84 |
| [156 ; 168[ | 17 | 0.13% | 412,217 | 0.06% | 1,115,674 | 0.10% | 3.67% | 107.70 | 59.00 |
| [168 ; 180[ | 26 | 0.20% | 798,669 | 0.11% | 1,897,328 | 0.16% | 3.65% | 102.34 | 77.28 |
| [180 ; 192[ | 167 | 1.31% | 4,620,119 | 0.65% | 11,319,712 | 0.98% | 3.66% | 105.96 | 80.87 |
| [192 ; 204[ | 211 | 1.66% | 3,002,552 | 0.42% | 7,759,317 | 0.67% | 1.31% | 130.87 | 74.29 |
| [204 ; 216[ | 613 | 4.82% | 8,558,848 | 1.20% | 18,114,552 | 1.57% | 1.21% | 142.15 | 70.14 |
| [216 ; 228[ | 222 | 1.75% | 5,423,005 | 0.76% | 13,114,894 | 1.13% | 3.06% | 143.84 | 81.84 |
| [228 ; 240[ | 335 | 2.64% | 7,778,156 | 1.09% | 15,975,026 | 1.38% | 1.69% | 146.24 | 94.31 |
| [240 ; 252[ | 892 | 7.02% | 29,388,125 | 4.14% | 74,192,068 | 6.41% | 3.39% | 138.24 | 103.17 |
| [252 ; 264[ | 724 | 5.70% | 14,695,611 | 2.07% | 24,252,478 | 2.10% | 1.46% | 153.45 | 108.72 |
| [264 ; 276[ | 1,277 | 10.05% | 27,030,530 | 3.80% | 38,922,499 | 3.36% | 1.22% | 151.44 | 118.81 |
| [276 ; 288[ | 279 | 2.19% | 12,258,021 | 1.73% | 26,378,100 | 2.28% | 3.08% | 148.68 | 128.15 |
| [288 ; 300[ | 309 | 2.43% | 14,658,797 | 2.06% | 24,593,038 | 2.13% | 2.95% | 146.84 | 147.74 |
| [300 ; 312[ | 1,693 | 13.32% | 101,537,857 | 14.29% | 184,283,832 | 15.93% | 2.88% | 136.08 | 148.09 |
| [312 ; 324[ | 286 | 2.25% | 13,976,005 | 1.97% | 22,097,389 | 1.91% | 2.32% | 130.58 | 183.34 |
| [324 ; 336[ | 220 | 1.73% | 14,346,898 | 2.02% | 27,149,840 | 2.35% | 2.98% | 139.64 | 166.06 |
| [336 ; 348[ | 258 | 2.03% | 14,728,985 | 2.07% | 26,153,387 | 2.26% | 2.15% | 142.73 | 167.68 |
| [348 ; 360[ | 132 | 1.04% | 9,291,725 | 1.31% | 15,690,608 | 1.36% | 2.75% | 151.28 | 179.27 |
| [360 ; 372[ | 3,101 | 24.39% | 251,226,222 | 35.36% | 372,584,500 | 32.20% | 2.64% | 134.10 | 203.60 |
| [372 ; 384[ | 72 | 0.57% | 4,869,761 | 0.69% | 9,148,876 | 0.79% | 2.06% | 159.95 | 154.94 |
| [384 ; 396[ | 108 | 0.85% | 12,281,314 | 1.73% | 20,971,339 | 1.81% | 1.71% | 123.11 | 159.89 |
| [396 ; 408[ | 32 | 0.25% | 2,950,305 | 0.42% | 4,215,305 | 0.36% | 2.04% | 134.72 | 208.27 |
| [408 ; 420[ | 29 | 0.23% | 2,993,812 | 0.42% | 4,188,598 | 0.36% | 1.88% | 140.49 | 225.34 |
| [420 ; 432[ | 1,234 | 9.71% | 130,506,781 | 18.37% | 174,673,561 | 15.10% | 1.73% | 129.52 | 234.59 |
| [432 ; 444[ | 6 | 0.05% | 773,115 | 0.11% | 908,769 | 0.08% | 2.37% | 123.18 | 261.42 |
| [444 ; 456[ | 14 | 0.11% | 1,274,108 | 0.18% | 1,665,898 | 0.14% | 2.38% | 132.76 | 219.84 |
| [456 ; 468[ | 8 | 0.06% | 792,658 | 0.11% | 1,225,261 | 0.11% | 2.41% | 117.61 | 244.42 |
| [468 ; 480[ | 1 | 0.01% | 124,413 | 0.02% | 148,200 | 0.01% | 1.85% | 92.88 | 225.00 |
| [480 ; 492[ | 135 | 1.06% | 16,179,237 | 2.28% | 20,815,659 | 1.80% | 1.97% | 115.35 | 272.94 |
| [540 ; 552[ | 2 | 0.02% | 170,785 | 0.02% | 208,655 | 0.02% | 1.38% | 149.23 | 264.03 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

| | |
|---|---|
| Min | 96.00 |
| Max | 540.00 |
| Avg | 305.51 |
| WA | 343.12 |

**15. Breakdown by Remaining Term (in months)**

| Remaining Term | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [6 ; 12[ | 137 | 1.08% | 565,406 | 0.08% | 8,868,778 | 0.77% | 2.94% | 200.95 | 9.34 |
| [12 ; 18[ | 167 | 1.31% | 1,077,056 | 0.15% | 10,603,436 | 0.92% | 3.19% | 199.64 | 14.60 |
| [18 ; 24[ | 155 | 1.22% | 1,370,482 | 0.19% | 9,565,587 | 0.83% | 2.43% | 189.04 | 20.58 |
| [24 ; 30[ | 132 | 1.04% | 1,697,519 | 0.24% | 9,995,639 | 0.86% | 2.32% | 189.77 | 26.56 |
| [30 ; 36[ | 186 | 1.46% | 2,985,144 | 0.42% | 14,338,260 | 1.24% | 1.71% | 181.04 | 32.70 |
| [36 ; 42[ | 175 | 1.38% | 2,592,612 | 0.36% | 10,184,456 | 0.88% | 1.66% | 172.83 | 38.70 |
| [42 ; 48[ | 243 | 1.91% | 4,105,710 | 0.58% | 14,634,365 | 1.26% | 1.87% | 163.13 | 44.88 |
| [48 ; 54[ | 269 | 2.12% | 5,143,215 | 0.72% | 18,464,726 | 1.60% | 1.89% | 164.71 | 50.30 |
| [54 ; 60[ | 232 | 1.83% | 4,701,055 | 0.66% | 16,412,423 | 1.42% | 2.10% | 164.37 | 56.63 |
| [60 ; 66[ | 318 | 2.50% | 8,189,817 | 1.15% | 23,397,968 | 2.02% | 2.28% | 170.27 | 62.67 |
| [66 ; 72[ | 342 | 2.69% | 10,380,796 | 1.46% | 30,146,416 | 2.61% | 2.12% | 164.76 | 68.50 |
| [72 ; 78[ | 294 | 2.31% | 8,839,058 | 1.24% | 21,638,232 | 1.87% | 2.40% | 165.91 | 74.50 |
| [78 ; 84[ | 377 | 2.97% | 12,457,607 | 1.75% | 28,091,294 | 2.43% | 2.38% | 170.30 | 80.93 |
| [84 ; 90[ | 422 | 3.32% | 15,846,081 | 2.23% | 34,914,188 | 3.02% | 2.15% | 170.65 | 86.49 |
| [90 ; 96[ | 538 | 4.23% | 18,722,422 | 2.64% | 38,425,757 | 3.32% | 1.97% | 169.15 | 92.65 |
| [96 ; 102[ | 561 | 4.41% | 20,162,876 | 2.84% | 39,076,789 | 3.38% | 1.94% | 163.22 | 98.61 |
| [102 ; 108[ | 558 | 4.39% | 21,745,861 | 3.06% | 41,311,426 | 3.57% | 1.92% | 156.92 | 104.59 |
| [108 ; 114[ | 519 | 4.08% | 21,754,268 | 3.06% | 39,806,939 | 3.44% | 1.84% | 148.99 | 110.39 |
| [114 ; 120[ | 400 | 3.15% | 15,743,804 | 2.22% | 27,187,405 | 2.35% | 1.94% | 147.61 | 116.50 |
| [120 ; 126[ | 324 | 2.55% | 12,626,423 | 1.78% | 21,434,163 | 1.85% | 2.23% | 152.13 | 122.39 |
| [126 ; 132[ | 302 | 2.38% | 12,030,515 | 1.69% | 18,889,945 | 1.63% | 2.09% | 144.18 | 128.42 |
| [132 ; 138[ | 309 | 2.43% | 15,007,833 | 2.11% | 24,658,279 | 2.13% | 2.23% | 140.74 | 134.73 |
| [138 ; 144[ | 290 | 2.28% | 13,950,846 | 1.96% | 22,202,117 | 1.92% | 2.24% | 141.25 | 140.73 |
| [144 ; 150[ | 299 | 2.35% | 16,584,817 | 2.33% | 26,102,934 | 2.26% | 2.01% | 133.98 | 146.79 |
| [150 ; 156[ | 279 | 2.19% | 18,041,093 | 2.54% | 28,217,743 | 2.44% | 2.19% | 135.80 | 152.44 |
| [156 ; 162[ | 255 | 2.01% | 16,438,386 | 2.31% | 24,885,398 | 2.15% | 2.25% | 127.33 | 158.40 |
| [162 ; 168[ | 195 | 1.53% | 13,239,325 | 1.86% | 19,565,388 | 1.69% | 2.63% | 133.70 | 164.36 |
| [168 ; 174[ | 144 | 1.13% | 10,967,137 | 1.54% | 15,592,373 | 1.35% | 2.85% | 131.26 | 170.19 |
| [174 ; 180[ | 152 | 1.20% | 12,127,575 | 1.71% | 16,940,344 | 1.46% | 2.63% | 123.43 | 176.55 |
| [180 ; 186[ | 158 | 1.24% | 12,958,486 | 1.82% | 17,560,859 | 1.52% | 2.82% | 125.77 | 182.45 |
| [186 ; 192[ | 192 | 1.51% | 15,266,328 | 2.15% | 20,239,714 | 1.75% | 2.79% | 122.85 | 188.43 |
| [192 ; 198[ | 185 | 1.46% | 15,472,335 | 2.18% | 20,636,596 | 1.78% | 2.50% | 123.60 | 194.70 |
| [198 ; 204[ | 269 | 2.12% | 21,645,099 | 3.05% | 29,927,730 | 2.59% | 2.17% | 128.45 | 200.50 |
| [204 ; 210[ | 350 | 2.75% | 29,775,462 | 4.19% | 41,094,420 | 3.55% | 2.24% | 137.36 | 206.57 |
| [210 ; 216[ | 371 | 2.92% | 32,504,112 | 4.58% | 44,246,857 | 3.82% | 2.26% | 135.99 | 212.60 |
| [216 ; 222[ | 357 | 2.81% | 32,596,018 | 4.59% | 43,521,699 | 3.76% | 2.15% | 134.49 | 218.42 |
| [222 ; 228[ | 302 | 2.38% | 26,782,087 | 3.77% | 35,571,224 | 3.07% | 2.23% | 135.81 | 224.55 |
| [228 ; 234[ | 223 | 1.75% | 22,046,107 | 3.10% | 28,351,915 | 2.45% | 2.82% | 133.63 | 230.28 |
| [234 ; 240[ | 201 | 1.58% | 18,851,610 | 2.65% | 24,172,751 | 2.09% | 2.68% | 127.13 | 236.72 |
| [240 ; 246[ | 145 | 1.14% | 14,593,644 | 2.05% | 17,987,940 | 1.55% | 2.80% | 123.07 | 242.50 |
| [246 ; 252[ | 151 | 1.19% | 16,410,339 | 2.31% | 20,146,896 | 1.74% | 2.79% | 116.69 | 248.57 |
| [252 ; 258[ | 157 | 1.24% | 15,387,175 | 2.17% | 19,350,601 | 1.67% | 2.80% | 110.48 | 254.53 |
| [258 ; 264[ | 222 | 1.75% | 21,353,529 | 3.01% | 25,870,698 | 2.24% | 2.70% | 109.54 | 260.69 |
| [264 ; 270[ | 260 | 2.05% | 25,608,503 | 3.60% | 30,754,428 | 2.66% | 2.70% | 105.83 | 266.39 |
| [270 ; 276[ | 203 | 1.60% | 21,992,380 | 3.10% | 25,507,829 | 2.20% | 3.08% | 102.27 | 272.57 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| [276 ; 282[ | 106 | 0.83% | 12,003,171 | 1.69% | 13,959,733 | 1.21% | 3.15% | 99.37 | 278.25 |
| [282 ; 288[ | 72 | 0.57% | 9,027,103 | 1.27% | 10,417,036 | 0.90% | 2.87% | 102.39 | 284.04 |
| [288 ; 294[ | 37 | 0.29% | 4,211,804 | 0.59% | 4,790,841 | 0.41% | 2.93% | 103.72 | 290.15 |
| [294 ; 300[ | 22 | 0.17% | 2,089,566 | 0.29% | 2,637,097 | 0.23% | 3.64% | 101.54 | 296.44 |
| [300 ; 306[ | 22 | 0.17% | 2,420,590 | 0.34% | 2,917,709 | 0.25% | 2.53% | 109.80 | 302.64 |
| [306 ; 312[ | 12 | 0.09% | 1,413,017 | 0.20% | 1,687,477 | 0.15% | 2.96% | 114.68 | 308.38 |
| [312 ; 318[ | 18 | 0.14% | 2,481,344 | 0.35% | 3,018,742 | 0.26% | 2.47% | 110.12 | 314.39 |
| [318 ; 324[ | 23 | 0.18% | 3,098,815 | 0.44% | 3,702,561 | 0.32% | 2.85% | 108.19 | 321.11 |
| [324 ; 330[ | 26 | 0.20% | 3,598,092 | 0.51% | 4,350,848 | 0.38% | 2.25% | 100.53 | 326.34 |
| [330 ; 336[ | 21 | 0.17% | 3,146,681 | 0.44% | 3,623,528 | 0.31% | 2.93% | 100.48 | 331.50 |
| [336 ; 342[ | 14 | 0.11% | 1,975,679 | 0.28% | 2,344,921 | 0.20% | 3.03% | 117.94 | 338.82 |
| [342 ; 348[ | 11 | 0.09% | 1,435,848 | 0.20% | 1,601,518 | 0.14% | 4.12% | 119.34 | 343.10 |
| [348 ; 354[ | 2 | 0.02% | 305,570 | 0.04% | 501,765 | 0.04% | 2.76% | 105.20 | 349.21 |
| [354 ; 360[ | 3 | 0.02% | 506,672 | 0.07% | 560,050 | 0.05% | 2.78% | 110.22 | 356.78 |
| [366 ; 372[ | 2 | 0.02% | 126,144 | 0.02% | 144,600 | 0.01% | 4.90% | 122.66 | 367.82 |
| [378 ; 384[ | 1 | 0.01% | 225,571 | 0.03% | 250,000 | 0.02% | 3.95% | 101.32 | 381.00 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

| | |
|---|---|
| Min | 6.00 |
| Max | 381.00 |
| Avg | 141.17 |
| WA | 181.98 |

**16. Breakdown by Seasoning (in months)**

| Seasoning | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [66 ; 72[ | 12 | 0.09% | 1,601,734 | 0.23% | 2,288,360 | 0.20% | 2.31% | 71.53 | 141.91 |
| [72 ; 78[ | 47 | 0.37% | 3,619,157 | 0.51% | 6,784,764 | 0.59% | 2.57% | 74.88 | 124.90 |
| [78 ; 84[ | 39 | 0.31% | 2,636,597 | 0.37% | 3,799,932 | 0.33% | 2.60% | 81.57 | 172.33 |
| [84 ; 90[ | 290 | 2.28% | 27,973,368 | 3.94% | 34,880,401 | 3.01% | 3.23% | 87.22 | 231.79 |
| [90 ; 96[ | 496 | 3.90% | 42,640,671 | 6.00% | 55,066,447 | 4.76% | 2.56% | 93.10 | 231.69 |
| [96 ; 102[ | 710 | 5.59% | 55,501,350 | 7.81% | 76,338,072 | 6.60% | 2.12% | 99.17 | 221.63 |
| [102 ; 108[ | 841 | 6.62% | 59,123,183 | 8.32% | 79,793,852 | 6.90% | 2.47% | 105.06 | 222.82 |
| [108 ; 114[ | 853 | 6.71% | 60,657,898 | 8.54% | 82,215,385 | 7.11% | 2.30% | 111.07 | 215.66 |
| [114 ; 120[ | 609 | 4.79% | 39,786,237 | 5.60% | 55,010,274 | 4.75% | 2.28% | 116.67 | 206.65 |
| [120 ; 126[ | 469 | 3.69% | 28,307,292 | 3.98% | 39,573,415 | 3.42% | 2.80% | 122.97 | 198.08 |
| [126 ; 132[ | 311 | 2.45% | 18,110,655 | 2.55% | 24,053,204 | 2.08% | 3.85% | 129.05 | 193.90 |
| [132 ; 138[ | 483 | 3.80% | 29,160,354 | 4.10% | 41,963,620 | 3.63% | 2.90% | 134.97 | 186.18 |
| [138 ; 144[ | 530 | 4.17% | 32,960,651 | 4.64% | 48,140,496 | 4.16% | 2.45% | 141.14 | 195.58 |
| [144 ; 150[ | 690 | 5.43% | 43,417,145 | 6.11% | 67,262,907 | 5.81% | 2.01% | 147.25 | 189.18 |
| [150 ; 156[ | 872 | 6.86% | 50,529,822 | 7.11% | 78,676,008 | 6.80% | 1.90% | 153.12 | 183.44 |
| [156 ; 162[ | 959 | 7.54% | 51,479,706 | 7.25% | 88,654,677 | 7.66% | 1.81% | 159.04 | 161.41 |
| [162 ; 168[ | 996 | 7.84% | 45,909,126 | 6.46% | 82,840,283 | 7.16% | 1.89% | 164.79 | 143.53 |
| [168 ; 174[ | 787 | 6.19% | 31,259,031 | 4.40% | 67,340,765 | 5.82% | 2.02% | 170.83 | 115.15 |
| [174 ; 180[ | 543 | 4.27% | 21,178,356 | 2.98% | 47,658,730 | 4.12% | 2.43% | 176.92 | 107.81 |
| [180 ; 186[ | 540 | 4.25% | 20,811,403 | 2.93% | 49,483,531 | 4.28% | 2.40% | 182.73 | 98.96 |
| [186 ; 192[ | 450 | 3.54% | 15,043,097 | 2.12% | 35,063,024 | 3.03% | 2.78% | 189.01 | 94.46 |
| [192 ; 198[ | 337 | 2.65% | 10,564,233 | 1.49% | 27,027,951 | 2.34% | 3.11% | 194.83 | 89.26 |
| [198 ; 204[ | 217 | 1.71% | 6,366,787 | 0.90% | 17,196,878 | 1.49% | 3.37% | 200.66 | 82.19 |
| [204 ; 210[ | 148 | 1.16% | 3,317,024 | 0.47% | 10,446,481 | 0.90% | 3.63% | 207.02 | 77.28 |
| [210 ; 216[ | 142 | 1.12% | 3,124,366 | 0.44% | 9,644,972 | 0.83% | 4.22% | 212.49 | 75.51 |
| [216 ; 222[ | 103 | 0.81% | 2,083,195 | 0.29% | 7,844,939 | 0.68% | 4.51% | 219.14 | 65.23 |
| [222 ; 228[ | 95 | 0.75% | 1,288,947 | 0.18% | 6,443,500 | 0.56% | 5.19% | 224.63 | 56.44 |
| [228 ; 234[ | 75 | 0.59% | 901,293 | 0.13% | 6,077,391 | 0.53% | 5.17% | 230.44 | 49.28 |
| [234 ; 240[ | 31 | 0.24% | 348,716 | 0.05% | 2,220,801 | 0.19% | 4.91% | 237.36 | 47.37 |
| [240 ; 246[ | 24 | 0.19% | 446,037 | 0.06% | 2,219,692 | 0.19% | 5.02% | 242.68 | 48.26 |
| [246 ; 252[ | 7 | 0.06% | 116,462 | 0.02% | 519,699 | 0.04% | 5.92% | 248.91 | 50.07 |
| [252 ; 258[ | 5 | 0.04% | 119,138 | 0.02% | 389,050 | 0.03% | 5.92% | 254.56 | 48.72 |
| [258 ; 264[ | 1 | 0.01% | 20,592 | 0.00% | 83,847 | 0.01% | 6.65% | 259.19 | 42.00 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

| | |
|---|---|
| Min | 70.74 |
| Max | 259.19 |
| Avg | 145.98 |
| WA | 135.17 |

### 17. Breakdown by Origination Year

| Origination Year | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| 1998 | 9 | 0.07% | 199,392 | 0.03% | 705,077 | 0.06% | 6.07% | 253.83 | 47.55 |
| 1999 | 41 | 0.32% | 713,182 | 0.10% | 3,533,650 | 0.31% | 5.03% | 241.95 | 49.96 |
| 2000 | 144 | 1.13% | 1,598,260 | 0.22% | 10,901,017 | 0.94% | 5.19% | 229.41 | 46.78 |
| 2001 | 197 | 1.55% | 3,981,939 | 0.56% | 14,181,230 | 1.23% | 4.62% | 218.50 | 68.55 |
| 2002 | 349 | 2.75% | 8,271,915 | 1.16% | 24,724,369 | 2.14% | 3.63% | 206.27 | 78.93 |
| 2003 | 681 | 5.36% | 22,009,775 | 3.10% | 54,860,955 | 4.74% | 3.08% | 193.91 | 89.90 |
| 2004 | 1,019 | 8.02% | 38,243,328 | 5.38% | 89,623,215 | 7.75% | 2.42% | 182.41 | 99.42 |
| 2005 | 1,542 | 12.13% | 62,205,876 | 8.76% | 128,467,387 | 11.10% | 2.06% | 170.17 | 120.27 |
| 2006 | 1,986 | 15.62% | 104,873,843 | 14.76% | 178,735,631 | 15.45% | 1.86% | 158.92 | 163.53 |
| 2007 | 1,345 | 10.58% | 84,100,428 | 11.84% | 127,857,546 | 11.05% | 2.05% | 147.40 | 190.77 |
| 2008 | 877 | 6.90% | 54,025,890 | 7.60% | 76,547,338 | 6.62% | 2.98% | 135.43 | 190.44 |
| 2009 | 901 | 7.09% | 54,536,646 | 7.68% | 75,466,050 | 6.52% | 2.76% | 122.12 | 199.53 |
| 2010 | 1,679 | 13.21% | 116,242,367 | 16.36% | 157,360,359 | 13.60% | 2.38% | 110.46 | 216.12 |
| 2011 | 1,335 | 10.50% | 103,959,902 | 14.63% | 141,030,854 | 12.19% | 2.23% | 99.16 | 223.51 |
| 2012 | 535 | 4.21% | 49,277,527 | 6.94% | 62,481,660 | 5.40% | 3.03% | 88.84 | 231.94 |
| 2013 | 72 | 0.57% | 6,163,353 | 0.87% | 10,527,010 | 0.91% | 2.42% | 74.68 | 132.42 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

| | |
|---|---|
| Latest Origination | 07/11/2013 |
| Oldest Origination | 23/02/1998 |

### 18. Breakdown by Interest Rate Type

| IR Type | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| EIB03M | 1,336 | 10.51% | 121,489,183 | 17.10% | 222,566,957 | 19.24% | 1.40% | 123.46 | 177.82 |
| EIB06M | 1,939 | 15.25% | 107,056,872 | 15.07% | 204,518,054 | 17.68% | 1.51% | 155.88 | 145.64 |
| EIB12M | 1,298 | 10.21% | 105,211,231 | 14.81% | 157,633,280 | 13.62% | 1.59% | 144.99 | 199.46 |
| TF | 8,139 | 64.03% | 376,646,337 | 53.02% | 572,285,057 | 49.46% | 3.19% | 130.31 | 188.76 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

**19. Breakdown by Interest Rate**

| Interest Rate | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [0% ; 0,5% [ | 3,749 | 29.49% | 63,554,225 | 8.95% | 85,692,547 | 7.41% | 0.00% | 132.58 | 141.53 |
| [0,5% ; 1% [ | 318 | 2.50% | 21,244,021 | 2.99% | 63,296,726 | 5.47% | 0.85% | 138.42 | 122.07 |
| [1% ; 1,5% [ | 2,008 | 15.80% | 147,408,030 | 20.75% | 255,238,843 | 22.06% | 1.29% | 143.40 | 174.25 |
| [1,5% ; 2% [ | 2,020 | 15.89% | 147,023,671 | 20.70% | 240,387,830 | 20.78% | 1.66% | 141.53 | 178.01 |
| [2% ; 2,5% [ | 455 | 3.58% | 42,220,324 | 5.94% | 58,440,189 | 5.05% | 2.24% | 115.88 | 215.74 |
| [2,5% ; 3% [ | 740 | 5.82% | 68,002,468 | 9.57% | 94,999,823 | 8.21% | 2.72% | 120.03 | 213.98 |
| [3% ; 3,5% [ | 477 | 3.75% | 33,402,222 | 4.70% | 52,372,414 | 4.53% | 3.20% | 128.91 | 187.59 |
| [3,5% ; 4% [ | 594 | 4.67% | 41,401,089 | 5.83% | 66,353,810 | 5.73% | 3.76% | 130.89 | 182.74 |
| [4% ; 4,5% [ | 686 | 5.40% | 49,569,014 | 6.98% | 76,339,211 | 6.60% | 4.24% | 123.98 | 203.46 |
| [4,5% ; 5% [ | 642 | 5.05% | 45,097,109 | 6.35% | 69,207,778 | 5.98% | 4.73% | 126.20 | 205.14 |
| [5% ; 5,5% [ | 457 | 3.60% | 27,270,405 | 3.84% | 47,044,245 | 4.07% | 5.24% | 146.52 | 188.16 |
| [5,5% ; 6% [ | 402 | 3.16% | 19,547,639 | 2.75% | 35,964,378 | 3.11% | 5.69% | 161.04 | 173.10 |
| [6% ; 6,5% [ | 107 | 0.84% | 3,018,142 | 0.42% | 7,817,039 | 0.68% | 6.17% | 195.60 | 117.03 |
| [6,5% ; 7% [ | 45 | 0.35% | 1,302,801 | 0.18% | 3,075,824 | 0.27% | 6.72% | 218.19 | 80.83 |
| [7% ; 7,5% [ | 9 | 0.07% | 289,909 | 0.04% | 612,771 | 0.05% | 7.12% | 216.86 | 87.79 |
| [7,5% ; 8% [ | 3 | 0.02% | 52,556 | 0.01% | 159,919 | 0.01% | 7.79% | 225.63 | 73.30 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

| | |
|---|---|
| Min | 0.00% |
| Max | 7.80% |
| Avg | 1.94% |
| WA | 2.40% |

**20. Breakdown by Interest-Free Loan (PTZ)**

| PTZ | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| Non PTZ | 8,990 | 70.72% | 647,742,784 | 91.18% | 1,073,436,041 | 92.78% | 2.63% | 135.44 | 185.93 |
| PTZ | 3,722 | 29.28% | 62,660,839 | 8.82% | 83,567,307 | 7.22% | 0.00% | 132.34 | 141.11 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

**21. Breakdown by Specialized Loan**

| Specialized Loan | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| No | 7,636 | 60.07% | 542,114,324 | 76.31% | 925,380,040 | 79.98% | 2.42% | 137.17 | 180.06 |
| Yes | 5,076 | 39.93% | 168,289,299 | 23.69% | 231,623,308 | 20.02% | 2.31% | 128.70 | 188.14 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

**22. Breakdown by Home Loan Eligible Security**

| Home Loan Eligible Security | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| Guaranteed Loans - CNP | 937 | 7.37% | 55,012,118 | 7.74% | 81,894,040 | 7.08% | 2.36% | 126.96 | 182.01 |
| Guaranteed Loans - SACCEF | 118 | 0.93% | 6,531,912 | 0.92% | 18,691,997 | 1.62% | 2.19% | 127.89 | 112.03 |
| Mortgage | 11,657 | 91.70% | 648,859,592 | 91.34% | 1,056,417,311 | 91.31% | 2.40% | 135.93 | 182.68 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

**22. Breakdown by CSP (European Datawarehouse format)**

| CSP (European Datawarehouse format) | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| Employed or full loan is guaranteed (1) | 10,571 | 83.16% | 587,719,164 | 82.73% | 940,615,001 | 81.30% | 2.39% | 135.45 | 183.68 |
| Pensioner (8) | 158 | 1.24% | 6,974,276 | 0.98% | 12,997,759 | 1.12% | 2.70% | 123.35 | 135.84 |
| Protected life-time employment (Civil/government servant) (3) | 1,477 | 11.62% | 77,951,095 | 10.97% | 138,333,043 | 11.96% | 2.47% | 138.19 | 173.52 |
| Self-employed (5) | 449 | 3.53% | 34,928,384 | 4.92% | 60,538,796 | 5.23% | 2.26% | 126.18 | 182.30 |
| Unemployed (4) | 57 | 0.45% | 2,830,704 | 0.40% | 4,518,749 | 0.39% | 3.14% | 133.31 | 170.32 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

**23. Breakdown by Instalment Frequency**

| Instalment Frequency | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| Monthly | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

**24. Breakdown by Arrears**

| Arrears | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| 0 | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

| | |
|---|---|
| Min | 0.00 |
| Max | 0.00 |
| Avg | 0.00 |
| WA | 0.00 |

**25. Breakdown by Region**

| Region | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| Auvergne-Rhône-Alpes | 1,807 | 14.21% | 115,327,136 | 16.23% | 161,654,062 | 13.97% | 2.15% | 122.00 | 207.91 |
| Bourgogne-Franche-Comté | 565 | 4.44% | 24,664,124 | 3.47% | 43,808,615 | 3.79% | 2.27% | 150.18 | 148.48 |
| Bretagne | 992 | 7.80% | 40,191,815 | 5.66% | 63,105,085 | 5.45% | 2.37% | 138.75 | 170.86 |
| Centre-Val de Loire | 311 | 2.45% | 17,653,102 | 2.48% | 30,282,268 | 2.62% | 2.38% | 148.00 | 154.83 |
| DOM | 3 | 0.02% | 191,415 | 0.03% | 545,411 | 0.05% | 3.26% | 149.82 | 114.02 |
| Grand Est | 1,062 | 8.35% | 48,972,579 | 6.89% | 85,138,077 | 7.36% | 2.21% | 147.23 | 156.96 |
| Hauts-de-France | 1,052 | 8.28% | 59,331,998 | 8.35% | 99,838,010 | 8.63% | 2.81% | 141.75 | 174.95 |
| Ile de France | 1,676 | 13.18% | 128,947,491 | 18.15% | 199,656,533 | 17.26% | 2.48% | 118.64 | 208.80 |
| Normandie | 950 | 7.47% | 45,325,819 | 6.38% | 73,023,058 | 6.31% | 2.44% | 139.17 | 181.97 |
| Nouvelle-Aquitaine | 603 | 4.74% | 37,470,341 | 5.27% | 65,671,250 | 5.68% | 2.86% | 148.36 | 155.19 |
| Occitanie | 1,397 | 10.99% | 68,560,381 | 9.65% | 121,081,113 | 10.47% | 2.42% | 149.74 | 158.29 |
| Pays de la Loire | 1,021 | 8.03% | 44,722,406 | 6.30% | 74,394,732 | 6.43% | 2.27% | 147.65 | 166.86 |
| Provence-Alpes-Côte d'Azur | 1,273 | 10.01% | 79,045,015 | 11.13% | 138,805,133 | 12.00% | 2.28% | 131.27 | 185.27 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

**26. Breakdown by property type**

| Property Type | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| Primary Residence | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

**27. Breakdown by Initial Property Price**

| Property Price | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [0 ; 150,000[ | 8,209 | 64.58% | 335,105,899 | 47.17% | 568,896,054 | 49.17% | 2.47% | 147.40 | 160.40 |
| [150,000 ; 300,000[ | 4,117 | 32.39% | 323,965,108 | 45.60% | 477,959,024 | 41.31% | 2.39% | 125.27 | 205.51 |
| [300,000 ; 450,000[ | 295 | 2.32% | 35,564,187 | 5.01% | 67,309,211 | 5.82% | 2.16% | 117.96 | 192.65 |
| [450,000 ; 600,000[ | 41 | 0.32% | 5,325,138 | 0.75% | 13,677,840 | 1.18% | 1.92% | 116.00 | 154.12 |
| [600,000 ; 750,000[ | 27 | 0.21% | 4,201,604 | 0.59% | 13,451,535 | 1.16% | 1.59% | 131.56 | 108.83 |
| [750,000 ; 900,000[ | 9 | 0.07% | 1,998,923 | 0.28% | 3,814,852 | 0.33% | 1.15% | 117.60 | 118.42 |
| [900,000 ; 1,050,000[ | 4 | 0.03% | 949,996 | 0.13% | 2,547,922 | 0.22% | 1.53% | 128.32 | 104.61 |
| [1,050,000 ; 1,200,000[ | 3 | 0.02% | 841,412 | 0.12% | 1,731,912 | 0.15% | 1.22% | 92.83 | 196.04 |
| [1,350,000 ; 1,500,000[ | 4 | 0.03% | 1,175,114 | 0.17% | 3,915,000 | 0.34% | 1.34% | 103.33 | 136.36 |
| [1,650,000 ; 1,800,000[ | 2 | 0.02% | 1,073,242 | 0.15% | 1,700,000 | 0.15% | 1.48% | 94.78 | 132.78 |
| [2,550,000 ; 2,700,000[ | 1 | 0.01% | 203,001 | 0.03% | 2,000,000 | 0.17% | 0.77% | 99.25 | 67.00 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

| | |
|---|---|
| Min | 20,000.00 |
| Max | 2,640,000.00 |
| Avg | 143,572.97 |
| WA | 178,819.92 |

**28. Breakdown by top 20 Borrowers**

| Top 20 Borrowers | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 1 | 0.01% | 667,779 | 0.09% | 1,000,000 | 0.09% | 1.79% | 94.98 | 146.00 |
| 2 | 1 | 0.01% | 597,130 | 0.08% | 1,184,000 | 0.10% | 1.09% | 112.85 | 137.00 |
| 3 | 1 | 0.01% | 447,276 | 0.06% | 1,050,000 | 0.09% | 1.64% | 91.17 | 159.00 |
| 4 | 1 | 0.01% | 432,065 | 0.06% | 633,000 | 0.05% | 1.89% | 81.94 | 140.00 |
| 5 | 1 | 0.01% | 431,779 | 0.06% | 501,912 | 0.04% | 1.00% | 96.53 | 265.00 |
| 6 | 1 | 0.01% | 406,475 | 0.06% | 455,589 | 0.04% | 4.85% | 115.38 | 323.00 |
| 7 | 1 | 0.01% | 405,463 | 0.06% | 700,000 | 0.06% | 0.97% | 94.46 | 111.00 |
| 8 | 1 | 0.01% | 364,701 | 0.05% | 500,000 | 0.04% | 1.74% | 87.43 | 177.00 |
| 9 | 1 | 0.01% | 363,664 | 0.05% | 425,735 | 0.04% | 2.77% | 105.56 | 258.00 |
| 10 | 1 | 0.01% | 353,024 | 0.05% | 480,000 | 0.04% | 1.59% | 71.29 | 160.00 |
| 11 | 1 | 0.01% | 350,963 | 0.05% | 614,000 | 0.05% | 0.74% | 100.93 | 115.00 |
| 12 | 1 | 0.01% | 349,368 | 0.05% | 448,000 | 0.04% | 1.07% | 97.22 | 211.00 |
| 13 | 1 | 0.01% | 338,297 | 0.05% | 600,000 | 0.05% | 1.49% | 103.10 | 107.00 |
| 14 | 1 | 0.01% | 331,989 | 0.05% | 574,444 | 0.05% | 0.77% | 101.13 | 117.00 |
| 15 | 1 | 0.01% | 325,951 | 0.05% | 363,120 | 0.03% | 1.71% | 119.10 | 246.00 |
| 16 | 1 | 0.01% | 324,490 | 0.05% | 367,972 | 0.03% | 2.91% | 90.78 | 291.00 |
| 17 | 1 | 0.01% | 323,679 | 0.05% | 534,394 | 0.05% | 4.50% | 90.58 | 236.00 |
| 18 | 1 | 0.01% | 318,548 | 0.04% | 478,066 | 0.04% | 1.34% | 96.53 | 150.00 |
| 19 | 1 | 0.01% | 318,249 | 0.04% | 485,000 | 0.04% | 1.12% | 100.14 | 152.00 |
| 20 | 2 | 0.02% | 313,244 | 0.04% | 362,264 | 0.03% | 1.22% | 91.01 | 308.63 |
| Total | 21 | 0.17% | 7,764,133 | 1.09% | 11,757,497 | 1.02% | 1.79% | 97.35 | 186.68 |

| Top 20 Borrowers | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| Top 1 | 1 | 0.01% | 667,779 | 0.09% | 1,000,000 | 0.09% | 1.79% | 94.98 | 146.00 |
| Top 5 | 5 | 0.04% | 2,576,029 | 0.36% | 4,368,912 | 0.38% | 1.48% | 96.53 | 165.11 |
| Top 10 | 10 | 0.08% | 4,469,355 | 0.63% | 6,930,236 | 0.60% | 1.88% | 96.06 | 182.69 |
| Top 20 | 21 | 0.17% | 7,764,133 | 1.09% | 11,757,497 | 1.02% | 1.79% | 97.35 | 186.68 |

**29. Breakdown by Periodic Payment**

| Periodic Payment | Nb of Loans | % of Nb of Loans | Principal Outstanding Balance | % of Principal Outstanding Balance | Original Principal Outstanding Balance | % of Original Principal Outstanding Balance | WA Interest Rate | WA Seasoning | WA Remaining Term |
|---|---|---|---|---|---|---|---|---|---|
| [0 ; 1000[ | 12,039 | 94.71% | 612,714,227 | 86.25% | 986,184,168 | 85.24% | 2.36% | 137.20 | 182.86 |
| [1000 ; 2000[ | 626 | 4.92% | 85,131,098 | 11.98% | 143,749,753 | 12.42% | 2.71% | 124.07 | 182.53 |
| [2000 ; 3000[ | 32 | 0.25% | 7,805,129 | 1.10% | 15,492,007 | 1.34% | 2.16% | 110.54 | 148.57 |
| [3000 ; 4000[ | 11 | 0.09% | 2,822,264 | 0.40% | 7,943,420 | 0.69% | 1.33% | 109.81 | 105.41 |
| [4000 ; 5000[ | 2 | 0.02% | 665,996 | 0.09% | 1,450,000 | 0.13% | 1.24% | 135.44 | 93.79 |
| [5000 ; 6000[ | 2 | 0.02% | 1,264,909 | 0.18% | 2,184,000 | 0.19% | 1.46% | 103.42 | 141.75 |
| Total | 12,712 | 100.00% | 710,403,622 | 100.00% | 1,157,003,348 | 100.00% | 2.40% | 135.17 | 181.98 |

| | |
|---|---|
| Min | 0.31 |
| Max | 5,194.05 |
| Avg | 459.58 |
| WA | 697.16 |

## HISTORICAL PERFORMANCE DATA

The historical information and the other information set out below represent the historical experience of the Seller. 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 Hedge Counterparties, the Joint Arrangers or the Joint Lead Managers has undertaken or will undertake any investigation, review or searches to verify the historical information.

### General

The tables and graphs of this section have been prepared on the basis of the internal records of CIFD. Except for the dynamic arrears and historical prepayment data where the scope is the Seller's global home loans portfolio, CIFD has extracted data on the historical performance of the eligible portfolio as per the below static criteria:

- each Home Loan Receivable is denominated in Euro;

- no Home Loan Agreement is a bridge loan (*crédit relais*) the purpose of which is to bridge the financing of the purchase of the underlying property;

- each Home Loan Agreement was executed between 30 June 1993 and 29 November 2013;

- each Home Loan Agreement was granted to an Eligible Borrower for the purpose of financing residential properties located in France;

- each Home Loan Receivable bears interest either (i) at a fixed rate which shall be equal to zero (0) in case of "Interest-Free Loan" ("*prêt à taux zéro*") or greater than zero (0) per cent. or (ii) at a floating rate based on three-month Euribor, six-month Euribor, twelve-month Euribor or three year *Bons du Trésor à intérêts Annuels* (BTAN).

Actual performance may be influenced by a variety of economic, social, geographic and other factors beyond the control of CIFD. It may also be influenced by changes in the Seller's servicing policies. There can be no assurance that the future experience and performance of the Purchased Home Loan Receivables will be similar to the historical performances set out in the graphs below.

## Cumulative default rate by vintage of origination - eligible portfolio (loans originated between Q1 2010 and Q4 2013)

| Vintage quarter | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2010-1** | 0.00% | 0.00% | 0.00% | 0.09% | 0.23% | 0.45% | 0.66% | 0.83% | 1.07% | 1.45% | 1.86% | 2.51% | 3.22% | 3.63% | 4.18% | 4.91% | 5.69% | 6.13% | 6.75% | 7.44% | 7.84% | 8.13% | 8.46% | 8.70% | 9.08% | 9.22% | 9.48% | 9.67% | 9.91% | 10.14% | 10.31% | 10.57% | 10.72% | 10.97% | 11.05% | 11.22% | 11.29% |
| **2010-2** | 0.00% | 0.00% | 0.04% | 0.13% | 0.22% | 0.30% | 0.48% | 0.59% | 0.70% | 1.03% | 1.55% | 2.16% | 2.63% | 2.94% | 3.43% | 3.84% | 4.30% | 4.70% | 5.14% | 5.60% | 5.88% | 6.08% | 6.33% | 6.60% | 6.98% | 7.13% | 7.38% | 7.71% | 7.83% | 8.00% | 8.20% | 8.34% | 8.56% | 8.71% | 8.90% | 9.07% | |
| **2010-3** | 0.00% | 0.06% | 0.08% | 0.28% | 0.37% | 0.42% | 0.62% | 0.78% | 1.32% | 1.77% | 2.29% | 2.58% | 2.86% | 3.32% | 3.71% | 4.09% | 4.48% | 5.02% | 5.32% | 5.59% | 5.81% | 6.03% | 6.24% | 6.41% | 6.63% | 6.81% | 6.94% | 7.26% | 7.44% | 7.54% | 7.59% | 7.70% | 7.88% | 7.98% | 8.13% | | |
| **2010-4** | 0.03% | 0.05% | 0.13% | 0.18% | 0.23% | 0.29% | 0.42% | 0.67% | 0.94% | 1.34% | 1.68% | 2.09% | 2.45% | 2.73% | 2.89% | 3.28% | 3.62% | 3.93% | 4.28% | 4.75% | 4.93% | 5.18% | 5.39% | 5.60% | 5.89% | 6.01% | 6.15% | 6.29% | 6.38% | 6.49% | 6.60% | 6.73% | 6.88% | 7.01% | | | |
| **2011-1** | 0.00% | 0.03% | 0.12% | 0.17% | 0.28% | 0.38% | 0.47% | 0.83% | 1.11% | 1.59% | 1.91% | 2.49% | 2.86% | 3.16% | 3.66% | 3.96% | 4.34% | 4.80% | 5.04% | 5.23% | 5.58% | 5.90% | 6.06% | 6.20% | 6.36% | 6.68% | 6.91% | 7.06% | 7.30% | 7.50% | 7.62% | 7.71% | 7.80% | | | | |
| **2011-2** | 0.03% | 0.06% | 0.11% | 0.19% | 0.27% | 0.58% | 0.78% | 1.00% | 1.27% | 1.70% | 2.11% | 2.58% | 2.94% | 3.38% | 3.79% | 4.09% | 4.42% | 4.81% | 5.22% | 5.62% | 5.91% | 6.10% | 6.38% | 6.56% | 6.75% | 6.94% | 7.09% | 7.29% | 7.35% | 7.45% | 7.54% | 7.60% | | | | | |
| **2011-3** | 0.00% | 0.00% | 0.01% | 0.15% | 0.26% | 0.67% | 0.91% | 1.09% | 1.40% | 1.97% | 2.56% | 2.97% | 3.56% | 3.93% | 4.18% | 4.59% | 4.96% | 5.27% | 5.47% | 5.65% | 5.93% | 6.03% | 6.16% | 6.40% | 6.54% | 6.71% | 6.82% | 6.98% | 7.26% | 7.38% | 7.52% | | | | | | |
| **2011-4** | 0.01% | 0.02% | 0.04% | 0.10% | 0.23% | 0.32% | 0.52% | 0.77% | 1.06% | 1.54% | 1.96% | 2.26% | 2.61% | 2.99% | 3.21% | 3.50% | 3.85% | 4.13% | 4.51% | 4.74% | 4.92% | 5.22% | 5.43% | 5.63% | 5.72% | 5.90% | 6.05% | 6.25% | 6.39% | 6.49% | | | | | | | |
| **2012-1** | 0.01% | 0.01% | 0.07% | 0.18% | 0.38% | 0.52% | 0.86% | 1.16% | 1.55% | 2.05% | 2.61% | 3.07% | 3.40% | 3.71% | 4.06% | 4.28% | 4.45% | 4.72% | 4.89% | 5.38% | 5.59% | 5.75% | 5.91% | 6.16% | 6.24% | 6.57% | 6.78% | 6.88% | 6.97% | | | | | | | | |
| **2012-2** | 0.00% | 0.01% | 0.04% | 0.09% | 0.21% | 0.48% | 0.71% | 0.99% | 1.28% | 1.75% | 2.09% | 2.35% | 2.84% | 3.16% | 3.50% | 3.85% | 4.11% | 4.51% | 4.95% | 5.32% | 5.57% | 5.70% | 5.88% | 6.18% | 6.28% | 6.50% | 6.62% | 6.77% | | | | | | | | | |
| **2012-3** | 0.00% | 0.01% | 0.01% | 0.01% | 0.11% | 0.23% | 0.31% | 0.39% | 0.82% | 1.04% | 1.57% | 1.93% | 2.37% | 2.78% | 3.03% | 3.25% | 3.34% | 3.47% | 3.75% | 4.09% | 4.24% | 4.30% | 4.43% | 4.47% | 4.62% | 4.66% | 4.82% | | | | | | | | | | |
| **2012-4** | 0.33% | 0.77% | 0.77% | 0.87% | 1.00% | 1.00% | 1.00% | 1.06% | 1.20% | 1.40% | 2.11% | 2.11% | 2.11% | 2.11% | 2.19% | 2.19% | 2.29% | 2.31% | 2.31% | 2.31% | 2.31% | 2.31% | 2.34% | 2.34% | 2.34% | 2.34% | | | | | | | | | | | |
| **2013-1** | 0.00% | 0.27% | 0.35% | 0.35% | 0.37% | 0.37% | 0.37% | 0.53% | 0.53% | 0.62% | 1.91% | 2.22% | 2.22% | 2.27% | 2.27% | 2.27% | 2.27% | 2.27% | 2.28% | 2.33% | 2.33% | 2.33% | 2.33% | 2.33% | 2.33% | | | | | | | | | | | | |
| **2013-2** | 0.00% | 0.02% | 0.02% | 0.02% | 0.02% | 0.03% | 0.10% | 0.61% | 0.69% | 0.69% | 0.69% | 0.69% | 0.81% | 0.82% | 0.82% | 0.82% | 0.82% | 0.82% | 0.82% | 0.92% | 0.92% | 0.92% | 1.39% | 1.39% | | | | | | | | | | | | | |
| **2013-3** | 0.09% | 0.09% | 0.09% | 0.31% | 0.33% | 0.33% | 0.33% | 0.42% | 0.72% | 0.72% | 1.51% | 1.55% | 1.86% | 2.09% | 2.18% | 2.18% | 2.29% | 2.30% | 2.30% | 2.30% | 2.30% | 2.30% | 2.32% | | | | | | | | | | | | | | |
| **2013-4** | 0.00% | 0.01% | 0.03% | 0.03% | 0.33% | 0.93% | 0.93% | 0.93% | 1.16% | 1.16% | 1.16% | 1.35% | 1.35% | 1.35% | 1.35% | 1.35% | 1.35% | 1.35% | 1.35% | 1.35% | 1.35% | 1.36% | | | | | | | | | | | | | | | |

## Cumulative default rate by vintage of origination – eligible mortgages (loans originated between Q1 2010 and Q4 2013)

| Vintage quarter | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2010-1** | 0.00% | 0.00% | 0.00% | 0.10% | 0.18% | 0.41% | 0.66% | 0.85% | 1.13% | 1.47% | 1.82% | 2.44% | 3.11% | 3.50% | 3.99% | 4.83% | 5.45% | 5.87% | 6.53% | 7.24% | 7.59% | 7.82% | 8.18% | 8.41% | 8.73% | 8.88% | 9.11% | 9.32% | 9.54% | 9.74% | 9.86% | 10.11% | 10.28% | 10.55% | 10.64% | 10.83% | 10.92% |
| **2010-2** | 0.00% | 0.00% | 0.02% | 0.14% | 0.22% | 0.27% | 0.44% | 0.56% | 0.67% | 0.97% | 1.48% | 2.07% | 2.49% | 2.78% | 3.27% | 3.59% | 4.09% | 4.49% | 4.91% | 5.34% | 5.62% | 5.84% | 6.04% | 6.35% | 6.74% | 6.89% | 7.12% | 7.39% | 7.51% | 7.71% | 7.93% | 8.08% | 8.28% | 8.45% | 8.65% | 8.84% | |
| **2010-3** | 0.00% | 0.06% | 0.08% | 0.28% | 0.34% | 0.37% | 0.57% | 0.71% | 1.32% | 1.82% | 2.25% | 2.52% | 2.65% | 3.08% | 3.44% | 3.85% | 4.18% | 4.70% | 5.06% | 5.34% | 5.49% | 5.69% | 5.81% | 5.98% | 6.18% | 6.38% | 6.51% | 6.78% | 6.96% | 7.08% | 7.11% | 7.19% | 7.36% | 7.47% | 7.62% | | |
| **2010-4** | 0.04% | 0.05% | 0.13% | 0.17% | 0.22% | 0.27% | 0.39% | 0.62% | 0.88% | 1.32% | 1.64% | 1.96% | 2.31% | 2.61% | 2.79% | 3.21% | 3.54% | 3.84% | 4.22% | 4.72% | 4.91% | 5.13% | 5.35% | 5.55% | 5.81% | 5.94% | 6.08% | 6.24% | 6.33% | 6.43% | 6.53% | 6.68% | 6.81% | 6.91% | | | |
| **2011-1** | 0.00% | 0.04% | 0.11% | 0.17% | 0.30% | 0.40% | 0.49% | 0.87% | 1.17% | 1.64% | 1.96% | 2.55% | 2.92% | 3.25% | 3.76% | 4.09% | 4.51% | 4.90% | 5.15% | 5.35% | 5.71% | 6.04% | 6.20% | 6.35% | 6.51% | 6.83% | 7.06% | 7.19% | 7.43% | 7.63% | 7.76% | 7.86% | 7.96% | | | | |
| **2011-2** | 0.03% | 0.07% | 0.12% | 0.21% | 0.30% | 0.61% | 0.83% | 1.02% | 1.29% | 1.74% | 2.19% | 2.69% | 3.08% | 3.51% | 3.96% | 4.25% | 4.60% | 5.03% | 5.47% | 5.86% | 6.16% | 6.34% | 6.61% | 6.79% | 6.97% | 7.17% | 7.34% | 7.55% | 7.62% | 7.71% | 7.81% | 7.88% | | | | | |
| **2011-3** | 0.00% | 0.00% | 0.01% | 0.16% | 0.28% | 0.72% | 0.98% | 1.17% | 1.43% | 1.97% | 2.57% | 3.02% | 3.63% | 4.02% | 4.25% | 4.69% | 5.06% | 5.38% | 5.59% | 5.77% | 6.05% | 6.16% | 6.29% | 6.48% | 6.64% | 6.81% | 6.94% | 7.10% | 7.34% | 7.47% | 7.59% | | | | | | |
| **2011-4** | 0.01% | 0.03% | 0.04% | 0.11% | 0.24% | 0.32% | 0.53% | 0.79% | 1.09% | 1.59% | 2.03% | 2.35% | 2.68% | 3.07% | 3.31% | 3.60% | 3.96% | 4.26% | 4.66% | 4.89% | 5.08% | 5.39% | 5.59% | 5.79% | 5.86% | 6.04% | 6.21% | 6.41% | 6.56% | 6.66% | | | | | | | |
| **2012-1** | 0.01% | 0.01% | 0.07% | 0.18% | 0.39% | 0.53% | 0.88% | 1.19% | 1.59% | 2.11% | 2.67% | 3.14% | 3.48% | 3.80% | 4.15% | 4.36% | 4.53% | 4.81% | 4.99% | 5.48% | 5.69% | 5.86% | 6.02% | 6.25% | 6.33% | 6.68% | 6.84% | 6.95% | 7.04% | | | | | | | | |
| **2012-2** | 0.00% | 0.01% | 0.05% | 0.09% | 0.21% | 0.49% | 0.73% | 1.02% | 1.32% | 1.80% | 2.16% | 2.42% | 2.93% | 3.25% | 3.61% | 3.96% | 4.24% | 4.64% | 5.10% | 5.48% | 5.74% | 5.87% | 6.06% | 6.37% | 6.48% | 6.69% | 6.82% | 6.97% | | | | | | | | | |
| **2012-3** | 0.00% | 0.00% | 0.00% | 0.01% | 0.10% | 0.23% | 0.31% | 0.39% | 0.85% | 1.07% | 1.64% | 2.01% | 2.47% | 2.90% | 3.16% | 3.39% | 3.49% | 3.63% | 3.92% | 4.27% | 4.43% | 4.48% | 4.63% | 4.66% | 4.82% | 4.86% | 5.04% | | | | | | | | | | |
| **2012-4** | 0.35% | 0.81% | 0.81% | 0.92% | 1.06% | 1.06% | 1.06% | 1.12% | 1.27% | 1.47% | 2.23% | 2.23% | 2.23% | 2.23% | 2.27% | 2.27% | 2.38% | 2.38% | 2.38% | 2.38% | 2.38% | 2.38% | 2.41% | 2.41% | 2.41% | 2.41% | | | | | | | | | | | |
| **2013-1** | 0.00% | 0.28% | 0.37% | 0.37% | 0.39% | 0.39% | 0.39% | 0.56% | 0.56% | 0.65% | 2.02% | 2.34% | 2.34% | 2.34% | 2.34% | 2.34% | 2.34% | 2.34% | 2.34% | 2.39% | 2.39% | 2.39% | 2.39% | 2.39% | 2.39% | | | | | | | | | | | | |
| **2013-2** | 0.00% | 0.02% | 0.02% | 0.02% | 0.02% | 0.02% | 0.10% | 0.64% | 0.73% | 0.73% | 0.73% | 0.73% | 0.87% | 0.87% | 0.87% | 0.87% | 0.87% | 0.87% | 0.87% | 0.98% | 0.98% | 0.98% | 1.48% | 1.48% | | | | | | | | | | | | | |
| **2013-3** | 0.10% | 0.10% | 0.10% | 0.33% | 0.34% | 0.34% | 0.34% | 0.45% | 0.76% | 0.76% | 1.59% | 1.63% | 1.96% | 2.20% | 2.20% | 2.20% | 2.32% | 2.32% | 2.32% | 2.32% | 2.32% | 2.32% | 2.34% | | | | | | | | | | | | | | |
| **2013-4** | 0.00% | 0.01% | 0.01% | 0.01% | 0.32% | 0.94% | 0.94% | 0.94% | 1.17% | 1.17% | 1.17% | 1.18% | 1.18% | 1.18% | 1.18% | 1.18% | 1.18% | 1.18% | 1.18% | 1.18% | 1.18% | 1.18% | | | | | | | | | | | | | | | |

## Cumulative default rate by vintage of origination – eligible guaranteed loans (loans originated between Q1 2010 and Q4 2013)

| Vintage quarter | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2010-1** | 0.00% | 0.00% | 0.00% | 0.06% | 0.45% | 0.64% | 0.64% | 0.73% | 0.82% | 1.37% | 2.04% | 2.81% | 3.75% | 4.28% | 5.07% | 5.32% | 6.88% | 7.41% | 7.86% | 8.45% | 9.03% | 9.61% | 9.86% | 10.15% | 10.80% | 10.93% | 11.29% | 11.37% | 11.73% | 12.11% | 12.49% | 12.81% | 12.91% | 13.07% | 13.07% | 13.15% | 13.15% |
| **2010-2** | 0.00% | 0.00% | 0.11% | 0.11% | 0.26% | 0.46% | 0.77% | 0.77% | 0.86% | 1.44% | 1.95% | 2.74% | 3.52% | 3.93% | 4.47% | 5.35% | 5.63% | 5.99% | 6.58% | 7.18% | 7.49% | 7.57% | 8.07% | 8.18% | 8.42% | 8.58% | 9.00% | 9.68% | 9.80% | 9.81% | 9.88% | 9.99% | 10.28% | 10.29% | 10.45% | 10.52% | |
| **2010-3** | 0.00% | 0.07% | 0.07% | 0.30% | 0.53% | 0.73% | 0.91% | 1.13% | 1.37% | 1.50% | 2.46% | 2.95% | 4.01% | 4.65% | 5.25% | 5.41% | 6.13% | 6.77% | 6.77% | 6.98% | 7.58% | 7.89% | 8.59% | 8.81% | 9.07% | 9.21% | 9.36% | 9.90% | 10.11% | 10.11% | 10.28% | 10.56% | 10.73% | 10.85% | 10.93% | | |
| **2010-4** | 0.00% | 0.00% | 0.20% | 0.26% | 0.26% | 0.39% | 0.64% | 1.11% | 1.43% | 1.53% | 2.02% | 3.02% | 3.49% | 3.66% | 3.66% | 3.79% | 4.30% | 4.64% | 4.78% | 4.99% | 5.13% | 5.56% | 5.76% | 6.00% | 6.44% | 6.57% | 6.66% | 6.66% | 6.80% | 6.96% | 7.08% | 7.13% | 7.43% | 7.70% | | | |
| **2011-1** | 0.00% | 0.00% | 0.15% | 0.15% | 0.15% | 0.22% | 0.22% | 0.51% | 0.64% | 1.15% | 1.48% | 2.02% | 2.42% | 2.42% | 2.76% | 2.89% | 2.89% | 3.90% | 4.06% | 4.22% | 4.51% | 4.68% | 4.85% | 4.93% | 5.14% | 5.46% | 5.62% | 5.98% | 6.25% | 6.46% | 6.46% | 6.46% | 6.46% | | | | |
| **2011-2** | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.29% | 0.29% | 0.85% | 1.04% | 1.33% | 1.33% | 1.47% | 1.59% | 2.08% | 2.08% | 2.54% | 2.70% | 2.73% | 2.73% | 3.21% | 3.51% | 3.79% | 4.12% | 4.38% | 4.55% | 4.71% | 4.72% | 4.72% | 4.78% | 4.93% | 4.93% | 4.93% | | | | | |
| **2011-3** | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.03% | 0.14% | 1.12% | 1.94% | 2.34% | 2.35% | 2.68% | 2.85% | 3.16% | 3.32% | 3.71% | 3.89% | 3.89% | 4.10% | 4.28% | 4.42% | 4.43% | 5.33% | 5.33% | 5.33% | 5.33% | 5.40% | 6.12% | 6.12% | 6.54% | | | | | | |
| **2011-4** | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.35% | 0.37% | 0.37% | 0.45% | 0.45% | 0.45% | 0.46% | 1.24% | 1.24% | 1.24% | 1.57% | 1.57% | 1.58% | 1.59% | 1.60% | 1.81% | 1.94% | 2.29% | 2.51% | 2.96% | 3.03% | 3.03% | 3.03% | 3.03% | 3.03% | | | | | | | |
| **2012-1** | 0.00% | 0.00% | 0.00% | 0.04% | 0.04% | 0.06% | 0.06% | 0.06% | 0.11% | 0.11% | 0.81% | 0.81% | 0.81% | 1.05% | 1.08% | 1.71% | 1.77% | 1.77% | 1.77% | 2.21% | 2.23% | 2.23% | 2.24% | 3.19% | 3.19% | 3.19% | 4.66% | 4.77% | 4.77% | | | | | | | | |
| **2012-2** | 0.00% | 0.00% | 0.00% | 0.02% | 0.02% | 0.02% | 0.06% | 0.07% | 0.07% | 0.10% | 0.11% | 0.11% | 0.11% | 0.21% | 0.21% | 0.21% | 0.26% | 0.26% | 0.26% | 0.26% | 0.26% | 0.26% | 0.28% | 0.28% | 0.28% | 0.57% | 0.57% | 0.57% | | | | | | | | | |
| **2012-3** | 0.00% | 0.11% | 0.11% | 0.11% | 0.25% | 0.25% | 0.25% | 0.25% | 0.26% | 0.27% | 0.27% | 0.27% | 0.29% | 0.31% | 0.31% | 0.31% | 0.31% | 0.31% | 0.31% | 0.47% | 0.47% | 0.47% | 0.47% | 0.47% | 0.47% | 0.47% | 0.47% | | | | | | | | | | |
| **2012-4** | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.07% | 0.07% | 0.07% | 0.07% | 0.07% | 0.07% | 0.07% | 0.81% | 0.81% | 0.81% | 1.13% | 1.13% | 1.13% | 1.13% | 1.13% | 1.13% | 1.13% | 1.13% | 1.13% | | | | | | | | | | | |
| **2013-1** | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.88% | 0.88% | 0.88% | 0.88% | 0.88% | 1.02% | 1.17% | 1.17% | 1.17% | 1.17% | 1.17% | 1.17% | | | | | | | | | | | | |
| **2013-2** | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | | | | | | | | | | | | | |
| **2013-3** | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.72% | 1.72% | 1.74% | 1.93% | 1.93% | 1.93% | 1.93% | 1.93% | 1.93% | | | | | | | | | | | | | | |
| **2013-4** | 0.00% | 0.00% | 0.79% | 0.79% | 0.79% | 0.79% | 0.79% | 0.79% | 0.79% | 0.79% | 0.79% | 8.27% | 8.27% | 8.27% | 8.27% | 8.27% | 8.27% | 8.27% | 8.27% | 8.27% | 8.27% | 8.59% | | | | | | | | | | | | | | | |

## Cumulative recovery rate by vintage of default – eligible portfolio

| Quarter of Default | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2011-1** | 1.44% | 4.22% | 6.68% | 9.39% | 12.83% | 16.14% | 18.89% | 21.94% | 25.50% | 29.36% | 32.85% | 36.77% | 39.48% | 42.37% | 44.59% | 47.17% | 49.54% | 52.03% | 53.85% | 55.93% | 57.71% | 59.75% | 61.49% | 63.50% | 65.42% | 67.16% | 68.56% | 70.13% | 71.31% | 72.28% | 73.53% | 76.34% | 77.31% | 79.09% |
| **2011-2** | 0.64% | 4.08% | 7.03% | 9.30% | 11.33% | 13.21% | 15.42% | 17.90% | 20.84% | 23.76% | 29.44% | 32.17% | 35.00% | 37.34% | 39.92% | 41.47% | 45.14% | 47.43% | 50.28% | 52.46% | 55.54% | 57.32% | 60.02% | 61.81% | 63.71% | 65.12% | 67.60% | 70.11% | 71.88% | 73.60% | 76.19% | 77.66% | 79.67% | |
| **2011-3** | 0.67% | 2.69% | 5.73% | 7.70% | 9.77% | 13.02% | 16.22% | 20.20% | 24.05% | 28.46% | 31.59% | 35.06% | 38.30% | 41.48% | 44.30% | 46.62% | 48.86% | 50.64% | 53.04% | 55.42% | 57.27% | 59.97% | 61.61% | 63.63% | 65.40% | 67.17% | 68.72% | 70.27% | 71.39% | 75.09% | 76.07% | 78.16% | | |
| **2011-4** | 0.35% | 1.85% | 2.83% | 4.42% | 5.47% | 6.85% | 8.88% | 10.65% | 12.43% | 14.49% | 16.73% | 18.39% | 20.05% | 21.81% | 23.72% | 25.54% | 26.98% | 27.94% | 29.24% | 31.69% | 33.00% | 34.01% | 35.28% | 36.26% | 37.85% | 39.34% | 40.35% | 41.01% | 43.26% | 44.59% | 46.52% | | | |
| **2012-1** | 0.93% | 2.56% | 4.38% | 6.62% | 9.43% | 13.55% | 17.46% | 21.15% | 24.16% | 28.15% | 31.49% | 34.41% | 35.89% | 38.63% | 40.84% | 43.20% | 44.97% | 47.44% | 49.00% | 50.76% | 52.58% | 53.79% | 55.49% | 57.33% | 59.13% | 60.62% | 61.94% | 65.17% | 65.74% | 67.97% | | | | |
| **2012-2** | 0.45% | 2.31% | 4.29% | 7.54% | 10.74% | 14.63% | 17.07% | 20.69% | 23.85% | 26.75% | 29.89% | 33.15% | 36.87% | 38.48% | 40.32% | 42.49% | 44.41% | 46.54% | 48.91% | 50.78% | 53.08% | 54.73% | 56.69% | 58.45% | 59.90% | 61.23% | 65.47% | 66.38% | 68.83% | | | | | |
| **2012-3** | 0.39% | 2.48% | 5.31% | 8.55% | 11.92% | 16.30% | 20.09% | 23.67% | 27.26% | 30.28% | 34.29% | 37.09% | 38.96% | 40.31% | 42.82% | 45.19% | 46.88% | 49.14% | 50.58% | 53.05% | 54.63% | 56.13% | 58.07% | 58.98% | 60.63% | 62.69% | 64.23% | 66.97% | | | | | | |
| **2012-4** | 0.56% | 4.00% | 7.29% | 10.96% | 14.61% | 18.55% | 21.84% | 24.39% | 27.17% | 30.37% | 33.07% | 35.61% | 38.17% | 40.04% | 41.99% | 44.60% | 46.28% | 48.47% | 50.87% | 52.58% | 54.49% | 56.30% | 58.16% | 59.34% | 61.75% | 63.35% | 65.79% | | | | | | | |
| **2013-1** | 0.89% | 5.40% | 9.75% | 12.99% | 16.15% | 19.02% | 21.96% | 24.88% | 27.55% | 30.76% | 33.62% | 36.57% | 38.86% | 41.57% | 43.80% | 47.17% | 48.72% | 51.54% | 53.50% | 55.41% | 56.60% | 58.06% | 59.19% | 61.81% | 62.95% | 64.84% | | | | | | | | |
| **2013-2** | 1.20% | 5.28% | 9.44% | 13.41% | 15.86% | 18.00% | 21.45% | 23.45% | 28.19% | 30.68% | 33.21% | 35.35% | 37.44% | 39.56% | 41.64% | 43.61% | 46.09% | 48.11% | 49.77% | 51.04% | 53.04% | 54.74% | 57.14% | 58.06% | 60.50% | | | | | | | | | |
| **2013-3** | 1.26% | 4.67% | 8.66% | 11.68% | 15.56% | 18.53% | 21.15% | 24.09% | 26.39% | 29.39% | 31.70% | 34.89% | 37.52% | 40.29% | 42.61% | 44.70% | 47.39% | 49.70% | 51.00% | 52.81% | 54.06% | 57.14% | 58.79% | 61.92% | | | | | | | | | | |
| **2013-4** | 1.00% | 4.15% | 8.02% | 12.05% | 17.41% | 21.06% | 24.01% | 28.22% | 31.53% | 34.82% | 37.94% | 41.46% | 43.30% | 45.51% | 48.40% | 50.42% | 52.96% | 54.24% | 56.01% | 57.59% | 61.34% | 63.08% | 65.43% | | | | | | | | | | | |
| **2014-1** | 1.12% | 3.55% | 8.05% | 12.85% | 16.51% | 20.15% | 23.18% | 26.92% | 29.37% | 32.20% | 35.26% | 38.02% | 40.19% | 42.85% | 45.18% | 47.19% | 48.77% | 50.51% | 52.36% | 56.25% | 57.27% | 60.12% | | | | | | | | | | | | |
| **2014-2** | 0.76% | 3.32% | 7.22% | 10.70% | 14.34% | 17.73% | 20.49% | 23.36% | 26.49% | 29.56% | 32.49% | 35.75% | 38.80% | 41.14% | 43.23% | 45.76% | 47.08% | 49.04% | 53.30% | 54.71% | 57.85% | | | | | | | | | | | | | |
| **2014-3** | 0.75% | 5.86% | 8.81% | 13.38% | 17.02% | 20.29% | 23.77% | 26.33% | 29.42% | 31.29% | 33.94% | 36.82% | 38.87% | 41.99% | 43.42% | 45.09% | 46.44% | 50.64% | 52.05% | 54.98% | | | | | | | | | | | | | | |
| **2014-4** | 1.19% | 4.53% | 7.63% | 11.82% | 15.19% | 17.76% | 22.10% | 25.86% | 28.83% | 32.42% | 35.20% | 38.06% | 40.62% | 43.09% | 46.09% | 48.12% | 52.82% | 54.54% | 57.31% | | | | | | | | | | | | | | | |
| **2015-1** | 2.06% | 4.87% | 9.44% | 14.22% | 18.27% | 21.30% | 24.32% | 27.90% | 30.53% | 33.04% | 35.02% | 37.76% | 41.18% | 43.00% | 44.86% | 49.10% | 50.88% | 53.56% | | | | | | | | | | | | | | | | |
| **2015-2** | 1.90% | 6.92% | 11.04% | 15.18% | 18.20% | 21.10% | 24.31% | 28.76% | 32.14% | 34.06% | 36.97% | 39.11% | 42.02% | 43.69% | 47.04% | 48.95% | 51.36% | | | | | | | | | | | | | | | | | |
| **2015-3** | 1.37% | 4.98% | 9.88% | 12.84% | 16.48% | 20.12% | 23.80% | 26.81% | 29.12% | 31.79% | 34.59% | 36.52% | 39.00% | 44.57% | 46.25% | 49.43% | | | | | | | | | | | | | | | | | | |
| **2015-4** | 2.62% | 6.26% | 10.25% | 14.93% | 18.07% | 21.43% | 24.17% | 28.23% | 31.23% | 34.36% | 37.57% | 39.49% | 45.33% | 47.37% | 50.91% | | | | | | | | | | | | | | | | | | | |
| **2016-1** | 1.37% | 6.95% | 12.82% | 15.12% | 17.82% | 21.75% | 26.15% | 30.15% | 32.91% | 35.34% | 36.84% | 40.64% | 43.17% | 47.74% | | | | | | | | | | | | | | | | | | | | |
| **2016-2** | 1.24% | 6.69% | 10.02% | 16.14% | 19.99% | 23.66% | 26.07% | 29.32% | 31.91% | 34.82% | 41.32% | 43.20% | 46.50% | | | | | | | | | | | | | | | | | | | | | |
| **2016-3** | 1.88% | 6.45% | 12.28% | 17.63% | 21.95% | 26.48% | 28.70% | 31.97% | 34.27% | 40.46% | 43.22% | 48.08% | | | | | | | | | | | | | | | | | | | | | | |
| **2016-4** | 2.56% | 7.94% | 12.26% | 17.55% | 21.27% | 24.07% | 27.79% | 30.95% | 38.37% | 40.19% | 44.38% | | | | | | | | | | | | | | | | | | | | | | | |
| **2017-1** | 1.25% | 6.39% | 13.33% | 17.18% | 20.66% | 23.71% | 25.86% | 31.71% | 35.06% | 38.60% | | | | | | | | | | | | | | | | | | | | | | | | |
| **2017-2** | 2.02% | 10.24% | 16.27% | 19.32% | 23.67% | 25.95% | 31.29% | 33.18% | 38.40% | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2017-3** | 2.36% | 9.27% | 14.34% | 20.36% | 24.61% | 31.00% | 33.57% | 40.39% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2017-4** | 1.15% | 4.97% | 9.33% | 15.36% | 23.00% | 26.11% | 35.09% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2018-1** | 0.87% | 4.72% | 10.93% | 14.76% | 18.02% | 24.81% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2018-2** | 1.28% | 5.91% | 13.36% | 17.51% | 25.94% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2018-3** | 1.39% | 4.23% | 9.66% | 16.61% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2018-4** | 2.38% | 7.16% | 14.33% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2019-1** | 2.14% | 6.14% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2019-2** | 1.31% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

## Cumulative recovery rate by vintage of default – eligible mortgages

| Quarter of Default | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2011-1** | 1.4 % | 4.2 % | 6.7 % | 9.4 % | 12.8 % | 16.0 % | 18.7 % | 21.8 % | 25.4 % | 29.2 % | 32.6 % | 36.5 % | 39.2 % | 42.0 % | 44.3 % | 46.9 % | 49.1 % | 51.6 % | 53.4 % | 55.3 % | 57.1 % | 59.1 % | 60.9 % | 62.9 % | 64.8 % | 66.5 % | 67.9 % | 69.4 % | 70.6 % | 71.6 % | 72.8 % | 75.7 % | 76.7 % | 78.5 % |
| **2011-2** | 0.6 % | 3.7 % | 6.7 % | 9.1 % | 10.7 % | 12.6 % | 14.9 % | 17.5 % | 20.1 % | 23.0 % | 28.8 % | 31.7 % | 34.7 % | 37.0 % | 39.1 % | 40.6 % | 44.2 % | 46.4 % | 49.4 % | 51.7 % | 54.8 % | 56.7 % | 59.3 % | 61.0 % | 63.0 % | 64.5 % | 67.0 % | 69.6 % | 71.4 % | 73.1 % | 75.7 % | 77.3 % | 79.4 % | |
| **2011-3** | 0.5 % | 2.2 % | 4.8 % | 6.8 % | 8.9 % | 12.0 % | 15.4 % | 19.7 % | 23.7 % | 28.1 % | 31.2 % | 34.1 % | 36.4 % | 39.3 % | 41.6 % | 44.1 % | 46.5 % | 48.3 % | 50.7 % | 53.0 % | 55.0 % | 57.8 % | 59.4 % | 61.6 % | 63.5 % | 65.4 % | 66.9 % | 68.4 % | 69.5 % | 73.2 % | 74.3 % | 76.4 % | | |
| **2011-4** | 0.3 % | 1.5 % | 2.5 % | 3.4 % | 4.4 % | 5.6 % | 7.4 % | 9.3 % | 11.1 % | 13.0 % | 15.3 % | 17.1 % | 18.4 % | 20.2 % | 22.2 % | 24.1 % | 25.6 % | 26.5 % | 27.7 % | 30.3 % | 31.7 % | 32.7 % | 34.0 % | 35.0 % | 36.4 % | 37.9 % | 38.9 % | 39.6 % | 41.9 % | 43.2 % | 45.2 % | | | |
| **2012-1** | 0.7 % | 2.0 % | 3.2 % | 5.5 % | 8.4 % | 12.2 % | 16.1 % | 19.9 % | 23.0 % | 26.2 % | 29.5 % | 32.2 % | 33.8 % | 36.2 % | 38.4 % | 40.9 % | 42.4 % | 45.1 % | 46.7 % | 48.6 % | 50.4 % | 51.6 % | 53.4 % | 54.9 % | 56.6 % | 58.2 % | 59.7 % | 63.0 % | 63.6 % | 66.2 % | | | | |
| **2012-2** | 0.5 % | 2.4 % | 4.4 % | 7.8 % | 10.4 % | 14.5 % | 16.4 % | 19.7 % | 22.7 % | 25.5 % | 28.6 % | 31.8 % | 35.6 % | 37.2 % | 39.1 % | 41.3 % | 43.3 % | 45.2 % | 47.7 % | 49.7 % | 52.1 % | 53.8 % | 55.8 % | 57.6 % | 59.1 % | 60.3 % | 64.8 % | 65.6 % | 67.9 % | | | | | |
| **2012-3** | 0.4 % | 2.6 % | 5.4 % | 7.9 % | 11.3 % | 15.1 % | 18.4 % | 22.0 % | 25.8 % | 28.8 % | 32.7 % | 35.5 % | 37.5 % | 39.0 % | 41.6 % | 44.2 % | 45.8 % | 47.5 % | 49.1 % | 51.8 % | 53.3 % | 54.8 % | 56.9 % | 57.8 % | 59.6 % | 61.8 % | 63.6 % | 63.5 % | | | | | | |
| **2012-4** | 0.6 % | 4.0 % | 7.0 % | 10.8 % | 14.4 % | 18.3 % | 21.0 % | 23.3 % | 26.0 % | 29.1 % | 32.0 % | 34.4 % | 36.9 % | 38.7 % | 40.7 % | 43.5 % | 45.2 % | 47.3 % | 49.8 % | 51.7 % | 53.4 % | 55.4 % | 57.3 % | 58.6 % | 61.2 % | 63.0 % | 65.6 % | | | | | | | |
| **2013-1** | 1.0 % | 5.0 % | 9.1 % | 12.1 % | 14.4 % | 16.7 % | 19.4 % | 22.0 % | 24.4 % | 27.7 % | 30.7 % | 33.4 % | 35.5 % | 38.3 % | 40.3 % | 43.7 % | 45.4 % | 48.2 % | 49.9 % | 51.9 % | 53.1 % | 54.6 % | 55.8 % | 58.7 % | 59.9 % | 61.8 % | | | | | | | | |
| **2013-2** | 1.1 % | 5.6 % | 9.3 % | 11.9 % | 14.2 % | 16.5 % | 19.6 % | 21.8 % | 26.6 % | 29.3 % | 31.6 % | 33.7 % | 35.6 % | 37.9 % | 40.1 % | 42.1 % | 44.6 % | 46.7 % | 48.3 % | 49.5 % | 51.6 % | 53.3 % | 55.3 % | 56.3 % | 59.0 % | | | | | | | | | |
| **2013-3** | 1.4 % | 4.5 % | 8.3 % | 10.7 % | 14.6 % | 17.3 % | 19.3 % | 21.8 % | 24.2 % | 26.9 % | 29.3 % | 32.5 % | 35.1 % | 37.8 % | 39.9 % | 42.2 % | 44.8 % | 47.2 % | 48.6 % | 50.5 % | 51.9 % | 55.3 % | 57.0 % | 60.4 % | | | | | | | | | | |
| **2013-4** | 1.1 % | 4.4 % | 8.2 % | 11.3 % | 14.7 % | 17.7 % | 20.6 % | 24.6 % | 28.0 % | 31.4 % | 34.3 % | 38.1 % | 40.2 % | 42.5 % | 45.8 % | 48.0 % | 50.6 % | 51.8 % | 53.8 % | 55.6 % | 59.6 % | 61.6 % | 64.2 % | | | | | | | | | | | |
| **2014-1** | 1.2 % | 3.6 % | 7.7 % | 11.6 % | 14.5 % | 17.9 % | 20.7 % | 24.5 % | 26.9 % | 29.9 % | 32.9 % | 35.5 % | 37.7 % | 40.5 % | 42.8 % | 44.8 % | 46.4 % | 48.3 % | 50.3 % | 54.4 % | 55.5 % | 58.6 % | | | | | | | | | | | | |
| **2014-2** | 0.8 % | 3.3 % | 6.2 % | 8.9 % | 12.3 % | 15.5 % | 18.1 % | 21.0 % | 24.0 % | 27.2 % | 30.2 % | 33.5 % | 36.8 % | 39.1 % | 41.2 % | 43.9 % | 45.4 % | 47.4 % | 52.0 % | 53.5 % | 56.9 % | | | | | | | | | | | | | |
| **2014-3** | 0.7 % | 5.3 % | 8.1 % | 11.7 % | 14.9 % | 18.3 % | 21.6 % | 24.3 % | 27.5 % | 29.3 % | 32.1 % | 34.9 % | 37.1 % | 40.2 % | 41.7 % | 43.5 % | 44.7 % | 49.0 % | 50.5 % | 53.7 % | | | | | | | | | | | | | | |
| **2014-4** | 1.1 % | 4.3 % | 7.2 % | 10.8 % | 13.8 % | 16.1 % | 20.5 % | 24.5 % | 27.4 % | 31.0 % | 33.8 % | 36.5 % | 39.0 % | 41.6 % | 44.8 % | 46.8 % | 51.8 % | 53.4 % | 56.4 % | | | | | | | | | | | | | | | |
| **2015-1** | 2.1 % | 4.9 % | 9.0 % | 13.3 % | 16.8 % | 19.2 % | 22.0 % | 25.7 % | 28.2 % | 30.7 % | 32.9 % | 35.6 % | 38.8 % | 40.8 % | 42.8 % | 47.3 % | 49.0 % | 51.9 % | | | | | | | | | | | | | | | | |
| **2015-2** | 2.0 % | 7.2 % | 11.2 % | 14.5 % | 17.0 % | 19.9 % | 22.8 % | 27.7 % | 30.8 % | 32.8 % | 35.8 % | 37.8 % | 40.8 % | 42.6 % | 46.2 % | 47.9 % | 50.5 % | | | | | | | | | | | | | | | | | |
| **2015-3** | 1.5 % | 5.2 % | 8.9 % | 11.4 % | 14.6 % | 18.2 % | 21.9 % | 24.9 % | 27.4 % | 30.0 % | 32.9 % | 34.8 % | 37.4 % | 43.3 % | 45.1 % | 48.5 % | | | | | | | | | | | | | | | | | | |
| **2015-4** | 2.7 % | 6.2 % | 9.2 % | 13.7 % | 16.1 % | 19.4 % | 22.4 % | 26.3 % | 29.4 % | 32.7 % | 35.3 % | 37.4 % | 43.6 % | 45.6 % | 49.4 % | | | | | | | | | | | | | | | | | | | |
| **2016-1** | 1.5 % | 6.7 % | 12.4 % | 14.4 % | 17.0 % | 20.6 % | 24.9 % | 28.2 % | 31.0 % | 33.4 % | 35.0 % | 39.1 % | 41.7 % | 46.3 % | | | | | | | | | | | | | | | | | | | | |
| **2016-2** | 1.2 % | 6.6 % | 9.2 % | 14.4 % | 18.6 % | 22.3 % | 24.6 % | 27.7 % | 30.0 % | 33.1 % | 39.9 % | 41.9 % | 45.6 % | | | | | | | | | | | | | | | | | | | | | |
| **2016-3** | 2.1 % | 6.4 % | 10.7 % | 15.8 % | 20.2 % | 24.3 % | 26.8 % | 29.6 % | 31.8 % | 38.6 % | 41.4 % | 46.6 % | | | | | | | | | | | | | | | | | | | | | | |
| **2016-4** | 2.5 % | 8.3 % | 12.8 % | 18.3 % | 21.5 % | 24.6 % | 28.4 % | 32.0 % | 40.0 % | 42.0 % | 45.6 % | | | | | | | | | | | | | | | | | | | | | | | |
| **2017-1** | 1.2 % | 6.4 % | 12.4 % | 15.5 % | 19.0 % | 22.0 % | 24.2 % | 29.9 % | 32.9 % | 36.9 % | | | | | | | | | | | | | | | | | | | | | | | | |
| **2017-2** | 1.9 % | 9.1 % | 14.5 % | 17.3 % | 21.2 % | 23.5 % | 28.7 % | 30.6 % | 36.3 % | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2017-3** | 2.1 % | 8.6 % | 11.4 % | 16.6 % | 21.1 % | 27.6 % | 30.6 % | 38.5 % | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2017-4** | 0.9 % | 4.6 % | 8.9 % | 14.2 % | 21.2 % | 24.0 % | 24.0 % | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2018-1** | 0.9 % | 5.0 % | 10.2 % | 13.8 % | 17.1 % | 23.7 % | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2018-2** | 1.4 % | 5.5 % | 12.6 % | 16.1 % | 24.3 % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2018-3** | 1.2 % | 3.8 % | 9.0 % | 15.0 % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2018-4** | 2.5 % | 7.6 % | 14.1 % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2019-1** | 2.0 % | 6.3 % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2019-2** | 1.4 % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

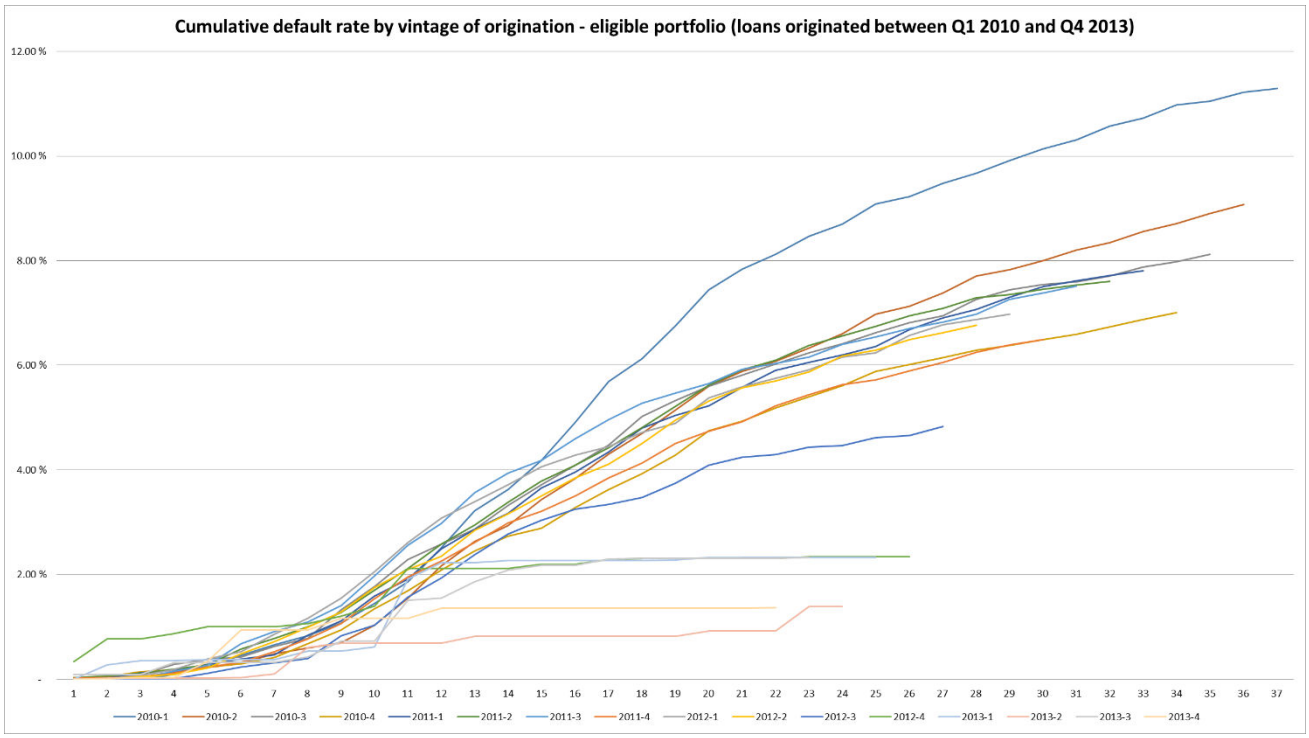
## Cumulative recovery rate by vintage of default – eligible guaranteed loans

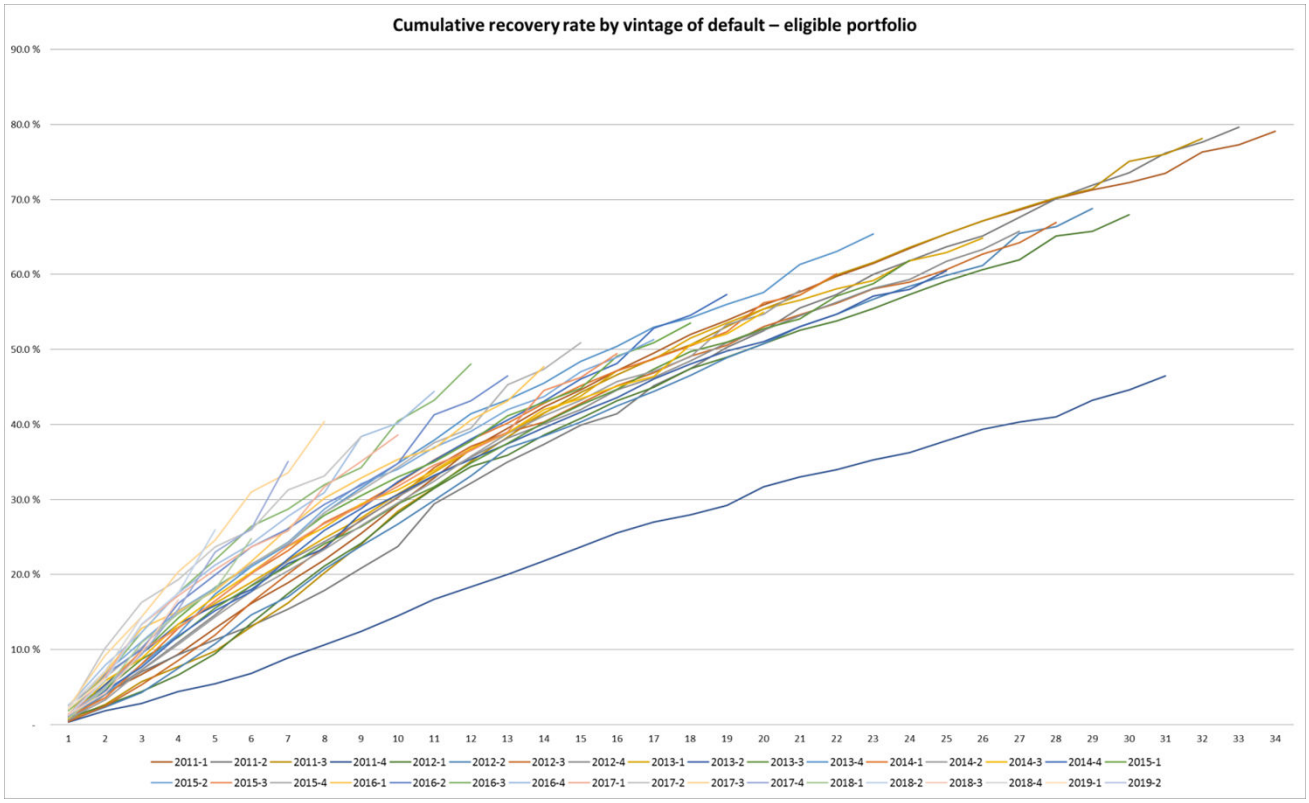
| Quarter of Default | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2011-1** | 2.5 % | 3.8 % | 6.7 % | 9.5 % | 14.6 % | 19.5 % | 22.9 % | 25.0 % | 28.0 % | 33.9 % | 38.0 % | 42.0 % | 46.6 % | 50.4 % | 52.0 % | 54.6 % | 59.3 % | 63.0 % | 64.6 % | 70.0 % | 72.6 % | 74.3 % | 75.2 % | 77.6 % | 80.0 % | 82.1 % | 84.7 % | 87.5 % | 88.0 % | 88.4 % | 89.7 % | 91.8 % | 92.7 % | 92.4 % |
| **2011-2** | 0.5 % | 8.4 % | 10.6 % | 11.9 % | 18.0 % | 19.9 % | 21.0 % | 22.2 % | 29.2 % | 32.6 % | 36.5 % | 37.5 % | 38.4 % | 41.6 % | 48.9 % | 51.3 % | 56.4 % | 59.3 % | 60.1 % | 60.9 % | 63.6 % | 64.4 % | 68.7 % | 70.9 % | 71.8 % | 72.4 % | 74.9 % | 75.5 % | 77.9 % | 79.2 % | 81.6 % | 82.2 % | | |
| **2011-3** | 2.7 % | 7.5 % | 15.3 % | 16.9 % | 19.1 % | 23.4 % | 24.7 % | 25.8 % | 27.4 % | 31.8 % | 35.9 % | 45.0 % | 57.8 % | 63.3 % | 71.5 % | 72.1 % | 72.9 % | 74.5 % | 76.6 % | 80.2 % | 80.9 % | 81.6 % | 83.7 % | 84.2 % | 84.8 % | 85.4 % | 87.2 % | 89.4 % | 90.9 % | 94.2 % | 94.4 % | | | |
| **2011-4** | 0.4 % | 7.3 % | 8.1 % | 21.3 % | 22.7 % | 26.4 % | 32.0 % | 33.2 % | 34.5 % | 38.4 % | 39.2 % | 40.1 % | 46.5 % | 47.3 % | 48.1 % | 48.9 % | 50.0 % | 51.3 % | 53.5 % | 54.2 % | 54.8 % | 55.5 % | 56.4 % | 57.3 % | 61.9 % | 62.6 % | 63.2 % | 63.9 % | 65.8 % | 66.4 % | | | | |
| **2012-1** | 3.8 % | 10.8 % | 20.5 % | 22.1 % | 23.6 % | 32.9 % | 36.1 % | 39.1 % | 39.7 % | 55.0 % | 58.9 % | 64.6 % | 65.2 % | 71.8 % | 75.0 % | 75.6 % | 80.0 % | 80.4 % | 80.8 % | 81.3 % | 83.4 % | 83.9 % | 84.8 % | 91.2 % | 93.6 % | 93.8 % | 94.7 % | 95.1 % | 95.4 % | | | | | |
| **2012-2** | 0.2 % | 0.9 % | 1.9 % | 2.8 % | 16.8 % | 17.4 % | 29.4 % | 39.2 % | 46.6 % | 51.0 % | 55.2 % | 60.0 % | 60.7 % | 64.4 % | 64.8 % | 65.2 % | 65.6 % | 71.7 % | 72.1 % | 72.5 % | 72.9 % | 73.3 % | 73.6 % | 74.5 % | 75.4 % | 80.4 % | 80.7 % | 81.1 % | | | | | | |
| **2012-3** | 0.5 % | 1.4 % | 4.8 % | 15.1 % | 19.0 % | 29.3 % | 38.1 % | 41.7 % | 42.6 % | 46.0 % | 52.0 % | 53.9 % | 54.4 % | 54.9 % | 55.5 % | 56.1 % | 58.5 % | 66.4 % | 66.8 % | 67.1 % | 69.3 % | 70.7 % | 71.2 % | 71.5 % | 71.8 % | 72.1 % | 72.4 % | | | | | | | |
| **2012-4** | 0.2 % | 4.0 % | 10.0 % | 12.9 % | 16.3 % | 21.3 % | 30.1 % | 34.6 % | 38.8 % | 43.0 % | 43.7 % | 47.4 % | 50.1 % | 52.9 % | 55.0 % | 55.5 % | 56.9 % | 59.9 % | 61.1 % | 61.5 % | 64.6 % | 64.9 % | 66.4 % | 66.7 % | 66.9 % | 67.2 % | | | | | | | | |
| **2013-1** | 0.3 % | 8.8 % | 15.0 % | 20.4 % | 30.2 % | 37.3 % | 42.3 % | 47.8 % | 52.4 % | 55.1 % | 57.3 % | 61.9 % | 66.1 % | 68.0 % | 71.5 % | 74.6 % | 75.0 % | 78.6 % | 82.2 % | 83.9 % | 84.2 % | 85.5 % | 86.0 % | 86.5 % | 87.6 % | | | | | | | | | |
| **2013-2** | 1.6 % | 2.9 % | 10.3 % | 23.4 % | 27.0 % | 27.9 % | 33.7 % | 34.7 % | 38.9 % | 39.7 % | 43.8 % | 46.5 % | 49.9 % | 50.5 % | 51.8 % | 53.6 % | 55.9 % | 57.6 % | 59.6 % | 61.6 % | 62.8 % | 64.5 % | 69.6 % | 70.2 % | | | | | | | | | | |
| **2013-3** | 0.4 % | 5.8 % | 12.4 % | 20.3 % | 24.5 % | 29.8 % | 38.3 % | 45.3 % | 46.9 % | 51.9 % | 53.5 % | 56.6 % | 60.0 % | 63.4 % | 67.3 % | 67.7 % | 70.8 % | 72.3 % | 73.2 % | 73.7 % | 74.0 % | 74.3 % | 75.4 % | | | | | | | | | | | |
| **2013-4** | 0.3 % | 2.3 % | 7.1 % | 17.1 % | 35.0 % | 43.0 % | 46.3 % | 51.9 % | 54.7 % | 57.0 % | 61.8 % | 63.2 % | 63.7 % | 65.0 % | 65.6 % | 66.1 % | 68.3 % | 70.1 % | 70.5 % | 70.9 % | 72.6 % | 72.9 % | | | | | | | | | | | | |
| **2014-1** | 0.3 % | 3.4 % | 10.7 % | 23.4 % | 33.1 % | 38.5 % | 43.1 % | 46.9 % | 49.4 % | 50.9 % | 54.5 % | 58.9 % | 60.4 % | 62.1 % | 64.3 % | 66.6 % | 68.0 % | 68.5 % | 69.5 % | 71.3 % | 72.1 % | | | | | | | | | | | | | |
| **2014-2** | 0.3 % | 3.7 % | 15.3 % | 25.4 % | 30.5 % | 35.5 % | 39.4 % | 42.5 % | 46.2 % | 48.7 % | 50.6 % | 53.8 % | 54.6 % | 57.1 % | 59.1 % | 60.2 % | 60.7 % | 61.7 % | 63.6 % | 64.6 % | | | | | | | | | | | | | | |
| **2014-3** | 1.6 % | 11.5 % | 15.5 % | 30.2 % | 38.5 % | 40.3 % | 45.7 % | 46.6 % | 48.8 % | 50.8 % | 52.7 % | 55.9 % | 57.0 % | 59.4 % | 60.7 % | 61.2 % | 64.0 % | 66.7 % | 67.1 % | | | | | | | | | | | | | | | |
| **2014-4** | 2.1 % | 7.4 % | 11.8 % | 22.7 % | 30.0 % | 35.5 % | 39.8 % | 40.8 % | 44.7 % | 47.8 % | 50.1 % | 54.8 % | 58.1 % | 58.6 % | 60.3 % | 61.8 % | 63.7 % | 66.8 % | | | | | | | | | | | | | | | | |
| **2015-1** | 1.5 % | 4.5 % | 12.7 % | 21.9 % | 30.2 % | 37.9 % | 43.1 % | 45.9 % | 49.0 % | 51.6 % | 52.1 % | 55.2 % | 60.3 % | 60.7 % | 61.6 % | 63.3 % | 65.9 % | | | | | | | | | | | | | | | | | |
| **2015-2** | 0.7 % | 4.7 % | 9.6 % | 21.4 % | 28.6 % | 31.7 % | 37.0 % | 37.7 % | 43.8 % | 45.2 % | 47.0 % | 50.6 % | 52.5 % | 53.0 % | 54.8 % | 58.2 % | | | | | | | | | | | | | | | | | | |
| **2015-3** | 0.2 % | 3.3 % | 18.3 % | 25.8 % | 33.3 % | 36.6 % | 40.7 % | 43.4 % | 44.7 % | 47.7 % | 49.6 % | 51.5 % | 53.1 % | 56.1 % | 56.5 % | | | | | | | | | | | | | | | | | | | |
| **2015-4** | 1.9 % | 6.8 % | 18.7 % | 24.8 % | 34.0 % | 38.2 % | 39.0 % | 44.1 % | 46.4 % | 48.2 % | 56.2 % | 57.0 % | 59.7 % | 62.0 % | | | | | | | | | | | | | | | | | | | | |
| **2016-1** | 0.4 % | 9.0 % | 16.5 % | 20.9 % | 24.6 % | 31.1 % | 37.0 % | 46.3 % | 48.7 % | 51.5 % | 52.2 % | 53.2 % | 55.2 % | | | | | | | | | | | | | | | | | | | | | |
| **2016-2** | 1.7 % | 7.1 % | 15.5 % | 28.2 % | 29.3 % | 32.7 % | 36.4 % | 40.2 % | 45.0 % | 46.7 % | 51.0 % | 51.7 % | | | | | | | | | | | | | | | | | | | | | | |
| **2016-3** | 0.3 % | 6.5 % | 22.9 % | 30.2 % | 33.5 % | 41.0 % | 41.7 % | 48.2 % | 51.0 % | 53.4 % | 55.8 % | | | | | | | | | | | | | | | | | | | | | | | |
| **2016-4** | 3.1 % | 5.6 % | 8.4 % | 12.6 % | 19.7 % | 20.8 % | 23.4 % | 24.2 % | 27.1 % | 27.8 % | | | | | | | | | | | | | | | | | | | | | | | | |
| **2017-1** | 1.7 % | 6.4 % | 21.5 % | 31.8 % | 34.4 % | 38.2 % | 40.1 % | 47.1 % | 53.0 % | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2017-2** | 2.9 % | 17.4 % | 27.4 % | 32.1 % | 39.4 % | 41.1 % | 47.6 % | 49.4 % | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2017-3** | 3.7 % | 13.2 % | 31.4 % | 41.8 % | 44.7 % | 50.4 % | 51.0 % | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2017-4** | 3.0 % | 7.3 % | 12.5 % | 23.2 % | 35.9 % | 40.7 % | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2018-1** | 0.7 % | 2.9 % | 16.4 % | 21.3 % | 24.9 % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2018-2** | 0.5 % | 8.5 % | 18.7 % | 27.7 % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2018-3** | 2.2 % | 6.6 % | 13.8 % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2018-4** | 0.5 % | 2.0 % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2019-1** | 3.5 % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **2019-2** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

## Cumulative loss by vintage of origination – eligible portfolio

| Quarter *of Origination* | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2009-1 | | | | | | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.2% | 0.2% | 0.3% | 0.4% | 0.4% | 0.5% | 0.5% | 0.6% | 0.6% | 0.7% | 0.7% | 0.8% | 0.9% |
| 2009-2 | | | | | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.2% | 0.4% | 0.4% | 0.6% | 0.6% | 0.7% | 0.7% | 0.8% | 0.8% | 0.9% | 1.0% | 1.0% | 1.3% |
| 2009-3 | | | | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.1% | 0.2% | 0.3% | 0.4% | 0.5% | 0.5% | 0.6% | 0.7% | 0.8% | 0.8% | 0.9% | 1.0% | 1.1% |
| 2009-4 | | | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.2% | 0.2% | 0.3% | 0.4% | 0.4% | 0.5% | 0.6% | 0.6% | 0.6% | 0.7% | 0.7% | 0.8% | 0.9% | 1.0% | 1.0% |
| 2010-1 | | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.2% | 0.2% | 0.4% | 0.4% | 0.5% | 0.6% | 0.7% | 0.7% | 0.8% | 0.8% | 0.8% | 0.9% | 0.9% | 1.1% | 1.1% |
| 2010-2 | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.1% | 0.1% | 0.2% | 0.2% | 0.3% | 0.4% | 0.4% | 0.5% | 0.5% | 0.6% | 0.6% | 0.6% | 0.7% | 0.7% | 0.8% | 0.8% | 0.9% |
| 2010-3 | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.1% | 0.2% | 0.2% | 0.3% | 0.3% | 0.3% | 0.4% | 0.4% | 0.4% | 0.5% | 0.5% | 0.5% | 0.6% | 0.7% | 0.7% | 0.7% |
| 2010-4 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.1% | 0.1% | 0.2% | 0.2% | 0.2% | 0.2% | 0.3% | 0.4% | 0.4% | 0.4% | 0.5% | 0.6% | 0.6% | 0.6% | 0.7% | 0.7% | 0.9% |
| 2011-1 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.1% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.3% | 0.4% | 0.4% | 0.4% | 0.5% | 0.5% | 0.6% | 0.6% |
| 2011-2 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.1% | 0.1% | 0.2% | 0.2% | 0.3% | 0.4% | 0.4% | 0.4% | 0.5% | 0.5% | 0.6% | 0.6% | 0.6% | 0.7% | 0.7% | 0.8% | 1.0% |
| 2011-3 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.1% | 0.1% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.3% | 0.3% | 0.4% | 0.5% | 0.6% | 0.6% | 0.6% | 0.8% | 0.9% | 1.0% |
| 2011-4 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.1% | 0.1% | 0.2% | 0.2% | 0.2% | 0.3% | 0.3% | 0.3% | 0.3% | 0.4% | 0.4% | 0.5% | 0.5% | 0.7% | 0.8% | 1.0% |
| 2012-1 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.1% | 0.1% | 0.2% | 0.2% | 0.4% | 0.4% | 0.4% | 0.5% | 0.5% | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% | 0.7% | 0.9% | 0.9% | 1.0% | |
| 2012-2 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.1% | 0.1% | 0.2% | 0.2% | 0.2% | 0.3% | 0.3% | 0.3% | 0.3% | 0.4% | 0.4% | 0.4% | 0.5% | 0.5% | 0.8% | 0.8% | 1.0% | | |
| 2012-3 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.3% | 0.3% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 0.5% | 0.5% | 0.5% | 0.5% | 0.7% | | | |
| 2012-4 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.3% | 0.3% | 0.3% | 0.3% | | | | |
| 2013-1 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | | | | | |
| 2013-2 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.3% | 0.3% | 0.3% | 0.3% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | | | | | | |
| 2013-3 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.2% | 0.2% | 0.3% | 0.3% | 0.3% | | | | | | | |
| 2013-4 | 0.0% | 0.0% | 0.0% | 0.0% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | | | | | | | | |

| **Quarter *of Origination*** | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2009-1 | 1.0% | 1.0% | 1.1% | 1.1% | 1.2% | 1.2% | 1.2% | 1.3% | 1.6% | 1.6% | 1.9% |
| 2009-2 | 1.4% | 1.5% | 1.6% | 1.7% | 1.7% | 1.8% | 1.9% | 2.0% | 2.1% | 2.4% | |
| 2009-3 | 1.2% | 1.2% | 1.3% | 1.4% | 1.5% | 1.5% | 1.8% | 1.9% | 2.2% | | |
| 2009-4 | 1.1% | 1.2% | 1.3% | 1.3% | 1.4% | 1.6% | 1.7% | 1.9% | | | |
| 2010-1 | 1.3% | 1.4% | 1.5% | 1.5% | 1.8% | 1.9% | 2.0% | | | | |
| 2010-2 | 0.9% | 1.0% | 1.1% | 1.2% | 1.3% | 1.6% | | | | | |
| 2010-3 | 0.8% | 0.8% | 1.1% | 1.1% | 1.3% | | | | | | |
| 2010-4 | 0.9% | 1.1% | 1.1% | 1.3% | | | | | | | |
| 2011-1 | 0.8% | 0.9% | 1.0% | | | | | | | | |
| 2011-2 | 1.1% | 1.2% | | | | | | | | | |
| 2011-3 | 1.2% | | | | | | | | | | |
| 2011-4 | | | | | | | | | | | |
| 2012-1 | | | | | | | | | | | |
| 2012-2 | | | | | | | | | | | |
| 2012-3 | | | | | | | | | | | |
| 2012-4 | | | | | | | | | | | |
| 2013-1 | | | | | | | | | | | |
| 2013-2 | | | | | | | | | | | |
| 2013-3 | | | | | | | | | | | |
| 2013-4 | | | | | | | | | | | |


Cumulative default rate by vintage of origination - eligible portfolio (loans originated between Q1 2010 and Q4 2013)
12.00 %
10.00 %
8.00 %
6.00 %
4.00 %
2.00 %
-
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37
2010-1 2010-2 2010-3 2010-4 2011-1 2011-2 2011-3 2011-4 2012-1 2012-2 2012-3 2012-4 2013-1 2013-2 2013-3 2013-4


Cumulative recovery rate by vintage of default – eligible portfolio
90.0 %
80.0 %
70.0 %
60.0 %
50.0 %
40.0 %
30.0 %
20.0 %
10.0 %
-
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34
2011-1 2011-2 2011-3 2011-4 2012-1 2012-2 2012-3 2012-4 2013-1 2013-2 2013-3 2013-4 2014-1 2014-2 2014-3 2014-4 2015-1
2015-2 2015-3 2015-4 2016-1 2016-2 2016-3 2016-4 2017-1 2017-2 2017-3 2017-4 2018-1 2018-2 2018-3 2018-4 2019-1 2019-2

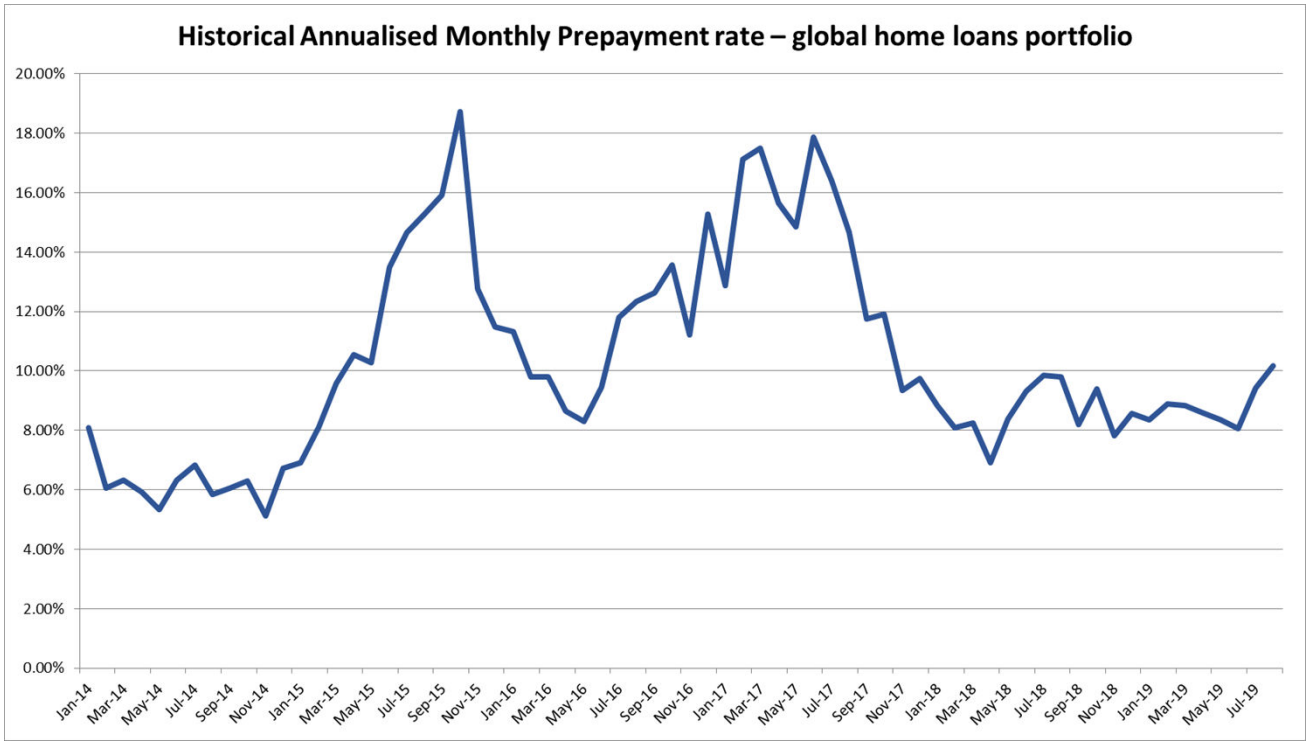
The dynamic arrears data and the historical prepayment data have been prepared by CIFD on the global home loans portfolio.

Dynamic arrears data – Seller's global home loans portfolio

| Date | Total outstanding (K EUR) | 0-30 days | 30-60 days | 60-90 days | 90-120 days | 120-150 days | 150-180 days | >180 days (excl. default) | Defaulted |
|---|---|---|---|---|---|---|---|---|---|
| 31/01/2012 | 31,531,025 | 3.10% | 1.24% | 0.64% | 0.43% | 0.30% | 0.21% | 0.98% | 3.11% |
| 29/02/2012 | 31,614,916 | 3.18% | 1.27% | 0.66% | 0.43% | 0.30% | 0.22% | 1.01% | 3.10% |
| 31/03/2012 | 31,767,692 | 2.63% | 1.18% | 0.60% | 0.40% | 0.30% | 0.19% | 1.02% | 3.11% |
| 30/04/2012 | 31,860,326 | 2.43% | 1.09% | 0.60% | 0.37% | 0.28% | 0.20% | 1.01% | 3.12% |
| 31/05/2012 | 31,942,664 | 3.09% | 1.21% | 0.60% | 0.44% | 0.29% | 0.19% | 1.06% | 3.11% |
| 30/06/2012 | 32,072,645 | 2.75% | 1.15% | 0.61% | 0.40% | 0.31% | 0.19% | 1.08% | 3.07% |
| 31/07/2012 | 32,187,790 | 3.03% | 1.17% | 0.62% | 0.41% | 0.29% | 0.20% | 1.06% | 3.10% |
| 31/08/2012 | 32,187,274 | 2.74% | 1.12% | 0.58% | 0.43% | 0.27% | 0.19% | 1.06% | 3.12% |
| 30/09/2012 | 32,139,542 | 3.11% | 1.25% | 0.60% | 0.41% | 0.29% | 0.20% | 1.08% | 3.15% |
| 31/10/2012 | 32,126,167 | 2.81% | 1.18% | 0.60% | 0.39% | 0.27% | 0.19% | 1.08% | 3.17% |
| 30/11/2012 | 32,058,636 | 2.37% | 1.00% | 0.53% | 0.34% | 0.22% | 0.15% | 0.67% | 3.00% |
| 31/12/2012 | 31,987,930 | 2.34% | 1.05% | 0.53% | 0.37% | 0.21% | 0.14% | 0.64% | 3.46% |
| 31/01/2013 | 31,865,549 | 2.48% | 1.09% | 0.58% | 0.38% | 0.25% | 0.17% | 0.82% | 3.15% |
| 28/02/2013 | 31,740,093 | 2.47% | 1.14% | 0.60% | 0.38% | 0.26% | 0.17% | 0.69% | 3.52% |
| 31/03/2013 | 31,614,017 | 2.29% | 1.07% | 0.58% | 0.38% | 0.24% | 0.16% | 0.60% | 3.76% |
| 30/04/2013 | 31,440,583 | 2.21% | 1.06% | 0.55% | 0.37% | 0.25% | 0.15% | 0.57% | 3.84% |
| 31/05/2013 | 31,224,036 | 2.45% | 1.17% | 0.62% | 0.39% | 0.28% | 0.17% | 0.60% | 3.94% |
| 30/06/2013 | 30,979,897 | 2.39% | 1.04% | 0.57% | 0.38% | 0.23% | 0.15% | 0.52% | 4.08% |
| 31/07/2013 | 30,732,126 | 2.35% | 1.03% | 0.56% | 0.38% | 0.25% | 0.15% | 0.52% | 4.14% |
| 31/08/2013 | 30,451,781 | 2.49% | 1.03% | 0.58% | 0.39% | 0.25% | 0.17% | 0.55% | 4.22% |
| 30/09/2013 | 30,181,874 | 2.40% | 1.06% | 0.56% | 0.38% | 0.26% | 0.16% | 0.56% | 4.33% |
| 31/10/2013 | 29,902,046 | 2.46% | 1.00% | 0.59% | 0.36% | 0.25% | 0.16% | 0.54% | 4.37% |
| 30/11/2013 | 29,654,974 | 2.43% | 1.02% | 0.56% | 0.40% | 0.25% | 0.17% | 0.52% | 4.47% |
| 31/12/2013 | 29,416,148 | 2.31% | 0.99% | 0.54% | 0.38% | 0.22% | 0.15% | 0.46% | 4.68% |
| 31/01/2014 | 29,162,857 | 2.32% | 0.98% | 0.56% | 0.38% | 0.24% | 0.11% | 0.44% | 4.86% |
| 28/02/2014 | 28,913,827 | 2.43% | 0.99% | 0.57% | 0.37% | 0.26% | 0.13% | 0.44% | 4.94% |
| 31/03/2014 | 28,672,978 | 2.36% | 0.99% | 0.58% | 0.38% | 0.25% | 0.14% | 0.43% | 5.04% |
| 30/04/2014 | 28,436,355 | 2.21% | 1.00% | 0.56% | 0.37% | 0.25% | 0.13% | 0.38% | 5.20% |
| 31/05/2014 | 28,216,293 | 2.32% | 1.01% | 0.59% | 0.37% | 0.25% | 0.15% | 0.37% | 5.30% |
| 30/06/2014 | 27,976,870 | 2.29% | 1.01% | 0.61% | 0.39% | 0.24% | 0.14% | 0.31% | 5.44% |
| 31/07/2014 | 27,726,814 | 2.17% | 0.98% | 0.63% | 0.38% | 0.25% | 0.12% | 0.30% | 5.60% |
| 31/08/2014 | 27,504,940 | 2.13% | 0.97% | 0.62% | 0.40% | 0.24% | 0.13% | 0.29% | 5.74% |
| 30/09/2014 | 27,265,008 | 2.36% | 1.00% | 0.61% | 0.40% | 0.27% | 0.12% | 0.30% | 5.82% |
| 31/10/2014 | 27,057,437 | 2.23% | 1.01% | 0.54% | 0.38% | 0.25% | 0.11% | 0.27% | 5.91% |
| 30/11/2014 | 26,828,179 | 2.25% | 1.10% | 0.59% | 0.36% | 0.24% | 0.12% | 0.27% | 5.98% |
| 31/12/2014 | 26,567,069 | 2.25% | 1.03% | 0.64% | 0.37% | 0.24% | 0.12% | 0.27% | 6.02% |
| 31/01/2015 | 26,306,135 | 2.22% | 1.00% | 0.61% | 0.41% | 0.25% | 0.12% | 0.28% | 6.10% |
| 28/02/2015 | 26,019,078 | 2.41% | 1.03% | 0.62% | 0.41% | 0.27% | 0.12% | 0.29% | 6.15% |
| 31/03/2015 | 25,701,213 | 2.38% | 1.06% | 0.59% | 0.40% | 0.26% | 0.14% | 0.31% | 6.20% |
| 30/04/2015 | 25,359,908 | 2.40% | 1.03% | 0.58% | 0.36% | 0.28% | 0.14% | 0.32% | 6.32% |
| 31/05/2015 | 25,028,963 | 2.55% | 1.12% | 0.60% | 0.39% | 0.27% | 0.16% | 0.33% | 6.38% |
| 30/06/2015 | 24,636,193 | 2.60% | 1.09% | 0.58% | 0.40% | 0.26% | 0.14% | 0.35% | 6.44% |
| 31/07/2015 | 24,224,197 | 2.54% | 1.07% | 0.56% | 0.38% | 0.27% | 0.12% | 0.34% | 6.57% |
| 31/08/2015 | 23,806,380 | 2.69% | 1.07% | 0.59% | 0.37% | 0.26% | 0.13% | 0.35% | 6.72% |
| 30/09/2015 | 23,375,268 | 2.84% | 1.14% | 0.59% | 0.40% | 0.25% | 0.14% | 0.35% | 6.78% |
| 31/10/2015 | 22,937,754 | 2.95% | 1.15% | 0.59% | 0.37% | 0.24% | 0.14% | 0.34% | 6.89% |
| 30/11/2015 | 22,547,292 | 2.93% | 1.17% | 0.63% | 0.38% | 0.24% | 0.13% | 0.32% | 7.01% |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 31/12/2015 | 22,189,227 | 2.81% | 1.14% | 0.64% | 0.38% | 0.24% | 0.12% | 0.31% | 7.03% |
| 31/01/2016 | 21,875,478 | 2.76% | 1.16% | 0.62% | 0.39% | 0.24% | 0.11% | 0.31% | 7.15% |
| 29/02/2016 | 21,574,083 | 2.59% | 1.11% | 0.62% | 0.39% | 0.25% | 0.13% | 0.29% | 7.21% |
| 31/03/2016 | 21,306,931 | 2.60% | 1.08% | 0.61% | 0.37% | 0.26% | 0.13% | 0.29% | 7.35% |
| 30/04/2016 | 21,037,569 | 2.57% | 1.12% | 0.59% | 0.38% | 0.25% | 0.14% | 0.30% | 7.37% |
| 31/05/2016 | 20,795,572 | 2.50% | 1.19% | 0.63% | 0.39% | 0.25% | 0.14% | 0.31% | 7.45% |
| 30/06/2016 | 20,518,974 | 2.54% | 1.12% | 0.62% | 0.40% | 0.25% | 0.15% | 0.28% | 7.54% |
| 31/07/2016 | 20,214,298 | 2.46% | 1.12% | 0.59% | 0.39% | 0.24% | 0.14% | 0.28% | 7.61% |
| 31/08/2016 | 19,898,027 | 2.44% | 1.10% | 0.62% | 0.37% | 0.23% | 0.15% | 0.29% | 7.73% |
| 30/09/2016 | 19,583,922 | 2.45% | 1.08% | 0.63% | 0.37% | 0.25% | 0.13% | 0.29% | 7.78% |
| 31/10/2016 | 19,274,181 | 1.99% | 0.88% | 0.55% | 0.34% | 0.21% | 0.08% | 0.25% | 7.90% |
| 30/11/2016 | 18,981,752 | 1.99% | 0.91% | 0.55% | 0.32% | 0.23% | 0.10% | 0.26% | 7.95% |
| 31/12/2016 | 18,574,245 | 1.92% | 0.83% | 0.52% | 0.35% | 0.21% | 0.08% | 0.24% | 7.61% |
| 31/01/2017 | 18,242,699 | 2.07% | 0.86% | 0.54% | 0.33% | 0.25% | 0.09% | 0.24% | 7.68% |
| 28/02/2017 | 17,890,843 | 2.12% | 0.99% | 0.61% | 0.35% | 0.23% | 0.13% | 0.25% | 7.90% |
| 31/03/2017 | 17,538,601 | 2.16% | 1.08% | 0.63% | 0.39% | 0.24% | 0.14% | 0.26% | 7.96% |
| 30/04/2017 | 17,193,081 | 2.15% | 1.08% | 0.62% | 0.39% | 0.26% | 0.12% | 0.26% | 8.12% |
| 31/05/2017 | 16,874,953 | 2.18% | 1.06% | 0.58% | 0.39% | 0.25% | 0.12% | 0.27% | 8.21% |
| 30/06/2017 | 16,496,624 | 2.22% | 1.04% | 0.60% | 0.36% | 0.29% | 0.12% | 0.27% | 8.07% |
| 31/07/2017 | 16,166,687 | 2.26% | 1.03% | 0.57% | 0.37% | 0.25% | 0.15% | 0.27% | 8.22% |
| 31/08/2017 | 15,865,708 | 2.18% | 1.05% | 0.58% | 0.38% | 0.27% | 0.13% | 0.29% | 8.34% |
| 30/09/2017 | 15,590,967 | 2.13% | 1.07% | 0.57% | 0.38% | 0.27% | 0.16% | 0.30% | 8.39% |
| 31/10/2017 | 15,342,875 | 2.11% | 1.03% | 0.55% | 0.36% | 0.27% | 0.15% | 0.33% | 8.45% |
| 30/11/2017 | 15,133,949 | 2.09% | 1.05% | 0.55% | 0.37% | 0.24% | 0.14% | 0.34% | 8.53% |
| 31/12/2017 | 14,898,241 | 2.06% | 1.02% | 0.54% | 0.35% | 0.25% | 0.12% | 0.34% | 8.53% |
| 31/01/2018 | 14,698,556 | 2.22% | 1.03% | 0.54% | 0.36% | 0.24% | 0.13% | 0.34% | 8.60% |
| 28/02/2018 | 14,505,496 | 2.16% | 1.02% | 0.53% | 0.38% | 0.24% | 0.12% | 0.34% | 8.61% |
| 31/03/2018 | 14,313,795 | 2.17% | 1.03% | 0.56% | 0.37% | 0.24% | 0.12% | 0.34% | 8.63% |
| 30/04/2018 | 14,138,817 | 2.30% | 1.06% | 0.61% | 0.37% | 0.27% | 0.10% | 0.34% | 8.71% |
| 31/05/2018 | 13,949,526 | 2.27% | 1.07% | 0.62% | 0.40% | 0.25% | 0.12% | 0.33% | 8.79% |
| 30/06/2018 | 13,749,393 | 2.19% | 1.04% | 0.60% | 0.43% | 0.26% | 0.12% | 0.32% | 8.84% |
| 31/07/2018 | 13,538,722 | 2.09% | 1.01% | 0.59% | 0.41% | 0.27% | 0.12% | 0.30% | 8.94% |
| 31/08/2018 | 13,346,948 | 2.09% | 1.04% | 0.58% | 0.41% | 0.27% | 0.13% | 0.31% | 9.06% |
| 30/09/2018 | 13,170,800 | 2.12% | 1.04% | 0.61% | 0.40% | 0.24% | 0.13% | 0.32% | 9.12% |
| 31/10/2018 | 12,954,344 | 2.11% | 0.99% | 0.61% | 0.38% | 0.24% | 0.11% | 0.32% | 9.02% |
| 30/11/2018 | 12,780,712 | 2.17% | 0.98% | 0.59% | 0.38% | 0.23% | 0.11% | 0.31% | 9.04% |
| 31/12/2018 | 12,488,395 | 2.00% | 0.97% | 0.58% | 0.37% | 0.26% | 0.11% | 0.30% | 8.20% |
| 31/01/2019 | 12,494,287 | 2.50% | 1.09% | 0.63% | 0.41% | 0.25% | 0.11% | 0.30% | 8.20% |
| 28/02/2019 | 12,320,668 | 2.43% | 1.13% | 0.64% | 0.40% | 0.23% | 0.11% | 0.29% | 8.25% |
| 31/03/2019 | 12,152,324 | 2.44% | 1.15% | 0.62% | 0.44% | 0.22% | 0.13% | 0.28% | 8.27% |
| 30/04/2019 | 11,960,404 | 2.44% | 1.14% | 0.60% | 0.45% | 0.26% | 0.11% | 0.29% | 8.10% |
| 31/05/2019 | 11,707,701 | 2.56% | 1.15% | 0.61% | 0.46% | 0.24% | 0.11% | 0.29% | 7.46% |
| 30/06/2019 | 11,554,553 | 2.35% | 1.11% | 0.63% | 0.44% | 0.26% | 0.10% | 0.28% | 7.55% |

**Historical Annualised Monthly Prepayment rate – global home loans portfolio**



## SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES

*This section sets out the material terms of:*

*(i) the Servicing Agreement pursuant to which the Servicer has been appointed by the Management Company and has agreed to administer and collect the Purchased Home Loan purchased by the Issuer;*

*(ii) the Specially Dedicated Account Agreement pursuant to which the Specially Dedicated Account shall be held and maintained for the exclusive benefit of the Issuer;*

*(iii) the Commingling Reserve Deposit Agreement pursuant to which the Servicer shall fund the Commingling Reserve Deposit in favour of the Issuer up to the Commingling Reserve Required Amount; and*

*(iv) the Data Protection Agency Agreement pursuant to which, among other things, the Data Protection Agent will hold the Decryption Key until the occurrence of a Borrower Notification Event.*

### The Servicing Agreement

#### *Introduction*

In accordance with the Servicing Agreement, CIFD has been appointed as Servicer by the Management Company. The Servicer will service and administer the Purchased Home Loan Receivables and collect payments due in respect of such Purchased Home Loan Receivables in accordance with its customary and usual servicing procedures for servicing home loan receivables comparable to the Purchased Home Loan Receivables (the "**Servicing Procedures**"). The Servicer shall also administer and enforce (if any) the Ancillary Rights. The Servicing Procedures include definitions, remedies and actions relating to delinquency and default of the Borrowers, debt restructuring, debt forgiveness, forbearance, losses, charge offs, recoveries, and other asset performance remedies.

#### *General Undertakings and Duties of the Servicer*

*General Undertakings of the Servicer*

The Servicer will act as the Issuer's agent to perform, in its own name and/or in the name of the Issuer and on behalf of the Issuer, as the case may be, all actions and procedures necessary to manage, recover and collect any amounts due in connection with the Purchased Home Loan Receivables.

The Servicer will perform its servicing duties in connection with the Purchased Home Loan Receivables in accordance with, and subject to, the usual administration, collection and recovery procedures it applies for the servicing of any Home Loan Receivable, as modified from time to time.

As a result, the Servicer has agreed that the Servicing Procedures in connection with Purchased Home Loan Receivables will be the same as the procedures applied by it for the servicing administration, recovery and collection of any home loan receivables which are not assigned to the Issuer.

The Servicer has agreed that the Servicing Procedures it will use to service, recover and collect the Purchased Home Loan Receivables sold to the Issuer are and will remain in accordance with the applicable laws and regulations. The Servicer has agreed with the Management Company to provide the same level of care and diligence for the servicing, recovery and collection of the Purchased Home Loan Receivables as the level of diligence it usually provides for its other similar loan receivables and to use procedures at least equivalent to those it usually uses.

The Servicer has undertaken to establish, maintain and implement all necessary accounting, management and administrative systems and procedures, electronic or otherwise, to establish and maintain accurate, complete, reliable and up to date information regarding the Purchased Home Loan Receivables including, but not limited to, all information contained in the reports that it is required to prepare and the records relating to the Purchased Home Loan Receivables.

*Duties of the Servicer*

The Servicer has undertaken to provide the following services and tasks in relation to the Purchased Home Loan Receivables to:

(i) provide administration services in relation to the collection of the Purchased Home Loan Receivables;

(ii) identify the Available Monthly Collections which are to be credited by the Servicer to the Issuer's General Account;

(iii) collect any amounts due and payable under any Purchased Home Loan Receivable by making use of the arrangement set out in the relevant Home Loan Agreement;

(iv) further administer, enforce and recover amounts payable by any Borrowers in relation to the Purchased Home Loan Receivables in accordance with the Servicing Procedures and the relevant Home Loan Agreement, in particular (as applicable):

  (x) service, administer and collect the Purchased Home Loan Receivables in a commercially prudent and reasonable manner in such way in order to minimise losses and maximise recoveries in compliance with all applicable laws and regulations;

  (y) exercise the Ancillary Rights and other rights (including termination rights or waivers) related to the Purchased Home Loan Receivables;

  (z) enforce the Ancillary Rights in accordance with its Servicing Procedures and apply the enforcement proceeds to the relevant secured obligations;

(v) provide certain data administration and cash management services in relation to the Purchased Home Loan Receivables and to report, or cause to be reported, to the Management Company and the Custodian, as the case may be, on the performance of the Purchased Home Loan Receivables through the Servicer Report and provided to the Management Company on each Servicer Report Date;

(vi) remind any Borrower, if and to the extent the relevant claims under the Home Loan Agreement have not been discharged when due; and

(vii) terminate a Home Loan Agreement (as applicable) in accordance with the terms of the Home Loan Agreement and in compliance with the Servicing Procedures.

The Servicer has undertaken not to make any action or take any decision in respect of the Purchased Home Loan Receivables, the Ancillary Rights and the Contractual Documents that could affect the validity or the recoverability of the Purchased Home Loan Receivables in whole or in part, or which could harm, in any other way, the interest of the Issuer in the Purchased Home Loan Receivables or in the Ancillary Rights, provided that the Servicer shall be permitted to take any initiative or action expressly permitted by the Transaction Documents or the Servicing Procedures.

The Servicer shall not create and will not allow the creation or continuation of any right whatsoever encumbering all or part of the Purchased Home Loan Receivables and will not sale and assign the Purchased Home Loan, except if and where expressly permitted by the Home Loan Receivables Transfer Agreement, the Servicing Agreement or the Servicing Procedures.

The Servicer has undertaken to comply with all reasonable directions, orders and instructions that the Management Company may from time to time give to it which would not result in it committing a breach of its obligations under the Transaction Documents to which it is a party or is an illegal act.

In case of partial payment or insufficient recovery amount received under the Purchased Home Loan Receivables and the related Ancillary Rights, and unless express instructions have been received from the relevant Borrower to the contrary, the Servicer shall apply such amounts in accordance with its Servicing Procedure which provide for the following order of priority: first to payment of the Insurance Premiums; second, to payment of any costs, indemnities or late payment penalties; thirdly, to payment of interests;

lastly, to amortisation of the principal due under each relevant Purchased Home Loan Receivable and in each case, pari passu and pro rata between the several Purchased Home Loan Receivables held over the same Borrower (if any).

*Servicer's Additional Representations and Warranties*

Pursuant to the Servicing Agreement, the Servicer has represented and warranted that:

(i) *Information provided to the Issuer*: all information which are provided by the Servicer to the Issuer with respect to the Purchased Home Loan Receivables and their Ancillary Rights pursuant to the terms of the Servicing Agreement are, in all material respects, true, accurate and complete and do not omit any facts which would render such information misleading in any material respect; and

(ii) *Expertise in servicing of the Home Loan Receivables*: the business of the Servicer includes the servicing of exposures of a similar nature as the Purchased Home Loan Receivables for at least five (5) years prior to the Closing Date and has well documented and adequate policies, procedures and risk-management controls relating to the servicing of the Purchased Home Loan Receivables.

***Enforcement of Ancillary Rights***

The Servicer is appointed by the Management Company to administer and, if the case arises, to ensure the enforcement procedure (*exécution forcée*) of the Ancillary Rights securing the payment of the Purchased Home Loan Receivables.

***Authority of the Servicer***

In the event that there is any default or breach by a Borrower in relation to a Purchased Home Loan, the Servicer shall comply in all material respects with the applicable Servicing Procedures, provided that:

(i) at the date of the Servicing Agreement, the Management Company has been informed of the Servicing Procedures, which it expressly acknowledges;

(ii) the Management Company shall be informed of any substantial amendment or substitution to the Servicing Procedures which may have an adverse impact on the collectability of the Purchased Home Loan Receivables and the enforcement of the Ancillary Rights;

(iii) in the event that the Servicer has to face a situation that is not expressly envisaged by the Servicing Procedures, it shall act in a commercially prudent and reasonable manner;

(iv) in applying the Servicing Procedures or taking such action, in relation to any particular Borrower which is in default or which is likely to be in default in relation to a Purchased Home Loan Receivable, the Servicer shall only deviate from the Servicing Procedures if it reasonably believes that doing so will enhance recovery prospects or minimise loss relating to that Purchased Home Loan Receivables;

(v) the Servicer shall have the authority to exercise all enforcement measures (*mesures d'exécution forcée*) concerning amounts due under any Purchased Home Loan from each Borrower, including the right to sue a Borrower in any competent court in France or in any other foreign competent jurisdiction, it being specified that the Management Company shall provide the Servicer in a timely manner with the appropriate specific mandate, where necessary, and to the fullest extend required by law; and

(vi) the Servicer shall only be entitled to agree to any amendments or variation of any Purchased Home Loan Receivables to the extent of the provisions of the Servicing Agreement.

The Servicer shall only provide to the Issuer the limited duties and services set out in the Servicing Agreement and no others. The Servicer shall have no authority whatsoever in determining the operation, management strategy and financial policy of the Issuer.

Accordingly, the Servicer has expressly acknowledged that the authority and corresponding powers to determine such management strategy and financial policies (including the determination of whether or not

any particular policy or decision is for the benefit of the Issuer or the Management Company) are, and shall at all times remain, vested in the Management Company and its directors and none of the provisions of the Servicing Agreement or of the Transaction Documents shall be construed in a manner inconsistent with, and contradict the terms of this Article.

***Custody and Safekeeping of the Contractual Documents***

The Servicer will ensure the custody of the Contractual Documents, it being specified that, on the Signing Date, this mission has been delegated to third entities.

Pursuant to Article D. 214-229-2° of the French Monetary and Financial Code, the Servicer is consequently responsible for the safekeeping of the Contractual Documents relating to the Purchased Home Loan Receivables and their related Ancillary Rights towards the Issuer and has established appropriate documented custody procedures and an independent internal on-going control of such procedures.

Pursuant to Article D. 214-229-3° of the French Monetary and Financial Code:

(i) the Custodian shall ensure, on the basis of a statement (*déclaration*) of the Servicer, that appropriate documented custody procedures referred to in Article D. 214-229-2° of the French Monetary and Financial Code have been set up by the Servicer. This statement (*déclaration*) shall enable the Custodian to check if the Servicer has established appropriate documented custody procedures allowing the safekeeping of the Purchased Home Loan Receivables, their security interest (*sûretés*) and their related ancillary rights (*accessoires*) and that the Purchased Home Loan Receivables are collected for the sole benefit of the Issuer; and

(ii) at the request of the Management Company or at the request of the Custodian, the Servicer shall authorise the Custodian, or any other entity designated by the Custodian, and the Management Company, to consult the Contractual Documents, books, records and documents related to the Purchased Home Loan Receivables, provided that:

  (A) consultation shall occur during normal opening hours at the premises of the Servicer, subject to a prior notice of not less than thirty (30) calendar days sent to the Servicer; and

  (B) such consultation shall not give rise to de-archiving or sending of the original copies of the Contractual Documents, unless such request is made upon the occurrence of a Servicer Termination Event or to permit the Management Company and the Custodian, to proceed to an audit of the Purchased Home Loan Receivables which the parties may agree (scope and related costs to be pre-agreed) with the Servicer to conduct at any time during the life of the Issuer.

***Delegation***

The Servicer is authorised to sub-contract to various entities and/or persons the collection, servicing and recovery services with respect to the Purchased Home Loan Receivables and the custody of the Contractual Documents, in accordance with the Servicing Procedures and to the extent permitted by law and provided that, notwithstanding any provisions to the contrary (including, without limitation, in the contractual arrangements between the Servicer and the appointed entity or person), the appointment of such entity or person shall not in any way exempt the Servicer from its obligations under the Servicing Agreement, for which it shall continue to be liable as if no such appointment had been made.

***Renegotiations, Waivers or Amendments Affecting the Purchased Home Loan Receivables***

In accordance with the applicable provisions of the French Consumer Code and the French Civil Code and any applicable laws and regulations, the Servicer may amend the terms of the Home Loan Agreements from which derive the Home Loan Receivables purchased by the Issuer in accordance with and subject to the Servicing Procedures and payment of Deemed Collections (if applicable).

**Termination of Appointment - Substitution**

***Occurrence of a Servicer Termination Event***

The occurrence of a Servicer Termination Event shall have the following consequences:

(a) within thirty (30) calendar days from the occurrence of a Servicer Termination Event the Management Company (or any person appointed by it) shall be entitled (after consultation of the Custodian), promptly from the date of occurrence of such Servicer Termination Event, to substitute another entity to the Servicer, in accordance with Article L. 214-172 of the French Monetary and Financial Code;

(b) the Management Company will only be entitled to terminate the appointment of the Servicer and substitute the Servicer if a Servicer Termination Event has occurred in relation to the Servicer. No termination of the appointment of the Servicer will become effective until a substitute servicer appointed by the Management Company has agreed to perform the initial Servicer's duties, responsibilities and obligations;

(c) the appointment of any Substitute Servicer by the Management Company shall be subject to the prior written approval of the Custodian;

(d) notwithstanding the termination of the appointment of the Servicer, the representations, warranties, undertakings and obligations of the Servicer shall survive for so long as it continues to exist any obligation of the Servicer or right of the Issuer arising under the Servicing Agreement and any other Transaction Documents to which they are parties which have not been completely fully discharged or exercised. For the avoidance of doubt, if the Servicer receives amounts in relation to the collections and/or any amounts payable to the Issuer by the Servicer or the Seller (in any capacity whatsoever) under the Servicing Agreement and the Transaction Documents, after the occurrence of a Servicer Termination Event and if a Substitute Servicer is appointed, it shall forthwith transfer such amounts to the Issuer; and

(e) if, and subject to the receipt from the Data Protection Agent of the Decryption Key in accordance with the terms of the Data Protection Agency Agreement any of the events referred to in item 1(b) or item 4 of the "Servicer Termination Events" have occurred, the Management Company will notify promptly the Borrowers to instruct each Borrower to make all payments in relation to the Purchased Home Loan Receivables onto the General Account or on any Issuer's substitute bank account held and operated by any authorised credit institution having the Account Bank Required Ratings in the event of the substitution and replacement of the Account Bank pursuant to the terms of the Account Bank Agreement.

***Consequence of the substitution of the Servicer***

The Servicer shall provide any such Substitute Servicer(s) with all existing information and registrations in order to effectively transfer all of the servicing functions relating to the Purchased Home Loan Receivables and to ensure, namely, the continued execution of the Priority of Payments and in particular, the payment of principal and interest due to the Securityholders.

Upon termination of the appointment of the Servicer and appointment of Substitute Servicer(s), the Management Company will (or will instruct any person appointed by it or any Substitute Servicer to) (i) notify the Borrowers of the assignment of the relevant Home Loan Receivables to the Issuer and (ii) instruct the Borrower to pay any amount owed under the Purchased Home Loan Receivables into any account specified by the Management Company in the written notice.

***Notification of the Borrowers***

Subject to the receipt from the Data Protection Agent of the Decryption Key in accordance with the terms of the Data Protection Agency Agreement, the Management Company shall (or shall instruct any substitute servicer or any third party appointed by it) upon the occurrence of the appointment of a Substitute Servicer by the Management Company upon the termination of the Servicing Agreement following the occurrence of a Servicer Termination Event shall:

(i) notify (or cause to be notified) the Borrowers of the assignment, sale and transfer of the Purchased Home Loan Receivables to the Issuer by delivering a Borrower Notification Event Notice to the Borrowers; and

(ii) notify (or cause to be notified) the Borrowers to make all payments in relation to the Purchased Home Loan Receivables onto the General Account or on any Issuer's substitute bank account held and operated by any authorised credit institution having the Account Bank Required Ratings in the event of the substitution and replacement of the Account Bank pursuant to the terms of the Account Bank Agreement.

The Management Company may delegate or sub-contract to any authorised agent(s) or sub-contractor(s) (acting on behalf of the Management Company and upon its instructions) any of the administrative tasks with respect to the notification of the Borrowers provided that the Management Company will remain responsible vis à vis third parties of the tasks so delegated and provided that such authorised agent(s) or sub-contractor(s) will comply with all applicable laws and regulations governing data protection in France.

***Governing Law and Jurisdiction***

The Servicing 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 Servicing Agreement the exclusive jurisdiction of the *Tribunal de Commerce de Paris*.

**The Specially Dedicated Account Agreement**

***Introduction***

Pursuant to Article L. 214-173 and Article D. 214-228 of the French Monetary and Financial Code and under a specially dedicated account agreement entered into on 30 October 2019 (the "**Specially Dedicated Account Agreement**") between the Management Company, the Custodian, the Servicer and BRED Banque Populaire (the "**Specially Dedicated Account Bank**"), the Specially Dedicated Account Bank has been appointed by the Servicer to hold, maintain and operate a specially dedicated account (*compte spécialement affecté*) (the "**Specially Dedicated Account**") with the prior consent of the Management Company and the Custodian.

Pursuant to Article D. 214-228-II of the French Monetary and Financial Code, the Issuer is the sole beneficiary of the amounts credited on the Specially Dedicated Account.

***Legal effect of the Specially Dedicated Account***

In accordance with Article D. 214-228 of the French Monetary and Financial Code, starting from the date of the Specially Dedicated Account Agreement, all the amounts credited to the Specially Dedicated Account shall benefit exclusively (*au bénéfice exclusif*) to the Issuer so that only the Management Company, acting for and on behalf of the Issuer, is entitled to dispose of the said amounts freely in accordance with the provisions of the Issuer Regulations and the provisions of the Specially Dedicated Account Agreement. As a result, the Servicer does not benefit of any right of restitution towards the Specially Dedicated Account Bank, the Issuer, the Management Company, the Custodian or any third parties, in relation to the credit balance which may be established on the Specially Dedicated Account, unless expressly provided otherwise by the Specially Dedicated Account Agreement.

Upon the execution of the Specially Dedicated Account Agreement, the Specially Dedicated Account will be subject to a dedicated account mechanism (*affectation spéciale*) as contemplated in Article L. 214-173 and Article D. 214-228 of the French Monetary and Financial Code.

In accordance with Article L. 214-173 of the French Monetary and Financial Code, the creditors of the Servicer shall not be entitled to claim payment over the sums credited to the Specially Dedicated Account, even if the 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*).

***Operation of the Specially Dedicated Account***

*Credit of the Specially Dedicated Account*

Pursuant to the terms of the Specially Dedicated Account Agreement:

(a) the portion of the Available Monthly Collections which are paid by the Borrowers by direct debit shall be entirely credited by the Servicer on any Business Day and within one Business Day after their receipt by the Servicer to the Specially Dedicated Account; and

(b) the Servicer shall credit on a monthly basis the Specially Dedicated Account with an amount equivalent to the aggregate payments it received by cheques, wires or credit cards during the relevant applicable period.

*Debit of the Specially Dedicated Account and credit of the General Account*

For so long as no Notice of Control has been delivered by the Management Company to the Specially Dedicated Account Bank (or, if a Notice of Control has been delivered by the Management Company to the Specially Dedicated Account Bank, a Notice of Release has been subsequently delivered by the Management Company to the Specially Dedicated Account), the Servicer is authorised by the Management Company to give, on each Business Day (no later than 3:00 p.m. in order to be in a position to execute any instruction on the same Business Day), any necessary instructions to the Specially Dedicated Account Bank to ensure that the sums standing to the credit of the Specially Dedicated Account are wired on each 26$^{th}$ calendar day (subject to the Modified Following Business Day Convention) of each calendar month to the credit of the General Account held with and maintained by the Account Bank.

If a Notice of Control has been delivered by the Management Company to the Servicer:

(i) the authorisation granted to the Servicer to give debit instructions in respect of the Specially Dedicated Account to the Specially Dedicated Account Bank shall be revoked and such revocation shall become effective vis-à-vis the Specially Dedicated Account Bank as from the Notice Effective Date;

(ii) the Management Company will give its own debit instructions in respect of the Specially Dedicated Account to the Specially Dedicated Account Bank; and

(iii) the Specially Dedicated Account Bank shall be entitled to ignore and consider as null and void (*nulles et non avenues*) from the Notice Effective Date all debit instructions received from the Servicer, subject to (i) instructions given by the Servicer to the Specially Dedicated Account Bank whose execution or performance has been already initiated, effected and completed by the Specially Dedicated Account Bank and (ii) instructions given by the Servicer and which are irrevocable under the applicable laws and regulations applicable.

*Notice of Control and Notice of Release*

Notice of Control

The Management Company shall issue and deliver a Notice of Control to the Specially Dedicated Account Bank (with a copy to the Servicer and the Custodian) upon the occurrence of:

(a) a Servicer Termination Event and/or the termination of the appointment of the Servicer for any reason whatsoever, provided that, for the avoidance of doubt, the Management Company shall not be entitled to deliver a Notice of Control before the occurrence of any such events; or

(b) any other event which, in the reasonable opinion of the Management Company, might prevent the Servicer from performing its material obligations under the Specially Dedicated Account Agreement provided that, for the avoidance of doubt, the Management Company shall not be entitled to deliver a Notice of Control before the occurrence of such event.

Upon receipt of a Notice of Control from the Management Company and as from the Notice Effective Date and so long as no Notice of Release has been delivered by the Management Company to the Specially Dedicated Account Bank:

(i) the Servicer shall cease to be entitled to give any instructions to the Specially Dedicated Account Bank, the Management Company subject to the Notice Effective Date (or of any persons designated by it) only having such right; any instruction relating to the debit of the Specially Dedicated Account given by the Servicer shall be deemed null and void;

(ii) the Specially Dedicated Account Bank has undertaken 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 receipt of a Notice of Control but not yet implemented except where such instruction consists in a transfer order to the General Account;

(iii) pursuant to the provisions of Article D. 214-228 of the French Monetary and Financial Code, the Specially Dedicated Account Bank shall comply with the sole instructions given by the Management Company (or of any persons designated by it) in respect of the operations of the Specially Dedicated Account (including debit instructions); and

(iv) the Management Company (or any persons designated by it) shall instruct the Specially Dedicated Account Bank to transfer, at least on each 26th calendar day in each month, to the General Account, the net amount of the Available Monthly Collections collected during the relevant preceding Collection Period standing to the Specially Dedicated Account as of close of business on the immediately preceding Business Day, in accordance with the provisions of the Specially Dedicated Account Agreement.

Notice of Release

The Management Company shall issue and deliver a Notice of Release to the Specially Dedicated Account Bank (with a copy to the Servicer (or the Substitute Servicer) and the Custodian) if the Management Company considers, in its reasonable opinion, that the relevant event specified in item (b) of sub-section "Notice of Control" above has ceased or does no longer prevent the Servicer from performing its material obligations under the Specially Dedicated Account Agreement.

For the avoidance of doubt, no Notice of Release shall be issued and delivered by the Management Company to the Specially Dedicated Account following the occurrence of a Servicer Termination Event and/or the termination of the appointment of the Servicer.

Immediately upon receipt of a Notice of Release delivered to the Specially Dedicated Account Bank by the Management Company (with copy to the Servicer and the Custodian):

(a) the Servicer shall be again entitled to operate the Specially Dedicated Account by giving credit and debit instructions to the Specially Dedicated Account Bank; and

(b) the persons authorised by the Servicer shall be entitled to operate the Specially Dedicated Account,

it being specified that the delivery of a Notice of Release is without prejudice of the right for the Management Company to send further Notices of Control.

***Duties of the Specially Dedicated Account Bank***

In accordance with Article D. 214-228-III of the French Monetary and Financial Code, the Specially Dedicated Account Bank has undertaken to inform any creditor of the Servicer, any administrator or liquidator of the Servicer or any third party seeking an attachment over the Specially Dedicated Account of the specially allocated nature of the Specially Dedicated Account to the benefit of the Issuer in accordance with Article L. 214-173 of the French Monetary and Financial Code in case of any insolvency proceedings governed by Book VI of the French Commercial Code and any equivalent procedure governed by any foreign law (*procédure équivalente sur le fondement d'un droit étranger*) which result in the Specially Dedicated Account and its credited amounts being not available to creditors of the Servicer.

Until the termination of the Specially Dedicated Account Agreement, the Specially Dedicated Account Bank is expressly prohibited from (i) exercising any right that it holds or may hold subsequently to the date of the Specially Dedicated Account Agreement, integrating into, consolidating or merging the Specially Dedicated Account with one or several accounts or sub accounts of the Servicer which may be opened in its books and (ii) exercising any retention right that it holds or may hold subsequently on any amount credited to the Specially Dedicated Account.

***Termination of the Specially Dedicated Account Agreement***

***General Provision with respect to the Termination of the Specially Dedicated Account Agreement***

Neither the Specially Dedicated Account Bank nor the Servicer shall be entitled to terminate the Specially Dedicated Account Agreement and/or to close the Specially Dedicated Account, save in the following circumstances:

(i) on the termination date of the liquidation operations of the Issuer as notified in writing by the Management Company and the Custodian to the Servicer and the Specially Dedicated Account Bank; or

(ii) when all the obligations of the Servicer towards the Issuer have been fulfilled, in which case the Management Company will notify the Servicer and the Specially Dedicated Account Bank of this fulfilment and the termination of the Specially Dedicated Account; or

(iii) to the extent that the Specially Dedicated Account Bank is required to do so pursuant to any applicable law or regulation. In such case and to the full extent permitted by applicable laws and regulations (i) the Specially Dedicated Account Bank shall promptly inform the Servicer, the Management Company and the Custodian and transfer all sums standing upon closure to the credit of the Specially Dedicated Account to the General Account and (ii) the Servicer shall promptly open a new specially dedicated account (a) in the books of a new specially dedicated account bank which shall have at least the Account Bank Required Ratings and (b) on such terms as are satisfactory to the Management Company and the Custodian; or

(iv) the occurrence of any of the events referred to in sub-section "Breach of the Specially Dedicated Account Bank's Obligations or Downgrade or Insolvency Events and Termination of the Specially Dedicated Account Bank's Appointment by the Servicer" below.

***Breach of the Specially Dedicated Account Bank's Obligations or Downgrade or Insolvency Events and Termination of the Specially Dedicated Account Bank's Appointment by the Servicer***

Under the Specially Dedicated Account Agreement, if the Specially Dedicated Account Bank:

(a) ceases to have the Account Bank Required Rating; or

(b) is subject to a proceeding governed by the provisions of Book VI of the French Commercial Code; or

(c) breaches any of its material obligations under the Specially Dedicated Account Agreement and such breach continues unremedied for a period of three (3) Business Days following the receipt by the Specially Dedicated Account Bank of a notice in writing sent by the Management Company detailing such breach of any of its material obligations,

the Servicer (in cooperation with the Management Company) shall, if any events referred to in items (a) or (b) above have occurred, within thirty (30) calendar days after the downgrade of the ratings of the Specially Dedicated Account Bank or the commencement of any proceeding governed by the provisions of Book VI of the French Commercial Code against the Specially Dedicated Account Bank or if the event referred to in item (c) above has occurred, may, in its reasonable opinion, immediately terminate the Specially Dedicated Account Agreement and appoint (in cooperation with the Management Company) a new Specially Dedicated Account Bank (the "**New Specially Dedicated Account Bank**") provided that:

(a) such termination shall not take effect (and the Specially Dedicated Account Bank shall continue to be bound hereby) until the opening of a New Specially Dedicated Account in the name of the

Servicer and for the benefit of the Issuer in the books of the New Specially Dedicated Account Bank, the transfer of the balance of the Specially Dedicated Account to the New Specially Dedicated Account upon instruction of the Management Company and the documentation related to such transfer has been executed to the satisfaction of the Management Company;

(b) the New Specially Dedicated Account Bank has at least the Account Bank Required Ratings;

(c) the New Specially Dedicated Account Bank shall be a credit institution having its registered office in France and shall be licensed by the *Autorité de Contrôle Prudentiel et de Résolution*;

(d) the New Specially Dedicated Account Bank shall have agreed to perform the duties and obligations of the Specially Dedicated Account Bank pursuant to an agreement entered into between the Management Company, the Custodian, the Servicer and the New Specially Dedicated Account Bank which will have the same legal effects as those of the Specially Dedicated Account Agreement;

(e) a New Specially Dedicated Account has been duly opened in the books of the New Specially Dedicated Account Bank;

(f) the Rating Agencies shall have been given prior written notice of such substitution;

(g) the Custodian shall have given its prior written approval of such substitution and of the New Specially Dedicated Account Bank (such consent may not be unreasonably refused or withheld other than on the basis of legitimate, serious and reasonable grounds);

(h) the Issuer shall not bear any additional costs in connection with such substitution; and

(i) such substitution is made in compliance with the then applicable laws and regulations.

Pursuant to Article L. 214-173 of the French Monetary and Financial Code the opening 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 the Servicer shall neither result in the termination of the Specially Dedicated Account Agreement nor the closure (*clotûre*) of the Specially Dedicated Account.

***Governing Law and Jurisdiction***

The Specially Dedicated Account Agreement is governed by and shall be construed in accordance with French law. The parties to the Specially Dedicated Account Agreement have agreed to submit any dispute that may arise in connection with the Specially Dedicated Account Agreement to the exclusive jurisdiction of the *Tribunal de commerce de Paris*.

**The Commingling Reserve Deposit Agreement**

***The Commingling Reserve Deposit***

*General*

Pursuant to the Commingling Reserve Deposit Agreement, as a guarantee for its financial obligations (*obligations financières*) under its undertaking under the Servicing Agreement in relation to the Available Monthly Collections, the Servicer has agreed to provide a Commingling Reserve Deposit with the Issuer, by way of full transfer of title *(remise d'espèces en pleine propriété à titre de garantie*) in accordance with Article L. 211-36-I 2° and Article L. 211-38 of the French Monetary and Financial Code.

The Servicer shall make the Commingling Reserve Deposit by way of a full transfer of cash deposit (*dépôt en espèces*) to the credit of the Commingling Reserve Account in an amount equal to the applicable Commingling Reserve Required Amount.

***Credit of the Commingling Reserve Deposit***

If:

(i) the Specially Dedicated Account Bank is rated below the Account Bank Required Ratings or if the Specially Dedicated Account Bank is subject to any proceeding governed by Book VI of the French Commercial Code and if the Specially Dedicated Account Bank has not been replaced with a new specially dedicated account bank having at least the Account Bank Required Ratings within thirty (30) calendar days after the downgrade of the ratings of the Specially Dedicated Account Bank below the Account Bank Required Ratings (in case of a downgrade by Moody's) or within fourteen (14) calendar days after such downgrade (in case of a downgrade by Fitch);

(ii) the appointment of the Specially Dedicated Account Bank has been terminated in accordance with the terms of the Specially Dedicated Account Agreement and no replacement specially dedicated account bank has been appointed by the Servicer (in cooperation with the Management Company) within thirty (30) calendar days after the downgrade of the ratings of the Specially Dedicated Account Bank below the Account Bank Required Ratings (in case of a downgrade by Moody's) or within fourteen (14) calendar days after such downgrade (in case of a downgrade by Fitch); or

(iii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Servicer are rated below BBB by Fitch and the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Servicer are rated below F2 by Fitch,

the Servicer shall credit the Commingling Reserve Account within fourteen (14) days up to the applicable Commingling Reserve Required Amount.

***Allocation and Use of the Commingling Reserve Deposit***

The Commingling Reserve Deposit will be used and applied by the Management Company to satisfy the obligations of the Issuer as set out in the Issuer Regulations, in accordance with provisions of Article L. 211-36-I 2° and Article L. 211-38-II of the French Monetary and Financial Code.

If any part of the Available Monthly Collections due by the Servicer to the Issuer has not been credited to the General Account in accordance with the Servicing Agreement, and such breach was not remedied by the Servicer within five (5) Business Days or thirty (30) calendar days if the breach is due to force majeure:

(i) this breach shall constitute a Servicer Termination Event;

(ii) the Management Company shall immediately instruct the Account Bank to debit the Commingling Reserve Account and to credit the General Account up to the amount of such unpaid part of the Available Monthly Collections and the Commingling Reserve Deposit will be immediately used and applied by the Management Company to satisfy the obligations of the Issuer as set out in the Issuer Regulations, in accordance with provisions of Article L. 211-36-I 2° and Article L. 211-38-II of the French Monetary and Financial Code; and

(iii) the Management Company will be entitled to (A) set-off the claim of the Servicer for repayment (*créance de restitution*) under the Commingling Reserve Deposit against the amount of its breached financial obligations, up to the lowest of (i) the unpaid amount under the Servicing Agreement and (ii) the amount then standing to the credit of the Commingling Reserve Account and (B) apply the corresponding funds as part of the Available Monthly Collections in accordance with the Priority of Payments on the immediately following Payment Date, without the need to give prior notice of intention to enforce the Commingling Reserve Deposit (*sans mise en demeure préalable*).

Any amounts standing to the credit of the Commingling Reserve Account shall not be part of the Available Interest Distribution Amount, Available Principal Distribution Amount or Available Distribution Amount and shall neither be applied to make any payment due in accordance with and subject to the applicable Priority of Payments, nor to guarantee any Borrower's payment default under the Purchased Home Loan Receivables.

***Adjustment of the Commingling Reserve Deposit***

The Commingling Reserve Deposit shall be adjusted if necessary on each Payment Date during the Normal Amortisation Period and the Accelerated Amortisation Period and shall always be equal to the applicable Commingling Reserve Required Amount.

On each Calculation Date, the Management Company will determine the difference, if any, between the Commingling Reserve Required Amount and the current balance of the Commingling Reserve Account. The Commingling Reserve Required Amount shall be calculated on each Calculation Date by the Management Company on the basis of the information provided to it by the Servicer in the Servicer Reports.

***Increase of the Commingling Reserve Deposit***

If, on any Calculation Date, the current balance of the Commingling Reserve Account is lower than the applicable Commingling Reserve Required Amount, the Management Company (on behalf of the Issuer) shall request the Servicer to credit an amount equal to the difference on the Commingling Reserve Account on the following Payment Date.

The Management Company shall send to the Servicer, on the Calculation Date preceding the applicable Payment Date, a written request for that purpose.

Any failure by the Servicer to credit the Commingling Reserve Account on a Payment Date with the amount indicated in the written notice sent by the Management Company which is not remedied by the Servicer within five (5) Business Days or thirty (30) calendar days if the breach is due to force majeure shall constitute a Servicer Termination Event.

***Decrease and Partial Release of the Commingling Reserve Deposit***

If, on any Calculation Date, the current balance of the Commingling Reserve Account exceeds the applicable Commingling Reserve Required Amount, an amount equal to the Commingling Reserve Release Amount shall be released by the Issuer and transferred back to the Servicer by debiting the Commingling Reserve Account on the following Payment Date, outside the applicable Priority of Payments.

***Full Release of the Commingling Reserve Deposit***

If the Commingling Reserve Deposit has been funded by the Servicer but if a new specially dedicated account bank having the Account Bank Required Ratings has been appointed by the Servicer, the Commingling Reserve Deposit so funded will be released by the Issuer to the Servicer outside the Priority of Payments.

***Final Release and Repayment of the Commingling Reserve Deposit***

If:

(i) the appointment of the Servicer has been terminated by the Management Company in accordance with the terms of the Servicing Agreement; or

(ii) an Issuer Liquidation Event has occurred and the Management Company has elected to liquidate the Issuer in accordance with the Issuer Regulations,

the Issuer shall release and directly transfer back to the Servicer, outside of the Priority of Payments, all monies standing to the Commingling Reserve Account (to the bank account specified by the Servicer to the Management Company) subject to the satisfaction of all outstanding Servicer's obligations under the Servicing Agreement prior to termination (including, but not limited to, with respect to the collection and administration of the Purchased Home Loan Receivables).

***Governing Law and Jurisdiction***

The Commingling Reserve Deposit 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 Commingling Reserve Deposit Agreement the exclusive jurisdiction of the *Tribunal de Commerce de Paris*.

**The Data Protection Agency Agreement**

***Introduction***

Pursuant to the Data Protection Agency Agreement entered into between the Management Company, the Custodian, the Seller, the Servicer and BNP PARIBAS Securities Services, BNP PARIBAS Securities Services has been appointed by the Management Company as the Data Protection Agent.

***Encrypted Data File***

Pursuant to the Data Protection Agency Agreement, on the Closing Date, the Servicer shall deliver through an electronic transfer to the Management Company an Encrypted Data File containing encrypted information relating to personal data in respect of each Borrower, each Loan Guarantor and the Insurance Companies for each Purchased Home Loan Receivable.

The Servicer will update the Encrypted Data File established pursuant to the Data Protection Agency Agreement on an half-yearly basis with any relevant information with respect to each Purchased Home Loan Receivable on each Servicer Report Date falling in January and July to the extent that any such Purchased Home Loan Receivable remains outstanding on such Servicer Report Date in accordance with the Servicing Agreement.

The Management Company shall not be able to access the data contained in the Encrypted Data File without the Decryption Key. The Management Company will be solely and independently responsible for managing, in compliance with the applicable laws and regulations, the Encrypted Data File received from the Servicer.

The Data Protection Agent shall hold the Decryption Key which may only be provided to the Management Company for the purpose of notifying the Borrowers, the Loan Guarantors and the Insurance Companies in accordance with the Data Protection Agency Agreement.

**Delivery of the Decryption Key by the Servicer and Holding of the Decryption Key by the Data Protection Agent**

On the Closing Date, the Servicer shall deliver to the Data Protection Agent the Decryption Key required to decrypt data contained in the Encrypted Data File. The Servicer has undertaken to deliver to the Data Protection Agent any updated Decryption Key required to decrypt the data contained in the Encrypted Data File delivered on such Closing Date and thereafter on each Servicer Report Date falling in January and July, provided that such updated Decryption Key is capable of decrypting the data contained any Encrypted Data File delivered thereafter on such Servicer Report Date.

The Data Protection Agent shall:

(a) hold the Decryption Key (and any updated Decryption Key, as the case may be) which shall be required to decrypt the information contained in any Encrypted Data File; and

(b) carefully safeguard each Decryption key and protect it from unauthorised access by third parties and shall not use the Decryption key for its own purposes until the Management Company requires the delivery of the Decryption Key in accordance with the Data Protection Agency Agreement.

**Delivery of the Decryption Key by the Data Protection Agent**

The Data Protection Agent shall keep the Decryption Key confidential and may not provide access in whatsoever manner to the Decryption Key, except if requested by the Management Company pursuant to and in accordance with the Data Protection Agency Agreement.

The Management Company has undertaken to request the Decryption Key from the Data Protection Agent and use the data contained in the Encrypted Data File relating to the Borrowers only in the following circumstances:

(a) the Management Company has notified the Data Protection Agent of the occurrence of a Borrower Notification Event; or

(b) the Data Protection Agent is replaced in accordance with the terms of the Data Protection Agency Agreement.

Upon request by the Management Company in accordance the Data Protection Agency Agreement, the Data Protection Agent shall immediately deliver the Decryption Key to the Management Company or to any person appointed by the Management Company, including without limitation any substitute servicer.

Other than in such circumstances, the Data Protection Agent shall keep the Decryption Key confidential and shall not provide access in whatsoever manner to the Decryption Key.

The Issuer shall only have access to personal data with respect to the Borrowers after the delivery of the Decryption Key. Therefore the Issuer shall not, before that time, be considered as controller or data processor within the meaning of the General Data Protection Regulation.

**Encrypted Data Default Event**

Pursuant to the Data Protection Agency Agreement, following the occurrence of any Encrypted Data Default Event, the Management Company will promptly notify the Servicer and the Servicer will remedy the relevant Encrypted Data Default within ten (10) Business Days of receipt of such notice.

If the relevant Encrypted Data Default Event is not remedied by the Servicer or waived by the Management Company within five (5) Business Days of receipt of such notice by the Servicer, the Servicer will give access to such information to the Management Company upon request and reasonable notice subject to compliance with all applicable laws and regulations (including for the avoidance of doubt, the General Data Protection Regulation).

***Resignation of the Data Protection Agent***

The Data Protection Agent can only resign with a 60-days' prior written notice delivered to the Management Company (with copy to the Custodian and the Seller, the Servicer) and provided that a new Data Protection Agent has been appointed by the Management Company (the "Successor Data Protection Agent"). The Successor Data Protection Agent shall be a reputable entity (such as an accounting firm or credit institution duly licensed or pass-ported to carry out such activity in France or a notary having its registered office in France) having the authority to assume the Data Protection Agent's rights, obligations and duties under the Data Protection Agency Agreement. The Servicer shall exercise its best efforts to provide the Management Company with a Successor Data Protection Agent that will undertake to assume any and all rights, obligations and duties of the then current Data Protection Agent under the Data Protection Agency Agreement.

***Termination by the Management Company***

The Management Company is entitled to terminate the appointment of the Data Protection Agent if the Data Protection Agent is subject to any proceeding governed by Book VI of the French Commercial Code or, in the reasonable opinion of the Management Company, the Data Protection Agent has breached a material provision of the Data Protection Agency Agreement.

The Management Company shall deliver a 30-days' prior written notice to the Data Protection Agent (with copy to the Custodian, the Seller and the Servicer) and shall appoint a Successor Data Protection Agent.

***Governing Law and Jurisdiction***

The Data Protection Agency Agreement will be 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 Data Protection Agency Agreement to the exclusive jurisdiction of the *Tribunal de Commerce de Paris*.

## THE SELLER

### Incorporation

Crédit Immobilier de France Développement (CIFD) is a *société anonyme* incorporated under the laws of France, whose registered office is at 26, rue de Madrid, 75008 Paris, France, registered with the Trade and Companies Register of Paris (*Registre du Commerce et des Sociétés de Paris*) under number 379 502 644, licensed in France as a financing company (*société de financement*) by the *Autorité de Contrôle Prudentiel et de Résolution*.

### CIF, a major mortgage lender in France

The Crédit Immobilier de France was created at the beginning of the 20th century as a specialised credit financial group to support individuals' access to property through State subsidised loans. CIF Group organised itself throughout the 20th century around non-profit *Sociétés Anonymes de Crédit Immobilier* (SACIs), which owned 23 affiliated Regional Financial Subsidiaries (RFS), as well as the Caisse Centrale du Crédit Immobilier de France - 3CIF and its Mortgage Credit company CIF Euromortgage.

The CIF group was substantially restructured between 1999 and 2001. In 1999, social housing construction or promotion activities were separated from mortgage lending activities, with the SACIs and the RFS, being consolidated under a newly created holding company, CIFD. Since 2001, the number of RFS was reduced to eighteen through mergers. In addition, mortgage loan production was increasingly focused on residential open market loans. 3CIF's role has evolved to be responsible for ensuring the CIF Group's funding and financial engineering needs as well as for carrying out its asset and liability management.

Law n° 2006-1615 of 18 December 2006 transformed the SACIs into cooperative home loan companies (SACICAPs), whose corporate purpose are to execute any transactions to enable low-income individuals to become homeowners, to conduct any transaction of real estate development and renovation and provide housing-related services to promote social integration. Then, CIFD still known as "Crédit Immobilier de France" became the new central entity ("*organe central*") and financial holding company of the network as construed under Sections L.511-30 and L.517-1 of France's Monetary and Financial Code (CMF). As of 31 December 2018, the CIF Group's credit institutions comprised Crédit Immobilier de France Développement (CIFD), 3CIF and CIF Euromortgage.

### The Orderly Resolution Plan in 2013

Before the liquidity strain faced in 2012, the CIF Group used to finance a large part of its mortgage portfolio with covered bonds and the remainder with senior unsecured financing. With the downgrade of 3CIF's debt rating and CIF Euromortgage's covered bond's rating in August 2012, the group had lost access to market funding. To protect its investors, CIF Group requested the support of French State.

In its decision dated 27 November 2013 (*Aides d'État n° SA.37029 (2013/N) - France Aide à la liquidation ordonnée du Crédit Immobilier de France*), the European Commission approved the CIF Group's orderly resolution plan and authorised the Republic of France to grant the Group a permanent state guarantee, which will terminate on 31 December 2035. That same day, the Republic of France and the Group signed the protocol and the guarantee agreement as follows:

- an external final guarantee up to a maximum amount of sixteen billion Euros, whereby the Republic of France agreed to guarantee all new unsecured Securities issued by CIFD's subsidiary 3CIF since 29 November 2013.
- an internal final guarantee for a maximum amount of twelve billion Euros whereby the Republic of France agrees to guarantee the exposures of CIF Euromortgage and of CIF Assets entities on 3CIF.

This guarantee, together with the secured nature of CIF's lending, will ensure the stability of the group's capital base until the full completion of the runoff.

The delivery of the Orderly Resolution Plan is supervised by CIF Supervisory Board, the State (French Treasury), the Regulator (ACPR) and the EU Commission which appointed a monitoring Trustee to verify

if the French State and CIF Group meet their respective commitments. This supervision ensures a powerful protection of CIF's solvency.

**Implementation of the Orderly Plan Resolution**

Since then, the CIF Group has been operating as a banking network in orderly resolution. As the CIF Group is prohibited from originating new loans, its sole activity consists in managing its assets and liabilities for extinction no later than 2035.

The protocol with the French government required that the CIF Group simplify its organisation and centralise its corporate governance. As part of the simplification process, the shareholders of the SFRs other than CIFD swapped their shares for CIFD shares on 10 December 2014.

In April 2017, CIF started to implement a major restructuring plan which involves the closure of most of its operating sites by 2021 and the outsourcing of part of its back-office functions to MCS Groupe. Currently, the CIF Group operates through a network of four operating sites, Lyon/Grenoble, Marseille, Lille and Paris, for loan collection and management, as well as Toulouse site for IT services and Paris site for other central functions.

CIF Group's primary concern is to keep a stable and diversified refinancing of its activity on the long term. The RMBS issuance program is gradually replacing the refinancing by mortgage bonds, in run-off since 2012. CIF Group therefore maintains a high level of investment in skills and tools.

CIFD closed its first private RMBS issuance on 21 March 2019, the first securitisation to have ever been notified as 'STS' with the ESMA

## SERVICING AND COLLECTION PROCEDURES

### CORRESPONDENCE BETWEEN THE MANAGEMENT PHASES AND THE ACCOUNTING/FINANCIAL CATEGORIES

The Risk Policy is part of the credit management process.

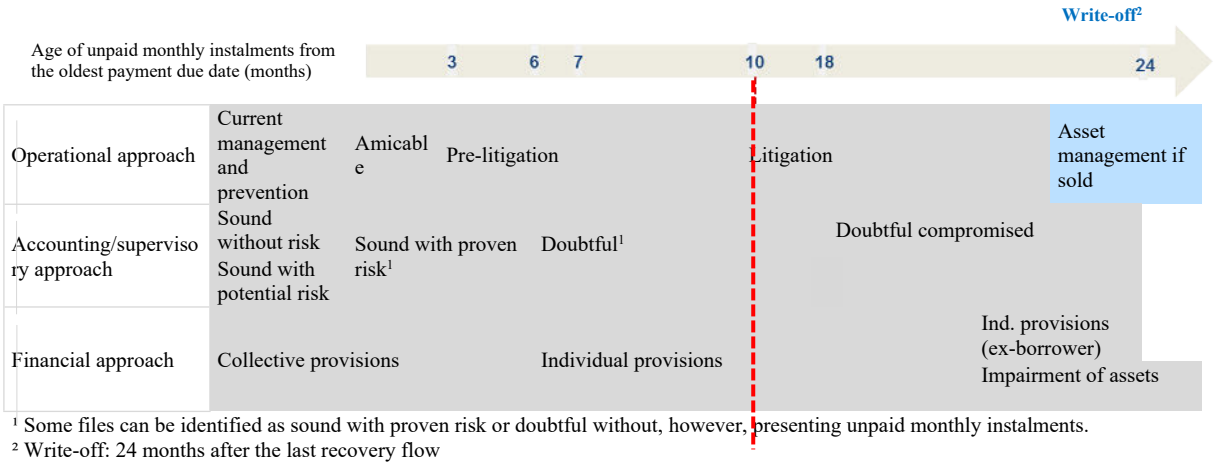
From an operational point of view, the main phases of this process are:

- *Current management*: Current management covers all management acts performed at the request of the customer, in some cases requiring a risk analysis of the file.
- *Prevention*: Prevention refers to prevention actions undertaken on customers who are potentially at risk or who report having payment difficulties.
- *Amicable recovery*: Amicable recovery processes files with unpaid monthly instalments aged less than three months, i.e. with the oldest outstanding maturity of less than three months. It covers all management acts carried out to regularise the situation (e.g.: reattempting withdrawal of an unpaid monthly instalment, bank card payment, clearance plan, etc.). From this stage, updating customer knowledge makes it possible to identify specific cases that need to follow a particular recovery path (e.g.: restructuring, out-of-court sales, litigation, etc.). The valuation of the collateral provided is carried out as soon as three unpaid monthly instalments are reported.
- *Pre-litigation recovery*: The recovery process involving litigation handles files involving between 3 and six consecutive unpaid monthly instalments, i.e. the longest period of unpaid monthly instalments is between three months and six months, or even longer if the situation of the case so warrants. In any event, a formal decision on a possible real estate property seizure procedure must take place at the tenth unpaid monthly instalment. The amicable solutions put in place can be strengthened by precautionary or enforceable measures. In the event that amicable solutions fail, a restructuring solution can be offered to the customer, in compliance with the commitment criteria. However, after an analysis of the LTV or in the event of non-compliance with the commitment criteria, amicable sales must be favoured. In the absence of a solution, the file is transferred to recovery through litigation for realising the guarantees.
- *Recovery through litigation*: After a maximum period of ten months of consecutive unpaid monthly instalments, i.e. a file with an unpaid monthly instalment aged more than ten months, appeals are initiated to recover the receivable as soon as possible, and with the best risk/return arbitrage, unless otherwise decided by the credit risk committee.

The Group, using the standard credit risk assessment method, did not have to achieve convergence between the concepts of default (prudential) and doubtful (accounting). However, in practice, the criteria for entering and leaving the doubtful category are subsequently specified in the section Management of doubtful files.

Finally, to cover the risk incurred on commitments made, in order to reflect a true and prudent view of the financial statements, collective provisions may be recorded. Collective provisions relate exclusively to credit risk relating to performing loans that are not impaired on an individual basis and for which there is a loss event (e.g. the existence of an unpaid monthly instalment). The methods used to calculate impairment and provisions are further specified in the section Specific impairments and section Collective provisions.

**Correspondence between the management phases and the prudential/accounting categories**




¹ Some files can be identified as sound with proven risk or doubtful without, however, presenting unpaid monthly instalments.
² Write-off: 24 months after the last recovery flow

Decision-making and delegation procedures

The management decisions further specified are taken in accordance with the delegations of power set out in the delegation chain and implemented at the level of the institutions or subsidiaries.

Of these, a number fall within the scope of a committee procedure either at the level of the institutions/subsidiaries or at the Group level. The delegation chain defines three levels of participants:

– Operational managers;

– The Local Credit Risk Committee and the Apollonia Operations Committee;

– The Group Credit Risk Committee.

The thresholds to be used for each level are set out in an instruction note.

## 1.2 MANAGEMENT OF PERFORMING HOME LOANS

For credit risk analysis purposes, the sound category is divided into three subcategories:

– Risk-free;

– Potential risk;

– Proven risk.

### 1.2.1. Management actions on sound and risk-free files

The files in this subcategory do not present a proven credit risk within the meaning of accounting and prudential standards, nor from an economic point of view, in accordance with DRCPC's analyses.

Management actions requiring risk analysis

Customer requests having an impact on the financial conditions (rate/duration/amount) of the customer's loan(s) require a risk analysis, i.e., of the customer's solvency. A change in the automatic payment date may also be an indicator of incipient claims, so it is appropriate to conduct an analysis of these situations.

For example, a customer's request to implement a solution such as delayed payment or downward modulation of payments may be motivated by the occurrence of a cyclical or structural difficulty. In order to anticipate the detection of a proven risk, the Group must, as a matter of priority, ensure that there are no long-term customer payment difficulties. Any decision to postpone payment or modulate it downward therefore requires a prior analysis to be carried out. An agreement then requires the fulfilment of certain restrictive conditions detailed in an instruction note. In cases where the customer's analysis concludes that

there is a structural difficulty, after analysing the solvency criteria, the customer is then considered to be a proven risk and is therefore treated in accordance with the management principles defined below.

The Orderly Resolution Plan allows for the renegotiation of loans, at the customer's initiative, within certain limits defined in an instruction note.

Finally, for sales with outstanding receivables, after analysing the customer's economic situation and their financial ability to honour their commitments, in compliance with the criteria set out in an instruction note, a partial repayment may be made, in accordance with the contract. Depending on the solvency of the customer, a partial repayment aimed at reducing the duration is preferred if possible, as well as the search for additional collateral to secure the debt.

**1.2.2. Management actions on performing home loans with potential risk**

The potential risk may be related to customer solvency, a probability of default higher than the Group average after statistical analysis, or missing payments, provided for in the contractual payment schedule or anticipated in the event of a rise in interest rates. It may also refer to situations of customers reporting that they will likely experience future payment difficulties.

Prevention actions

Files with potential risk are subject to preventive action: The objective is to analyse the risk of potential default and to take corrective measures where necessary to avoid the loan being classified as doubtful.

In relation to the files identified by the Group, prevention actions involve three steps:

Identification of files with potential risk: DRCPC, in coordination with the business lines, identifies the types of files concerned as part of the formation of the Watch-list (III.4. Monitoring and measures of customer credit risk).

– qualification/quantification of potential risk incurred: DRCPC sets out the criteria to be used to select/filter the files on which prevention actions are to be carried out. There can be two kinds of criteria:

  - A risk criterion: Customer with a PD above the Group average, currently or after updating the solvency situation, and whose net risk (receivable - value of the collateral) is highest.

  - A time horizon criterion: Files with missing payments in the short term (e.g. 3 to 6 months).

– definition of prevention actions: The Operations Department, in coordination with DRCPC and the Finance Department, defines the preventive actions to be taken for these files.

– monitoring of the implementation of preventive actions in meetings of the Executive Committee of Risk Policy.

Depending on the volume of files to be processed, outsourcing solutions may be studied, where appropriate, to avoid delays in the prevention of credit risk.

As a result of preventive action and on customer files declaring payment difficulty, in cases where the customer's analysis concludes that there is a ‘structural’ difficulty, the customer is then considered to be at proven risk and is therefore treated in accordance with the management principles defined below.

**1.2.3. Management actions on performing home loans with proven risk**

Performing home loans with proven risk cover all exposures where an event or situation makes it highly probable that they will pass into the doubtful category. This may include exposure to:

– unpaid monthly instalments, prior to becoming a doubtful loan;

– loans that have been restructured. These files refer to:

o Contracts/loans with a clearance plan for unpaid monthly instalments aged more than 12 months;

o Contracts/loans whose terms and conditions are modified as part of a debt overhang procedure;

o Contracts/loans whose maturities have been restructured as a preventive measure (potential risk files) or corrective measures (regularisation of unpaid monthly instalments);

o Customers reporting difficulties with payment.

This category may also include any exposures that may have been identified as a known risk either through customer solvency analysis during a contact or by DRCPC analyses.

These files are subject to special supervision and may be covered by a collective provision.

For other files, as soon as the customer first defaults or has declared difficulty, the challenge is to quickly analyse the customer's situation and also update the value of the collateral starting from the third unpaid monthly instalment.

Following the analysis, several approaches are possible:

– If the customer has a 'cyclical' difficulty: A solution to regularise unpaid monthly instalments is put in place (e.g.: automatically reattempting withdrawal of an unpaid monthly instalment, bank card payment, short-term clearance plan, etc.). The conditions of application of the clearance plans are set out in an instruction note.

– If the customer is not creditworthy: Restructuring is envisaged if and only if this solution makes it possible to regularise the customer's situation in a sustainable manner. If this is not the case, the recovery proceedings will continue. To this end, it is necessary to associate commitment rules with the restructuring, as specified in an instruction note. In addition, the LTV level may be an element to be taken into account when assessing whether it is appropriate to implement a restructuring solution or to encourage an out-of-court sale. As soon as amicable solutions have been found to have failed, a process of recovery involving litigation must be considered.

**1.3 MANAGEMENT OF DOUBTFUL HOME LOANS**

The rules for entering and leaving the doubtful category are based on general accounting standards and must be interpreted or adapted in the context of the business according to the risk assessment.

In accordance with the standards, CIFD provides that outstandings are doubtful if:

– there is a probability that the institution will not receive all or part of the sums due in respect of the commitments entered into by the counterparty in accordance with the initial contractual provisions, notwithstanding the existence of collateral or a guarantee;

and

– This probability is associated with one of the following situations:

  - the existence of one or more unpaid monthly instalments aged at least 6 months (home loans);
  - a customer whose characteristics are such that, irrespective of the existence of unpaid monthly instalments, it can be concluded that there is a proven risk;
  - the existence of litigation between the institution and a customer.

Compromised doubtful outstandings are a subcategory of doubtful outstandings. They correspond to outstanding amounts whose recovery prospects are significantly impaired and for which the write-off is envisaged. The following two conditions must be met simultaneously for a classification in the doubtful compromised category:

– downgrade to doubtful for more than twelve months (prospect of sharply deteriorated recovery);

– existence of a capital impairment.

Unsecured receivables are residual receivables from a customer after the end of the term and the realisation of collateral. They are classified as doubtful compromised. The Ribot Plan provides that they must not be kept on the CIF balance sheet. A procedure for the effective recovery of these sums must, however, be put in place in respect of recoveries on bad debts.

The objective is to optimise the time limits for recovery procedures through the courts. For files guaranteed by:

– a mortgage or equivalent security measure: The real estate seizure procedure must be considered at most after ten months of subsequent unpaid monthly instalments, unless justified;

– an institutional guarantee: The call for collateral is carried out as soon as possible in accordance with the contract (e.g. sixth unpaid monthly instalment for CNP Caution);

– securities pledges: The Group exercises its rights to the maximum after ten months of subsequent unpaid monthly instalments, unless justified.

The contagion rule

Two types of contagions are distinguished:

– Customer-contract contagion (or customer contract);

– Customer to customer contagion.

And two sources of contagion:

– The event triggering entry into the doubtful category occurs at the customer level, for example, as a result of debt overhang or personal or collective recovery proceedings (reorganisation, judicial liquidation, etc.).

– The event triggering entry into the doubtful category occurs at the contract level: for example, an unpaid monthly instalment aged more than six months.

If one of the customer's proprietary contracts is doubtful, the customer systematically enters into the doubtful category and all of their contracts, including those for which they are a co-borrower. The extension of contagion to the co-borrower, which is a customer to customer contagion event, should be addressed on a case-by-case basis.

If one of the customer's contracts, held jointly, is doubtful, all customers related to the contract systematically enter into the doubtful category, as well as all of their contracts.

## 1.4 THE SPECIFIC CASE OF OVER INDEBTEDNESS

The handling of debt overhangs is governed by a legal procedure. In advance, the banking inclusion and prevention of over-indebtedness charter (*Charte d'inclusion bancaire et de prévention du surendettement*), provided for by the French Banking Act of July 2013, completes this procedure. The Charter lays down the conditions under which credit institutions must provide themselves with a mechanism for early detection and treatment of customer difficulties. It includes commitments in terms of staff training and reporting on measures taken with regard to banking inclusion and the prevention of over-indebtedness.

Prior to declaring the file: prevention

Prevention actions, similar to those undertaken on files with potential risk, are to be undertaken.

When contacting customers, targeted questions will provide an overview of their financial situation. Solutions will then be explored with customers to prevent over-indebtedness: Restructuring, partner credit buyback, out-of-court sale, etc.

After admissibility: dynamic file management.

On receipt of the plan proposal, after analysis, a challenge is possible to require, for example, the maintenance of the initial or minimum cash flow conditions (insurance premium, collection of the legal minimum interest rate, etc.).

At plan lapse: Exercise of remedies

After a formal notice remains unsuccessful for 15 days, the plan has lapsed. The creditor may then resume the recovery procedure and exercise its remedies.

The specific operational features of debt overhangs can lead to specialised and dedicated management of this business to:

– ensure and guarantee relations with the committees;

– negotiate proposals for plans with the committees;

– ensure and guarantee the monitoring of clients in the debt overhang procedure;

– carry out the implementation and monitor the plans.

## 2. TAKING COLLATERAL RECEIVED INTO ACCOUNT

As a matter of principle, the consideration of collateral is one of the important factors in reducing the capital requirement.

### 2.1. The collateral framework

Collateral received can be broken down into four categories:

| Type of collateral | Guarantees |
|---|---|
| Mortgage guarantees | • Senior Mortgage<br>• Other mortgage guarantees (lender of money privileges, subrogations in seller's privilege, etc.)<br>• Mortgage guarantor |
| Institutional guarantees | • Guarantee on first demand (CNP Caution, MNCAP, etc.)<br>• Final loss guarantee (FGAS, MNCAP, etc.) |
| Transferable securities | • Pledge of life insurance contracts<br>• Pledge of securities<br>• Pledge of capitalisation bonds<br>• Pledge of SCI shares |
| Other guarantees | • Individual guarantor<br>• Mortgage assignment promise<br>• Delegation of rent<br>• Promise of delegation of rent<br>• Irrevocable redemption order<br>• Other guarantees |

### 2.2. Valuation of collateral

Different valuation methods are possible depending on the nature of the collateral.

Mortgage guarantees

Any property valuation must be in accordance with the French property appraisal charter (*Charte de l'expertise en évaluation immobilière*) and carried out independently by the operational departments in charge of impairment. The rules for carrying out real estate valuations are set out in an instruction note.

Non-index based methods

The property expert remains free to choose the principles and methods appropriate to the conclusions that they produce. The methods at their disposal include:

– the comparison method: Deduction of the value of a property from the analysis of the price obtained in the recent sale or lease of other property that is as similar as possible. This is the most common method and is adapted to the valuation of residential real estate. Depending on the situation, it can be cross referenced by the capitalisation method.

– capitalisation methods (including Gordon Shapiro): An existing income or a theoretical/potential income (market rental value if the expert is satisfied that there is a rental property market - if not, a comparison method applies) is used and then capitalised using a financial rate recorded on the investment market. This is the most common method, adapted to the valuation of rental property (furnished professional or non-professional rental properties (LMP/LMNP in French) or residential real estate leasing).

– the 'land and buildings' (sol et construction in French) method: This particular method consists of assessing separately the two components of the building, the land on the one hand and the buildings on the other. The value of the land is determined by comparison with approved transactions or bids in progress for land of the same capacity, the same type, and with identical building rights. The value of buildings is determined based on the new construction value of the buildings less a different wear-and-tear rate depending on the different elements of the construction. This methodology is appropriate for the assessment of undeveloped land, recent homes, incomplete buildings or damaged property.

The level of liquidity of the property and the upgrading work, if necessary for the purpose of selling the property, are mentioned in the appraisal report or value opinion (if the expert cannot enter the premises) or in the valuation in general.

Index methods

These methods consist of applying an index or coefficient of variation to a previous value, a net original selling value or discounted using a non-index method (example: PERVAL index). The application of the ‘Perval’ index (INSEE and French property lawyers' real estate index, based on the PERVAL real estate database) may be irrelevant in very volatile or shallow markets. This method will be applied systematically only to deep markets, that is to say to municipalities with more than 3,000 inhabitants. Below that, an additional market study (based on documentation) or a site visit will be carried out. A volatility analysis of the PERVAL index on municipalities from 3,000 to 10,000 inhabitants will also be carried out to ensure the relevance of the application of the index on these areas.

Institutional guarantees

Guarantee on first demand

The sole occurrence of default by the customer under the terms of the contract is sufficient to implement the guarantor's responsibility, who must meet the payment obligation on first demand. Subject to eligibility, the value of the guarantor's commitment is therefore equal to the amount defined in the contract (CNP Caution, CECG, etc.).

The eligibility of the guarantee must be verified no later than the occurrence of the third unpaid monthly instalment. This control must be subject to a standardised factsheet and first level control. If eligibility appears to be compromised, the file must follow the traditional recovery path and security of the receivable is required (e.g.: taking a judicial mortgage, attachment, etc.).

Final loss guarantee

Certain guarantees limit the final loss guarantee. The amount of the guarantee to be taken into account is therefore equal to the estimated loss after the other possible guarantees/collateral has/have been realised.

Transferable securities

The value of the collateral is the market value of the assets. Given the high volatility of the financial markets, a 50% allowance may be applied, excluding life insurance contracts invested in euro funds.

Other guarantees

Other guarantees are valued at zero by default unless decided by the credit risk committee in accordance with the delegation chain instruction.

2.3. The frequency with which collateral is valued

Mortgage guarantees

An instruction note details the thresholds, frequencies and valuation methods for mortgage guarantees based on the different levels of risk (potential risks, proven risks, doubtful files) and the outstanding capital.

Institutional guarantees

The value of the guarantee may be reviewed in the event of a change in the conditions of reimbursement by the insurance company.

Transferable securities

The frequency of revaluation to the market price is annual and systematic, at entry into the doubtful category and 12 months before the final maturity of a loan ultimately secured by the pledge, notwithstanding the date of the last valuation.

## USE OF PROCEEDS

The proceeds of the issue of the Class A Notes (excluding the Class A Notes Issuance Premium) will amount to EUR 650,000,000, the proceeds of the issue of the Class B Notes will amount to EUR 24,800,000, the proceeds of the issue of the Class C Notes will amount to EUR 35,600,000 and the proceeds of the issue of the Residual Units will amount to EUR 3,624. These sums will be applied by the Management Company, acting for and on behalf of the Issuer, to pay the Purchase Price of the Home Loan Receivables and their Ancillary Rights to the Seller pursuant to the Home Loan Receivables Transfer Agreement.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions for the Notes in the form 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, the Paying Agency Agreement and the other Transaction Documents (each as defined below).*

*Simultaneously with the Notes, the Issuer shall issue EUR 3,624 Asset-Backed Residual Units due 27 November 2062 (the "**Residual Units**").*

### 1. INTRODUCTION

(a) **Issue of the Notes**

The EUR 650,000,000 Class A Asset Backed Floating Rate Notes due 27 November 2062 (the "**Class A Notes**"), the EUR 24,800,000 Class B Asset Backed Floating Rate Notes due 27 November 2062 (the "**Class B Notes**", together with the Class A Notes, the "**Listed Notes**") and the EUR 35,600,000 Class C Asset Backed Fixed Rate Notes due 27 November 2062 (the "**Class C Notes**", together with the Listed Notes, the "**Notes**") will be issued by HARMONY FRENCH HOME LOANS FCT 2019-1, a French *fonds commun de titrisation* regulated and governed by Articles L. 214-167 to L. 214-186 and Articles R. 214-217 to R. 214-235 of the French Monetary and Financial Code (the "**Issuer**") on 4 November 2019 (the "**Issue Date**") pursuant to the terms of the Issuer Regulations entered into between the Management Company and the Custodian on 30 October 2019.

(b) **Paying Agency Agreement**

The Notes are issued with the benefit of a paying agency agreement (the "**Paying Agency Agreement**") dated 30 October 2019 between the Management Company, the Custodian, the Listing Agent and BNP PARIBAS Securities Services, as paying agent (the "**Paying Agent**", which expression shall, where the context so admits, include any successor for the time being as Paying Agent and the other paying agent named therein) (and any successors for the time being of the Paying Agent or any additional paying agent appointed thereunder from time to time). Listed Noteholders are deemed to have notice of the provisions of the Paying Agency Agreement applicable to them. Certain statements in these Conditions are subject to the detailed provisions of the Paying Agency Agreement, copies of which are available for inspection at the specified offices of the Paying Agent.

### 2. DEFINITIONS AND INTERPRETATION

Terms used and not otherwise defined in these Conditions have the meaning given to them in section "GLOSSARY OF TERMS" of this Prospectus.

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

Any reference to a "**Class of Notes**" or Noteholders shall be a reference to any, or all of, the respective Class A Notes, the Class B Notes and the Class C Notes or any or all of their respective holders, as the case may be.

The holders of the Class A Notes, the Class B Notes and the Class C Notes (each, a "**Noteholder**" and, collectively, the "**Noteholders**") are referred to, from time to time, in these terms and conditions as the "**Class A Noteholders**", the "**Class B Noteholders**" and the "**Class C Noteholders**", respectively.

The Class A Noteholders and the Class B Noteholders are together the "**Listed Noteholders**".

## 3. FORM, DENOMINATION AND TITLE

### (a) Form and Denomination

The Listed Notes of each Class will be issued by the Issuer in bearer dematerialised form in the denomination of EUR 100,000 each.

The Class C Notes will be issued by the Issuer in registered dematerialised form in the denomination of EUR 100,000 each.

### (b) Title

Title to the Listed Notes will be evidenced in accordance with Article L.211-3 of the French Monetary and Financial Code by book-entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of French Monetary and Financial Code) will be issued in respect of the Listed Notes. The Listed Notes will, upon issue, be inscribed in the books (*inscription en compte*) of Euroclear France which shall credit the accounts of the Euroclear France Account Holders. For the purpose of these Conditions, "**Euroclear France Account Holder**" shall mean any authorised financial intermediary institution entitled to hold accounts, directly or indirectly, on behalf of its customers with Euroclear France and Clearstream Banking S.A. ("**Clearstream**"). Title to the Listed Notes shall be evidenced by entries in the books of Euroclear France Account Holders and will pass upon, and transfer of Listed Notes may only be effected through, registration of the transfer in such books.

## 4. STATUS, RANKING, PRIORITY AND RELATIONSHIP BETWEEN THE CLASSES OF NOTES AND THE RESIDUAL UNITS

### (a) Status and Ranking of the Notes

(i) Class A Notes

The Class A Notes when issued will constitute direct, unconditional and, subject as provided in Condition 4(b) (*Relationship between the Notes and the Residual Units*), Condition 14 (*Subordination by Deferral of Interest and Subordinated Step-up Consideration*) and Condition 17 (*Non Petition and Limited Recourse*), unsubordinated obligations of the Issuer and all payments of principal and interest (and arrears, if any) on the Class A Notes shall be made to the extent of the Available Distribution Amount and in accordance with the applicable Priority of Payments. The Class A Notes rank *pari passu* without preference or priority among themselves. The Class B Notes and the Class C Notes are subordinated to the Class A Notes as to payments of interest and principal at all times as provided in these Conditions and the Issuer Regulations.

(ii) Class B Notes

The Class B Notes when issued will constitute direct, unconditional and, subject as provided in Condition 4(b) (*Relationship between the Notes and the Residual Units*), Condition 14 (*Subordination by Deferral of Interest and Subordinated Step-up Consideration*) and Condition 17 (*Non Petition and Limited Recourse*) and, subordinated obligations of the Issuer and all payments of principal and interest (and arrears, if any) on the Class B Notes shall be made to the extent of the Available Distribution Amount and in accordance with the applicable Priority of Payments. The Class B Notes rank *pari passu* without preference or priority among themselves. The Class B Notes are subordinated to the Class A Notes as to payments of interest and principal at all times as provided in these Conditions and the Issuer Regulations.

(iii) Class C Notes

The Class C Notes when issued will constitute direct, unconditional and, subject as provided in Condition 4(b) (*Relationship between the Notes and the Residual Units*), Condition 14 (*Subordination by Deferral of Interest and Subordinated Step-up Consideration*) and Condition 17 (*Non Petition and Limited Recourse*) and, subordinated obligations of the Issuer and all payments of principal and interest (and arrears, if any) on the Class C Notes shall be made to the extent of the Available Distribution Amount and in accordance with the applicable Priority of Payments. The Class C Notes rank *pari passu* without preference or priority among themselves. The Class C Notes are subordinated to the Class A Notes and the Class B Notes as to payments of interest and principal at all times as provided in these Conditions and the Issuer Regulations.

(b) **Relationship between the Notes and the Residual Units**

(i) During the Normal Amortisation Period and in accordance with the Interest Priority of Payments:

(a) payments of interest on the Class A Notes will be made in priority to payments of interest on the Class B Notes, the Class C Notes and the Residual Units;

(b) payments of interest on the Class B Notes will be subordinated to payments of interest on the Class A Notes, but will be made in priority to payments of interest on the Class C Notes and the Residual Units;

(c) payments of interest on the Class C Notes will be subordinated to payments of interest on the Class A Notes and the Class B Notes, but will be made in priority to payments of interest on the Residual Units;

(d) The obligation of the Issuer to pay the Subordinated Step-up Consideration in respect of any Class of Listed Notes, unless an Accelerated Amortisation Event has occurred, is subordinated to payments of a higher order of priority including, but not limited to, payments of principal and interest on the Class A Notes, the Class B Notes and the Class C Notes in accordance with the Interest Priority of Payments.

(ii) During the Normal Amortisation Period only on each Payment Date, payments of principal in respect of the Notes will be made in sequential order at all times in accordance with the Principal Priority of Payments and therefore the Class B Notes will not be further redeemed for so long as the Class A Notes have not been redeemed in full and the Class C Notes will not be further redeemed for so long as the Class B Notes have not been redeemed in full.

(iii) During the Accelerated Amortisation Period only and in accordance with the Accelerated Priority of Payments:

(a) payments of interest and principal on the Class A Notes will be made in priority to payments of interest and principal on the Class B Notes, the Class C Notes and the Residual Units and no payment on the Class B Notes, the Class C Notes and the Residual Units shall be made for so long as the Class A Notes have not been fully redeemed;

(b) once the Class A Notes have been fully redeemed, payments of interest and principal on the Class B Notes will be made in priority to payments of interest and principal on the Class C Notes and the Residual Units and no payment on the Class C Notes and the Residual Units shall be made for so long as the Class B Notes have not been fully redeemed;

(c) once the Class B Notes have been fully redeemed, payments of interest and principal on the Class C Notes will be made in priority to payments of interest and principal on the Residual Units and no payment on the Residual Units shall be made for so long as the Class C Notes have not been fully redeemed;

(d) once the Class C Notes have been fully redeemed, payments of interest and principal on the Residual Units.

Each Class of Notes shall be redeemed in full on a *pari passu* basis and *pro rata* to the extent of Available Distribution Amount on each Payment Date subject to the applicable Accelerated Priority of Payments.

Once the Class A Notes have been redeemed in full, the Class B Notes shall be redeemed in full to the extent of Available Distribution Amount on each Payment Date subject to the applicable Accelerated Priority of Payments.

Once the Class B Notes have been redeemed in full, the Class C Notes shall be redeemed in full to the extent of Available Distribution Amount on each Payment Date subject to the applicable Accelerated Priority of Payments.

Once the Class C Notes have been redeemed in full, the Residual Units shall be redeemed in full to the extent of Available Distribution Amount subject to the applicable Accelerated Priority of Payments.

## 5. PRIORITIES OF PAYMENTS

On each Payment Date, payments on the Notes shall be made by the Issuer in accordance with the Priority of Payments.

## 6. INTEREST AND SUBORDINATED STEP-UP CONSIDERATION

### (a) Payment Dates and Interest Periods

(i) Payment Dates:

Interest in respect of the Notes will be payable quarterly on the 27th calendar day of February, May, August and November in each year), or if such day is not a Business Day, the immediately following Business Day provided that such Business Day falls in the same month, if not, the immediately preceding Business Day; provided that the first Payment Date (the "**First Payment Date**") will fall on 27 February 2020.

(ii) Interest Periods:

Interest on each Note will accrue and will be payable by reference to successive Interest Period. In these Conditions, a "**Interest Period**" means, in respect of each Note, for any Payment Date, any period beginning on (and including) the previous Payment Date and ending on (but excluding) such Payment Date, save for the first Interest Period which shall begin on (and include) the Closing Date and shall end on (but exclude) the first Payment Date.

### (b) Interest Accrual

Each Note of any Class will bear interest on its Principal Amount Outstanding from (and including) the Issue Date until the later of (x) the date on which the Principal Amount Outstanding of such Note is reduced to zero or (y) the Issuer Liquidation Date or (y) the Final Maturity Date.

Each Note of any Class (or, in the case of the redemption of part only of a Note of any Class, such part of such Note) shall cease to bear interest from the date on which the

Principal Amount Outstanding on such Notes is reduced to zero or if such Notes are not entirely redeemed at that date, on the Final Maturity Date. If payment of the related amount of principal or any part thereof is improperly withheld or refused, interest will continue to accrue thereon (notwithstanding the existence of any outstanding judgement in relation thereto) at the rate applicable to such Note up to (but excluding) the date on which, payment in full of the related amount of principal, together with the interest accrued thereon, is made by the Issuer.

Whenever it is necessary to compute an amount of interest or the Subordinated Step-up Consideration in respect of any Class A Note or Class B Note for any period (including any Interest Period), such interest or Subordinated Step-up Consideration shall be calculated in respect of the Principal Amount Outstanding of the relevant Class of Listed Notes and on the basis of the actual days elapsed in such period and a 360 day year.

(c) **Interest on the Notes**

(i) Rate of Interest:

For each Interest Period:

(i) the interest rate applicable to the Class A Notes shall be three-month Euribor plus the Relevant Margin subject to a floor at 0.00 per cent. per annum (the "**Class A Notes Interest Rate**");

(ii) the interest rate applicable to the Class B Notes shall be three-month Euribor plus the Relevant Margin subject to a floor at 0.00 per cent. per annum (the "**Class B Notes Interest Rate**"); and

(iii) the interest rate applicable to the Class C Notes shall be 2.50 per cent. per annum (the "**Class C Notes Interest Rate**").

(ii) Relevant Margins:

The respective Relevant Margins of the Listed Notes are:

(i) 0.70 per cent. for the Class A Notes; and

(ii) 0.95 per cent. for the Class B Notes.

(d) **Subordinated Step-up Consideration following the First Optional Redemption Date**

If on the First Optional Redemption Date the Class A Notes and the Class B Notes will not have been redeemed in full, on each Payment Date following the First Optional Redemption Date, the relevant Subordinated Step-up Consideration will be due to the Class A Noteholders and the Class B Noteholders, respectively.

The Subordinated Step-up Margin applicable to the Class A Notes and the Class B Notes will be equal to:

(i) for the Class A Notes, 0.70 per cent. per annum; and

(ii) for the Class B Notes, 0.475 per cent. per annum.

(e) **Euribor**

On each Interest Rate Determination Date the Management Company shall determine the rate of interest applicable in respect of each Class of Listed Notes, and calculate the amount of interest payable in respect of each Class of Listed Notes on the relevant Payment Date.

The Class A Notes Interest Rate and the Class B Notes Interest Rate for any Interest Period between the Closing Date and the replacement of Euribor following the occurrence of a Benchmark Event shall be respectively determined by the Management Company, acting

for and on behalf of the Issuer, on the following basis:

(i) on the Interest Rate Determination Date, the Management Company will determine the interest rate applicable to deposits in euros in the Eurozone for a period of three (3) months which appears on the display page so designated on the Reuters service as the EURIBOR01 Page (the "**Screen Rate**") (or such replacement page with the service which displays this information) at about 11.00 a.m. (Paris time) on such Interest Rate Determination Date;

(ii) if, on any Interest Rate Determination Date, the Screen Rate is unavailable at such time and on such date (or such other page as aforesaid), the Management Company will determine the interest rate for deposits in euro for a period of three (3) months quoted on any electronic rate information page or pages as may be selected by it displaying quotes for the Euribor rate on the Interest Rate Determination Date in question being, if more than one rate is quoted and the rates quoted are not the same, the arithmetic mean (rounded to five decimal places, 0.000005 being rounded upwards) of the rates so quoted;

(iii) if, on any Interest Rate Determination Date, the Screen Rate is unavailable at such time and on such date (or such other page as aforesaid) or pursuant to (ii) above for the Interest Period of the Listed Notes, the Management Company will request the principal Eurozone office of each of Reference Banks to provide the Management Company with their quoted rates to prime banks in the Eurozone for three (3) month euro deposits in the Eurozone interbank market as at or about 11.00 a.m. (Paris time) in each case on the Interest Rate Determination Date in question. The Euribor for three (3) month euro deposits shall be determined as the arithmetic mean (rounded to five decimal places, 0.000005 being rounded up) of the offered quotations of those Reference Banks. If, on any such Interest Rate Determination Date, only two or three of the Reference Banks provide such offered quotations to the Management Company, Euribor for three (3) month euro deposits shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If, on any such Interest Rate Determination Date, only one or none of the Reference Banks provides the Management Company with such an offered quotation, the Management Company shall select two banks (or, where only one of the Reference Banks provides such a quotation, one additional bank) to provide such a quotation or quotations to the Management Company and Euribor for three (3) month euro deposits shall be determined, as aforesaid, on the basis of the offered quotations of such banks as so agreed (or, as the case may be, the offered quotations of such bank as so selected and the relevant Reference Bank). If no such bank or banks is or are so selected or such bank or banks as so selected does or do not provide such a quotation or quotations, then Euribor for three (3) month euro deposits shall be the Euribor rate in effect for the last preceding Interest Period to which sub-paragraph (i) or (ii) or the foregoing provisions of this sub-paragraph (iii) shall have applied.

(iv) If there has been a public announcement of the permanent or indefinite discontinuation or cessation of EURIBOR that applies to the Listed Notes at that time, Condition 12(c) (*Additional Right of Modification without Noteholders' consent in relation to EURIBOR Discontinuation or Cessation*) shall apply.

(f) **Day Count Fraction**

In these Conditions, Day Count Fraction means:

(i) with respect to the Listed Notes: the actual number of days in the relevant Interest Period divided by 360 (the "**Floating Rate Day Count Fraction**").

(ii) with respect to the Class C Notes: the actual number of days in the relevant Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year,

the sum of (a) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365 (the "**Fixed Rate Day Count Fraction**").

(g) **Determination of Rate of Interest; Calculations of Notes Interest Amount and the Subordinated Step-up Consideration payable in respect of each Class of Listed Notes**

(i) Determination of the Rate of Interest of the Listed Notes

On each Interest Rate Determination Date the Management Company shall determine the rate of interest applicable in respect of each Class of Notes, and calculate the amount of interest payable in respect of each Class of Listed Notes (the "**Class A Notes Interest Amount**" and the "**Class B Notes Interest Amount**") on the relevant Payment Date.

(ii) Calculations of the Class A Notes Interest Amount and the Class B Notes Interest Amount

The Class A Notes Interest Amount and the Class B Notes Interest Amount payable in respect of each Interest Period shall be calculated by applying the relevant rate of interest to the Principal Amount Outstanding of the relevant Class of Listed Notes as of the Payment Date at the commencement of such Interest Period (or the Issue Date for the first Interest Period), multiplying the product of such calculation by the Floating Rate Day Count Fraction, and rounding the resultant figure to the lower cent. The Management Company will promptly notify the rate of interest in respect of each Class of Listed Notes and the Class A Notes Interest Amount and the Class B Notes Interest Amount with respect to each Interest Period and the relevant Payment Date to the Paying Agent.

(iii) Calculations of the Subordinated Step-up Consideration

The Subordinated Step-up Consideration payable in respect of each Class of Listed Notes will be calculated by the Management Company on each Interest Rate Determination Date after the First Optional Redemption Date.

(iv) Notification of the Class A Notes Interest Amount and the Class B Notes Interest Amount

The Management Company shall notify the Class A Notes Interest Amount and the Class B Notes Interest Amount applicable for the relevant Interest Period and the relative Payment Date to the Paying Agent and for so long as the Listed Notes are listed on Euronext Paris the Paying Agent shall notify Euronext Paris and will publish the same in accordance with Condition 13 (*Notice to the Noteholders*) as soon as possible after their determination but in no event later than the fifth ($5^{th}$) Business Day thereafter.

(v) Determinations binding:

All notifications, certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purpose of the provisions of this Condition whether by the Reference Banks (or any of them) or the Management Company shall (in the absence of wilful default (*faute dolosive*), bad faith (*mauvaise foi*) or manifest error (*erreur manifeste*)) be binding on the Management Company, the Custodian, the Issuer, Euronext Paris on which the Notes are for the time being listed, the Reference Banks, the Paying Agent and the Noteholders.

(vi) Reference Banks:

The Management Company shall procure that, so long as any of the Listed Notes remains outstanding, there will be at all times four Reference Banks for the determination of the EURIBOR Reference Rate. The Management Company reserves the right at any time to terminate the appointment of a Reference Bank and designate a substitute Reference Bank. Notice of any such substitution will be given to the Custodian and the Paying Agent.

(vii) Determination of the Class C Notes Interest Amount:

The amount of interest payable in respect of the Class C Notes (the "**Class C Notes Interest Amount**") shall be calculated by the Management Company.

On each Payment Date the Class C Notes Interest Amount shall be calculated not later than on the first day of each Interest Period by applying the Class C Notes Interest Rate to the Principal Amount Outstanding of the Class C Notes on the first day of the relevant Interest Period (after making any payments of principal in respect thereof) and multiplying the product by the Fixed Rate Day Count Fraction, and rounding the resultant figure to the lower cent.

## 7. REDEMPTION

### (a) Redemption at Maturity

Unless previously redeemed in full and cancelled as provided below, the Issuer will redeem the Notes at their respective Principal Amount Outstanding (together with accrued but unpaid interest up to but excluding the date of redemption) on the Payment Date falling in November 2062 (the "**Final Maturity Date**") in accordance with the applicable Priority of Payments.

The Issuer may not redeem Notes in whole or in part prior to the Final Maturity Date, except as described in this Condition 7.

### (b) Normal Amortisation Period

During the Normal Amortisation Period on each Payment Date, payments of principal in respect of the Notes will be made in sequential order at all times in accordance with the Principal Priority of Payments and therefore the Class B Notes will not be further redeemed for so long as the Class A Notes have not been redeemed in full and the Class C Notes will not be further redeemed for so long as the Class B Notes have not been redeemed in full.

### (c) Accelerated Amortisation Period

Following the occurrence of an Accelerated Amortisation Event, the Notes shall be subject to mandatory redemption on each Payment Date on or after the date on which the Accelerated Amortisation Event has occurred until the earlier of (x) the date on which the Principal Amount Outstanding of each Class of Notes is reduced to zero, (y) the Issuer Liquidation Date or (y) the Final Maturity Date, in accordance with the applicable Accelerated Priority of Payments.

### (d) Determination of the amortisation of the Notes

(i) Calculation of the Notes Amortisation Amount of each Class of Notes, the Notes Principal Payment and the Principal Amount Outstanding of each Class of Notes during the Normal Amortisation Period:

Each Class of Notes shall be redeemed on each Payment Date falling within the Normal Amortisation Period in an amount equal to the relevant Notes Principal Payment.

Pursuant to the Issuer Regulations, the Management Company shall calculate, in relation to any Payment Date:

(i) the Notes Amortisation Amount for the relevant Class of Notes;

(ii) the Notes Principal Payment due and payable in respect of the relevant Class of Notes; and

(iii) the Notes Principal Amount Outstanding for the relevant Class of Notes.

The Notes Principal Payment in respect of a Class of Note will be equal to (x) the Notes Amortisation Amount of such Class divided by the number of outstanding Notes of such class (the result of (x) being rounded down to the nearest euro cent), provided that no Notes Principal Payment shall exceed the Principal Amount Outstanding of a Note of such Class, as calculated by the Management Company before such payment.

The difference (if any) between (i) the Notes Amortisation Amount and (ii) the product of (a) the Notes Principal Payment and (b) the number of outstanding Notes for a particular Class of Notes (due to the rounding for the payment on a single Note of any Class) will be kept on the General Account and will form part of the Available Distribution Amount on the next Payment Date.

Each calculation by the Management Company of the Notes Amortisation Amount, the Notes Principal Payment an, the Principal Amount Outstanding of a Class of Notes and the Principal Amount Outstanding of a Note of any Class shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Management Company will cause each determination of the Notes Amortisation Amount and the Principal Amount Outstanding of a Class of Notes to be notified in writing forthwith to the Paying Agent, the Account Bank and, for so long as the Listed Notes are admitted to trading on Euronext Paris.

(ii) Accelerated Amortisation Period:

During the Accelerated Amortisation Period, and from the Payment Date following the date on which an Accelerated Amortisation Event has occurred and until the earlier of (x) the date on which the Principal Amount Outstanding of each Class of Notes is reduced to zero, (y) the Issuer Liquidation Date or (z) the Final Maturity Date, each Class of Notes shall be repaid to the extent of the Available Distribution Amount on each Payment Date until redeemed in full, in accordance with the Accelerated Priority of Payments.

(e) **Optional Redemption of all Notes upon the exercise of the Seller Call Option**

The Seller will have the right (but not the obligation), subject to the satisfaction of the Seller Call Option Conditions Precedent, to repurchase all (but not part) of the Purchased Home Loan Receivables (the "**Seller Call Option**") on the First Optional Redemption Date (the "**FORD**") subject to prior notice (the "**Seller Call Option Notice**") to the Management Company.

If not exercised by CIFD on the FORD, the Seller Call Option may be exercised by CIFD thereafter on any subsequent Optional Redemption Date.

The Seller Call Option Notice shall be sent no later than on a Servicer Report Date in respect of a Payment Date on which the Seller Call Option is intended to be exercised and the Repurchase Date shall be the Optional Redemption Date following such Servicer Report Date.

The Seller shall be entitled to substitute any entity in the benefit of the Seller Call Option.

The exercise of the Seller Call Option shall be irrevocable and binding on the Seller when delivered to the Management Company.

On each Optional Redemption Date the Issuer will redeem the Notes at their Principal Amount Outstanding, together with interest and Subordinated Step-up Consideration accrued up to and including the date of redemption.

The Issuer shall apply on the applicable Payment Date the Available Distribution Amount in accordance with the applicable Priority of Payments.

(f) **Optional Redemption of all Notes upon the occurrence of a Note Tax Event**

If a Note Tax Event has occurred and a Note Tax Event Notice has been delivered by the Management Company (acting for and on behalf of the Issuer) to the Seller, the Custodian, the Paying Agent and the Noteholders in accordance with Condition 13 (*Notice to the Noteholders*) and if the Noteholders of each Class of Listed Notes outstanding have passed Extraordinary Resolutions to instruct the Management Company, acting for and on behalf of the Issuer, to dispose of all (but not part) of the Purchased Home Loan Receivables, then the Management Company the Management Company shall offer all (but not part) of the Purchased Home Loan Receivables to the Seller for an amount equal to the Repurchase Price, to which the Seller shall, to the extent it wishes to purchase such Purchased Home Loan Receivables, provide his acceptance within ten (10) Business Days by serving notice stating the intended date of repurchase which shall fall no less than five (5) Business Days and no more than ten (10) Business Days after the date of the offer. If the Seller accepts the offer, the Seller should deliver to the Management Company a solvency certificate duly signed by an authorised representative of the Seller dated no more than three (3) Business Days prior to the Repurchase Date.

On each Optional Redemption Date the Issuer will redeem the Notes at their Principal Amount Outstanding, together with interest and Subordinated Step-up Consideration accrued up to and including the date of redemption.

The Issuer shall apply on the applicable Payment Date the Available Distribution Amount in accordance with the applicable Priority of Payments.

(g) **No purchase by the Issuer**

The Issuer shall not purchase any of the Notes.

(h) **Cancellation**

All Notes which are redeemed by the Issuer pursuant to paragraphs (a) to (g) of this Condition 7 will be cancelled and accordingly may not be reissued or resold.

(i) **Other methods of redemption**

The Notes shall only be redeemed as specified in these Conditions.

## 8. PAYMENTS ON THE NOTES AND PAYING AGENT

(a) **Payments of Notes Interest Amount in respect of the Notes and payments of Subordinated Step-up Considerations after the First Optional Redemption Date in respect of the Listed Notes**

Payments of Notes Interest Amount in respect of the Notes and payments of the Subordinated Step-up Considerations after the First Optional Redemption Date in respect of the Listed Notes shall become due and payable on each Payment Date subject to the applicable Priority of Payments:

(i) the Class A Notes Interest Amount payable for such Payment Date, to be paid to the holders of the Class A Notes;

(ii) the Class B Notes Interest Amount payable for such Payment Date, to be paid to the holders of the Class B Notes;

(iii) the Class C Notes Interest Amount payable for such Payment Date, to be paid to the holders of the Class C Notes;

(iv) after the First Optional Redemption Date, the Class A Notes Subordinated Step-up Consideration payable for such Payment Date, to be paid to the holders of the Class A Notes; and

(vi) after the First Optional Redemption Date, the Class B Notes Subordinated Step-up Consideration payable for such Payment Date, to be paid to the holders of the Class B Notes.

(b) **Payment of principal**

Payments of principal on the Notes will be made on each Payment Date in accordance with Condition 7 (*Redemption*) and subject to the applicable Priority of Payments.

(c) **Method of Payment**

Payments of principal and interest in respect of the Listed 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 TARGET System (as defined below). Such payments shall be made for the benefit of the Noteholders to the Account Holders (including the depositary banks for Euroclear and Clearstream) and all payments validly made to such Account Holders in favour of the Listed Noteholders will be an effective discharge of the Issuer and the Paying Agent, as the case may be, in respect of such payment.

(d) **Payments subject to fiscal laws**

Payments in respect of principal and interest on the Notes will, in all cases, be made subject to any fiscal or other laws and regulations applicable thereto. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(e) **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, payment shall not be made of the amount due and credit or transfer instructions shall not be given in respect thereof until the immediately following Business Day unless such Business Day falls in the next calendar month in which case such Payment Date shall be brought forward to the immediately preceding Business Day. If any payment is postponed as a result of the foregoing, the Noteholders shall not be entitled to any interest or other sums in respect of such postponed payment.

(f) **Paying Agent**

The Management Company and the Custodian have appointed BNP PARIBAS Securities Services as Paying Agent in accordance with the Paying Agency Agreement.

The initial specified office of the Paying Agent is as follows:

**BNP PARIBAS SECURITIES SERVICES**
3-5-7 rue du Général Compans
93500 Pantin
France

The Management Company reserves the right, without the consent or sanction of the Listed Noteholders, to vary or terminate and revoke the appointment of any Paying Agent and appoint additional or other paying agent, provided that it will at all times maintain a Paying

Agent having a specified office in Paris. Any amendments to the Paying Agency Agreement with respect to the termination of the Paying Agent shall promptly be given to the Rating Agencies and the holders of the Listed Notes in accordance with Condition 13 (*Notice to the Noteholders*).

## 9. TAXATION

### (a) Tax Exemption

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

### (b) No Additional Amounts

If French law or any other relevant law should require that any payment of principal or interest and other assimilated revenues in respect of the Notes be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the Republic of France or any authority therein or thereof having power to tax, payments of principal and interest and other assimilated revenues in respect of the Notes shall be made net of any such withholding tax or deduction for or on account of any French or any other tax law applicable to the Notes in any relevant state or jurisdiction and the Issuer shall be under no obligation to pay additional amounts as a consequence of any such withholding or deduction.

## 10. ACCELERATED AMORTISATION EVENTS

### (a) Accelerated Amortisation Event

Each of the following events will be treated as an "**Accelerated Amortisation Event**":

(a) the occurrence of an Issuer Event of Default; or

(b) an Issuer Liquidation Event has occurred and the Management Company has elected to liquidate the Issuer.

### (b) Consequences of an Accelerated Amortisation Event

If an Accelerated Amortisation Event occurs, the Normal Amortisation Period shall terminate and the Accelerated Amortisation Period shall irrevocably start on the Payment Date falling on or immediately after the occurrence of such Accelerated Amortisation Event.

The occurrence of an Accelerated Amortisation Event shall be reported to the Noteholders without undue delay in accordance with Condition 13 (*Notice to the Noteholders*).

### (c) Occurrence of an Issuer Event of Default

(i) Delivery of a Note Acceleration Notice

If:

(a) the default by the Issuer in the payment of any interest and/or principal on the Most Senior Class of Notes when the same becomes due and payable and such default continues for a period of five (5) Business Days, excluding the payment of any Subordinated Step-up Consideration; or

(b) the Issuer defaults in the payment of principal on any Class of Notes on the

Final Maturity Date,

each such event, an "**Issuer Event of Default**",

then the Management Company may, acting on its own behalf and in its absolute discretion, and shall, if so requested in writing by the Noteholders holding at least one-fifth in aggregate of the Principal Amount Outstanding of the Most Senior Class or if so directed by the Noteholders of the Most Senior Class of Notes acting by way of Extraordinary Resolution, deliver a written notice (a "**Note Acceleration Notice**") (with copy to the Custodian, the Seller, the Paying Agent and the Rating Agencies).

The Management Company shall promptly notify all Noteholders in writing (either in accordance with Condition 13 (*Notice to the Noteholders*) or individually) and the other Transaction Parties of the occurrence of an Issuer Event of Default.

(ii) Consequences of delivery of a Note Acceleration Notice

Upon the delivery of an Note Acceleration Notice, the Notes (but not some only) of each Class shall become immediately due and payable, without further action or formality, at their Principal Amount Outstanding together with any accrued (and unpaid) interest to the date of repayment, as of the date on which a copy of such Note Acceleration Notice for payment is received by the Paying Agent without further formality.

(d) **Rights of the Listed Noteholders**

Any Extraordinary Resolution (other than a Basic Terms Modification) passed at a General Meeting of the Listed Noteholders of the Most Senior Class, duly convened and held as aforesaid, shall also be binding upon all the holders of all Classes of Notes which are subordinated to the Most Senior Class and, in each case, all the holders of the relevant Class of Notes, whether or not absent or dissenting, shall be bound by such Extraordinary Resolution of the Listed Noteholders of the Most Senior Class irrespective of its effect upon such Noteholders and such Noteholders shall be bound to give effect to such Extraordinary Resolution of the Noteholders of the Most Senior Class accordingly and the passing of any such Extraordinary Resolution shall be conclusive evidence that the circumstances justify the passing thereof, *provided*, however, that to the extent that any Class A Note is then outstanding, no Extraordinary Resolution of the Class B Noteholders shall be effective unless (i) the Management Company is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders or (ii) (to the extent that the Management Company is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders.

## 11. MEETINGS OF LISTED NOTEHOLDERS

(a) **Introduction**

Pursuant to Article L. 213-6-3 I of the French Monetary and Financial Code the Listed Noteholders of each Class shall not be grouped in a *masse* having separate legal personality and acting in part through a representative (*représentant de la masse*) and through general meetings.

However the provisions of the French Commercial Code relating to general meetings of noteholders shall apply but whenever the words "*masse*" or "*représentant(s) de la masse*" appear in those provisions they shall be deemed unwritten.

Decisions may be taken by Listed Noteholders by way of Ordinary Resolution, Extraordinary Resolution or Written Resolution, by a Class of Listed Noteholders acting independently. Ordinary Resolutions and Extraordinary Resolutions can be effected either at a duly convened meeting of the applicable Listed Noteholders or by the applicable Listed

Noteholders resolving in writing, in each case, in at least the minimum percentages specified in this Condition 11 (*Meetings of Listed Noteholders*).

(b) **General Meetings of the Listed Noteholders of each Class**

(i) Prior to or after the occurrence of an Issuer Event of Default

Prior to or after the occurrence of an Issuer Event of Default, the Management Company, acting for and on behalf of the Issuer, may at any time, and Listed Noteholders holding not less than ten (10) per cent. of the Principal Amount Outstanding of the Listed Notes then outstanding of any Class are entitled to, upon requisition in writing to the Issuer, convene a Listed Noteholders' meeting (a "**General Meeting**") to consider any matter affecting their interests.

If, following a requisition from Noteholders of any Class of Listed Notes, such General Meeting has not been convened within thirty (30) calendar days after such requisition, the Listed Noteholders of each Class may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 13 (*Notice to the Noteholders*):

(a) at least thirty (30) calendar days (and no more than sixty (60) calendar days) for the initial General Meeting (exclusive of the day on which the notice is given and of the day of the meeting).

(b) at least ten (10) calendar days (and no more than twenty (20) calendar days) (exclusive of the day on which the notice is given and of the day of the meeting) of a General Meeting adjourned through want of quorum (and no more than twenty (20) calendar days in the case of an initial adjournment of a meeting at which an Extraordinary Resolution is to be proposed).

Each Listed Noteholder of each Class has the right to participate in a General Meeting in person, by proxy, by correspondence or by videoconference or by any other means of telecommunication allowing the identification of participating Listed Noteholders of each Class.

(ii) Following the occurrence of an Issuer Event of Default:

(a) Noteholders may, if they hold not less than one-fifth of the Principal Amount Outstanding of the Most Senior Class then outstanding or if the Noteholders of the Most Senior Class, pass an Extraordinary Resolution, instruct the Management Company to declare the commencement of the Accelerated Amortisation Period and the acceleration of all Classes of the Notes at their respective Principal Amount Outstanding together with accrued interest; and

(b) Noteholders of the Most Senior Class may pass an Extraordinary Resolution to instruct the Management Company, acting for and on behalf of the Issuer, to dispose of all (but not part) of the Purchased Home Loan Receivables. An Extraordinary Resolution passed at any meeting of the Noteholders of the Most Senior Class to instruct the Management Company to dispose of all (but not part) of the Purchased Home Loan Receivables shall be binding on such Noteholders and all other Classes of Noteholders irrespective of the effect it has upon them.

(iii) Entitlement to Vote

Each Listed Note carries the right to one vote.

(c) **Powers of the General Meetings of the Listed Noteholders of each Class**

(A) Convening of General Meeting

The Issuer Regulations contains provisions for convening meetings of the Listed Noteholders of each Class and, in certain cases, more than one Class to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions or the provisions of any of the Transaction Documents. General Meetings of Listed Noteholders shall be held in France.

(B) Powers

(i) The General Meetings of the Listed Noteholders of each Class may act with respect to any matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Listed Notes of each Class.

(ii) The General Meetings of the Listed Noteholders of each Class may further deliberate on any proposal relating to the modification of these Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not establish any unequal treatment between the Listed Noteholders of each Class.

(C) Ordinary Resolutions

(i) Quorum

The quorum at any General Meeting of Noteholders of any Class or Classes of Listed Notes for passing an Ordinary Resolution will be one or more persons holding or representing not less than twenty-five (25) per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Listed Notes, or, at any adjourned meeting, one or more persons being or representing a Listed Noteholder of the relevant Class or Classes, whatever the aggregate Principal Amount Outstanding of the Listed Notes of such Class or Classes held or represented by it or them.

(ii) Required majority

Decisions at General Meetings shall be taken by more than fifty (50) per cent. of votes cast by the Listed Noteholders attending such General Meetings or represented thereat for matters requiring Ordinary Resolution.

(iii) Relevant matters

Any matters (other than the matters which must only be sanctioned by an Extraordinary Resolution of each Class of Listed Noteholders) may only be sanctioned by an Ordinary Resolution of each Class of Listed Noteholders.

(D) Extraordinary Resolutions

(i) Quorum

(a) The quorum at any General Meeting of Listed Noteholders of any Class or Classes of Notes for passing an Extraordinary Resolution (other than in respect of a Basic Terms Modification) will be one or more persons holding or representing not less than fifty (50) per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Listed Notes, or, at any adjourned meeting, one or more persons holding or representing not less than twenty-five (25) per

cent. of the aggregate Principal Amount Outstanding of the Listed Notes of such Class or Classes.

(b) The quorum at any General Meeting of Listed Noteholders of any Class or Classes for passing an Extraordinary Resolution to sanction a Basic Terms Modification shall be one or more persons holding or representing not less than seventy-five (75) per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Listed Notes or, at any adjourned meeting, not less than fifty (50) per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Listed Notes.

(ii) Required majority

Decisions at General Meetings shall be taken by at least seventy-five (75) per cent. of votes cast by the Listed Noteholders attending such General Meetings or represented thereat for matters requiring Extraordinary Resolution.

(iii) Relevant matters

The following matters may only be sanctioned by an Extraordinary Resolution of each Class of Listed Noteholders:

(a) to approve any Basic Terms Modification;

(b) to approve any alteration of the provisions of the Conditions of the Notes or any Transaction Document which shall be proposed by the Management Company and are expressly required to be submitted to the Listed Noteholders in accordance with the provisions of the Conditions of the Notes or any Transaction Document;

(c) to authorise the Management Company or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;

(d) to give any other authorisation or approval which under the Issuer Regulations or the Listed Notes is required to be given by Extraordinary Resolution;

(e) with respect to the Noteholders of the Most Senior Class only, instruct the Management Company to declare the commencement of the Accelerated Amortisation Period and the acceleration of all Classes of the Notes at their respective Principal Amount Outstanding together with accrued interest upon the occurrence of an Issuer Event of Default;

(f) with respect to the Listed Noteholders of each Class of Notes, instruct the Management Company to dispose all (but not part) of the Purchased Home Loan Receivables upon the occurrence of a Note Tax Event;

(g) to appoint any persons as a committee to represent the interests of the Listed Noteholders and to convey upon such committee any powers which the Listed Noteholders could themselves exercise by Extraordinary Resolution,

*provided, however*, that no Extraordinary Resolution of the Listed Noteholders of any Class shall be effective unless (i) the Management Company is of the opinion that it will not be materially prejudicial to the

interests of the Most Senior Class or (ii) (to the extent that the Management Company is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Noteholders of the Most Senior Class.

(iv) Relationship between Classes

In relation to each Class of Notes the approval of a Basic Terms Modification may only be made by Extraordinary Resolution and no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of each of the other Classes of Notes affected (to the extent that there are outstanding Notes in each such other Classes).

(v) Notice to Noteholders

Any amendment to the Priority of Payments following an Extraordinary Resolution passed at a General Meeting or a Written Resolution which will materially adversely affect the repayment of the Notes shall be reported to the Noteholders and investors without undue delay in accordance with Condition 13 (*Notice to the Noteholders*).

(E) In accordance with Article R. 228-71 of the French Commercial Code, the right of each Noteholder of each Class to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting.

(F) Decisions of General Meetings of the Listed Noteholders of each Class must be published in accordance with the provisions set forth in Condition 13 (*Notice to the Noteholders*).

(d) **Chairman**

The Listed Noteholders of each Class present at a General Meeting shall choose one of their members to be chairman (the "**Chairman**") by a simple majority of votes present or represented at such General Meeting (notwithstanding the absence of a quorum at the time of such vote). If the Listed Noteholders fail to designate a Chairman, the Listed Noteholder holding or representing the highest number of Listed Notes and present at such meeting shall be appointed Chairman, failing which the Management Company, acting for and on behalf of the Issuer, may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as the Chairman of the original meeting from which the adjournment took place.

(e) **Written Resolution and Electronic Consent**

(A) Written Resolution

Pursuant to Article L. 228-46-1 of the French Commercial Code, the Management Company, acting for and on behalf of the Issuer, shall be entitled, in lieu of convening a General Meeting, to seek approval of a Resolution from the Listed Noteholders of any Class and, in certain circumstances, more than one Class, by way of a resolution in writing signed by or on behalf of all holders of Listed Notes of the relevant Class, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such Listed holders of the Notes (a "**Written Resolution**").

A Written Resolution has the same effect as an Ordinary Resolution or, as applicable, an Extraordinary Resolution.

Notice seeking the approval of a Written Resolution will be published as provided under Condition 13 (*Notice to the Noteholders*) not less than fifteen (15) calendar days prior to the date fixed for the passing of such Written Resolution (the "**Written Resolution Date**"). Notices seeking the approval of a Written Resolution will contain the conditions of form and time-limits to be complied with by the Listed Noteholders who wish to express their approval or rejection of such proposed Written Resolution. Noteholders expressing their approval or rejection before the Written Resolution Date will undertake not to dispose of their Listed Notes until after the Written Resolution Date.

(B) Electronic Consent

Pursuant to Article L. 228-46-1 of the French Commercial Code, approval of a Written Resolution may also be given by way of electronic communication ("**Electronic Consent**"). Noteholders may pass an Ordinary Resolution or an Extraordinary Resolution by way of electronic consents communicated through the electronic communications systems of the clearing system(s) to the Paying Agent or another specified agent and/or the Management Company in accordance with the operating rules and procedures of the relevant clearing system(s).

An Electronic Consent has the same effect as an Ordinary Resolution or, as applicable, an Extraordinary Resolution.

(f) **Effect of Resolutions**

Any Resolution passed at a General Meeting of Listed Noteholders of one or more Classes of Listed Notes duly convened and held in accordance with the Issuer Regulations and this Condition 11 (*Meetings of Listed Noteholders*) and a Written Resolution shall be binding on all Noteholders of each Class, regardless of whether or not a Noteholder was present at such General Meeting and whether or not, in the case of a Written Resolution, they have participated in such Written Resolution and each of them shall be bound to give effect to the Resolution accordingly. Any Resolution duly passed by a holder of any Listed Notes will be irrevocable and binding as to such holder and on all future holders of such Listed Notes, regardless of the date on which such Resolution was passed.

(g) **Information to the Noteholders**

Each Listed Noteholder will have the right, during the 15-day period preceding the holding of each General Meeting and Written Resolution Date, to consult or make a copy of the text of the Resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Listed Noteholders of each Class at the registered office of the Management Company, acting for and on behalf of the Issuer, at the specified offices of the Paying Agent and at any other place specified in the notice of the General Meeting or the Written Resolution.

(h) **Expenses**

The Issuer will pay all expenses relating to the calling and holding of General Meetings and seeking of a Written Resolution and, more generally, all administrative expenses resolved upon by the General Meeting or in writing by the Noteholders of each Class, it being expressly stipulated that no expenses may be imputed against interest payable under the Listed Notes of each Class. Such expenses shall always be paid in accordance with the applicable Priority of Payments.

## 12. MODIFICATIONS

(a) **General Right of Modification without Noteholders' consent**

The Management Company may, without the consent or sanction of the Noteholders at any time and from time to time, agree to:

(A) any modification of these Conditions or of any of the Transaction Documents (excluding in relation to a Basic Terms Modification) which, in the opinion of the Management Company, is not materially prejudicial to the interests of the Noteholders of any Class; or

(B) any modification of these Conditions or of any of the Transaction Documents (including in relation to a Basic Terms Modification) which, in the opinion of the Management Company, is of a formal, minor or technical nature, to correct a manifest error or an error which is, in the opinion of the Management Company, proven. Pursuant to Article L. 213-6-3 V of the French Monetary and Financial Code the Issuer has the right to modify these Conditions without the consent or sanction of the Noteholders to correct a factual error (*erreur matérielle*).

(b) **General Additional Right of Modification without Noteholders' consent**

Notwithstanding the provisions of Condition 12(a) (*General Right of Modification without Noteholders' consent*), the Management Company may be obliged, without any consent or sanction of the Noteholders, to proceed with any modification (other than in respect of a Basic Terms Modification) to these Conditions and/or any Transaction Document that the Management Company considers necessary or as proposed by each Hedge Counterparty pursuant to Condition 12(b)(A)(b):

(A) for the purpose of complying with, or implementing or reflecting, any change in the requirements or criteria, including to address any change in the rating methodology employed by, of one or more of the Rating Agencies which may be applicable from time to time, *provided that*:

(a) such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and

(b) in the case of any modification to a Transaction Document or these Conditions proposed by each Hedge Counterparty in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):

(i) each Hedge Counterparty certifies in writing to the Management Company (upon which certificate it may rely absolutely and without liability or enquiry) that such modification is necessary for the purposes described in sub-paragraphs (b)(x) and/or (y) above;

(ii) either:

(x) each Hedge Counterparty obtains from each of the Rating Agencies a Rating Agency Confirmation and, if relevant, delivers a copy of each such confirmation to the Management Company; or

(y) each Hedge Counterparty certifies in writing to the Management Company (upon which certificate it may rely without liability or enquiry) that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in a downgrade, qualification or withdrawal of the then current ratings assigned to any Class of Listed Notes by such Rating Agency; and

(iii) each Hedge Counterparty pays all fees, costs and expenses (including legal fees) incurred by the Management Company in connection with such modification;

It is a condition to any modification made pursuant to Condition 12(b)(A) that:

(a) the Issuer shall pay all fees, costs and expenses (including legal fees) incurred by the Management Company in connection with such modification; and

(b) the Management Company has provided at least 30 days' prior written notice to the Listed Noteholders of the proposed modification in accordance with Condition 13 (*Notice to the Noteholders*). If Noteholders of any Class of Listed Notes representing at least ten (10) per cent. of the aggregate Principal Amount Outstanding of any Class of Listed Notes then outstanding have notified the Management Company (acting on behalf of the Issuer) or the Paying Agent in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the proposed modification, then such modification will not be made unless an Extraordinary Resolution of the holders of any Class of Listed Notes then outstanding is passed in favour of such modification in accordance with Condition 11 (*Meetings of Listed Noteholders*) provided that objections made in writing to the Issuer other than through the applicable clearing system must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of any Class of Listed Notes;

(B) in order to enable the Issuer and/or each Hedge Counterparty to comply with any obligation which applies to it under EMIR, *provided that* the Management Company or each Hedge Counterparty, as appropriate, certifies to each Hedge Counterparty or the Management Company, as applicable, in writing (upon which certificate they may rely without liability or enquiry) that such modification is required solely for the purpose of enabling it to satisfy such obligation and has been drafted solely to such effect;

(C) to modify the terms of the Transaction Documents and/or the Conditions and/or to enter into any additional agreements not expressly prohibited by the Issuer Regulations or these Conditions in order to enable the Issuer to comply with any requirements which apply to it under the Securitisation Regulation (including any implementing regulations, technical standards and guidance respectively related thereto) *provided that* such modification is required solely for such purpose and has been drafted solely to such effect;

(D) for the purpose of enabling the Listed Notes to be (or to remain) listed and admitted to trading on Euronext Paris, *provided that* such modification is required solely for such purpose and has been drafted solely to such effect;

(E) for the purposes of enabling the Issuer or any of the other Transaction Parties to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto), *provided that* such modification is required solely for such purpose and has been drafted solely to such effect;

(F) for the purpose of accommodating the execution or facilitating the transfer by each Hedge Counterparty of the relevant Hedge Agreement and subject to receipt of Rating Agency Confirmation;

(G) to make such changes as are necessary to facilitate the transfer of any Hedge Agreement to a replacement counterparty or the roles of any other Transaction

Party to a replacement transaction party, in each case in circumstances where each Hedge Counterparty or other Transaction Party does not satisfy the applicable rating requirement or has breached its terms of appointment and subject to such replacement counterparty or transaction party (as applicable) satisfying the applicable requirements in the Transaction Documents including, without limitation, the applicable rating requirement; and

(H) to modify the terms of the Transaction Documents and/or the Conditions in order to comply with, or reflect, any amendment to Articles L. 214-167 to L. 214-186 and Articles R. 214-217 to R. 214-235 (or any additional of applicable provisions) of the French Monetary and Financial Code which are applicable to the Issuer and/or any amendment to the provisions of the AMF General Regulations which are applicable to the Issuer, the Management Company and the Custodian (including, without limitation, any amendment in relation to the rights, duties and obligations which will apply to the Custodian as of 1st January 2020 with new Articles L. 214-175-2 to L. 214-175-8 of the French Monetary and Financial Code which will enter into force on 1st January 2020 and any subsequent amendment to Articles R. 214-217 to R. 214-235 of the French Monetary and Financial Code, the replacement of Article D. 214-229 of the French Monetary and Financial Code relating to certain duties of custodians of *fonds communs de titrisation* by Article D. 214-233 with amended duties as of 1 January 2020 and any amendment to the AMF General Regulations in order to implement the 2017 Ordinance after the Closing Date), *provided that* such modification is required solely for such purpose and has been drafted solely to such effect,

(the certificate (upon which certificate the Management Company may rely absolutely and without enquiry or liability) to be provided by each Hedge Counterparty or the relevant Transaction Party, as the case may be, pursuant to Conditions 12(b)(A) to (H) (inclusive) above being a "**Modification Certificate**").

For the avoidance of doubt, no modification will be made if such modification would result in a downgrade, qualification or withdrawal of the then current ratings assigned to any Class of Listed Notes by any Rating Agency.

Other than where specifically provided in Condition 12(a) (*General Right of Modification without Noteholders' consent*) and this Condition 12(b) (*General Additional Right of Modification without Noteholders' consent*) or any Transaction Document:

(A) when implementing any modification pursuant to this Condition 12(b) (save to the extent the Management Company considers that the proposed modification would constitute a Basic Terms Modification), the Management Company shall not consider the interests of the Listed Noteholders, any other creditors or any other person and shall act and rely solely, and without further investigation, on any Modification Certificate or evidence provided to it by the relevant Transaction Party, as the case may be, pursuant to this Condition 12(b), and shall not be liable to the Noteholders, any other creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person;

(B) the Management Company shall not be obliged to agree to any modification which, in the sole opinion of the Management Company, would have the effect of (i) exposing the Management Company to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Management Company in the Transaction Documents and/or these Conditions.

(C) Any such modification or determination pursuant to Condition 12(a) (*General Right of Modification without Noteholders' consent*) and this Condition 12(b) (*General Additional Right of Modification without Noteholders' consent*) shall be binding on

the Noteholders and any such modification shall be notified by the Issuer as soon as practicable thereafter to:

(a) so long as any of the Listed Notes rated by the Rating Agencies remains outstanding, each Rating Agency; and

(b) the Custodian (subject to the right of the Custodian to verify the compliance (*régularité*) of any decision of the Management Company in accordance with Article L. 214-183 of the French Monetary and Financial Code); and

(c) the Noteholders in accordance with Condition 13 (*Notice to the Noteholders*).

(c) **Additional Right of Modification without Noteholders' consent in relation to EURIBOR Discontinuation or Cessation**

Notwithstanding the provisions of Condition 12(a) (*General Right of Modification without Noteholders' consent*) and Condition 12(b) (*General Additional Right of Modification without Noteholders' consent*), the Management Company shall be obliged, without any consent or sanction of the Noteholders, to proceed with any modification (other than in respect of a Basic Terms Modification) to these Conditions and/or any Transaction Document that the Management Company considers necessary or as proposed by each Hedge Counterparty:

(A) for the purpose of changing the EURIBOR Reference Rate that then applies in respect of the Listed Notes to an alternative base rate (any such rate, an "**Alternative Base Rate**") as adjusted to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value as a result of such replacement by taking into account any Adjustment Spread and making such other amendments as are necessary or advisable in the commercially reasonable judgment of the Management Company to facilitate such change (a "**Base Rate Modification**") *provided* that:

(a) such Base Rate Modification is being undertaken due to:

(1) a material disruption to EURIBOR, a material or an adverse change in the methodology of calculating EURIBOR or EURIBOR ceasing to exist or be published;

(2) a public statement by the EURIBOR administrator that it will cease publishing EURIBOR permanently or indefinitely (in circumstances where no successor EURIBOR administrator has been appointed that will continue publication of EURIBOR);

(3) a public statement by the supervisor of the EURIBOR administrator that EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;

(4) a public announcement of the permanent or indefinite discontinuation of EURIBOR that applies to the Listed Notes at such time;

(5) a public statement by the supervisor for the EURIBOR administrator that means EURIBOR may no longer be used or that its use is subject to restrictions or adverse consequences; or

(6) the reasonable expectation of the Management Company that any of the events specified in sub-paragraphs (1) to (5) above will occur or exist within six months of such Base Rate Modification,

each such event referred to in sub-paragraphs (1) to (6) is a "**Benchmark Event**";

(b) following the occurrence of a Benchmark Event, the Management Company will inform the Custodian, the Seller, and the Hedge Counterparty of the same.

The Management Company may elect to:

(i) determine the Alternative Base Rate to be substituted for EURIBOR as the Applicable Reference Rate of Listed Notes and those amendments to the Conditions to be made by the Management Company and the Custodian as are necessary or advisable to facilitate the Base Rate Modification; or

(ii) appoint, in its sole discretion, an alternative base rate determination agent which must be the investment banking division of a bank of international repute and which is not an affiliate of the Seller (the "**Alternative Base Rate Determination Agent**") to carry out the tasks referred to in this Condition 12(c),

*provided that* no such Base Rate Modification will be made unless:

(i) the Management Company, acting on behalf of the Issuer, certifies to Listed Noteholders in writing (such certificate, a "**Base Rate Modification Certificate**"); or

(ii) the Alternative Base Rate Determination Agent has determined and certified in writing to the Management Company which shall certify the same to the Listed Noteholders,

that:

(A) such Base Rate Modification is being undertaken due to the occurrence of a Benchmark Event and is required solely for such purposes and has been drafted solely to such effect; and

(B) such Alternative Base Rate is:

(1) a reference rate published, endorsed, approved or recognised by the European Central Bank, any relevant regulatory authority in the European Union (including the EBA and the ESMA) or Euronext Paris (or any relevant committee or other body established, sponsored or approved by any of the foregoing);

(2) a reference rate utilised in a material number of publicly-listed new issues of Euro denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification;

(4) such other reference rate as the Management Company or the Alternative Base Rate Determination Agent, as the case may be, reasonably determines;

(5) in each case, the change to the Alternative Base Rate will not, in the Management Company's opinion, be materially prejudicial to the interest of the Listed Noteholders; and

(6) for the avoidance of doubt, the Management Company may propose an Alternative Base Rate on more than one occasion provided that the conditions set out in this Condition 12(c)(A) are satisfied;

(B) for the purpose of changing the EURIBOR Reference Rate that then applies in respect of the Hedge Agreements to an Alternative Base Rate as is necessary or advisable in the commercially reasonable judgment of the Management Company and each Hedge Counterparty solely as a consequence of a Base Rate Modification and solely for the purpose of aligning the base rate of the Hedge Agreements to the base rate of the Listed Notes following such Base Rate Modification (a "**Hedge Rate Modification**"), *provided* that the Management Company, on behalf of the Issuer, certifies to the Listed Noteholders in writing that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a "**Hedge Rate Modification Certificate**" and the Hedge Rate Modification Certificate and the Base Rate Modification Certificate being each a "**Modification Certificate**");

(C) It is a condition precedent to any such Base Rate Modification that:

(a) any change to the Applicable Reference Rate of the Listed Notes results in an automatic adjustment to the relevant Applicable Reference Rate under the Hedge Agreements or that any amendment or modification to the Hedge Agreements to align the Applicable Reference Rate applicable under the Listed Notes and the Hedge Agreements will take effect at the same time as the Base Rate Modification takes effect, in each case subject to each Hedge Counterparty's consent having been obtained in accordance with sub-paragraph (c) below;

(b) the Management Company has notified such Rating Agency of the proposed Base Rate Modification and a Rating Agency Confirmation that such Base Rate Modification would not result in (i) a downgrade, withdrawal or suspension of the then current ratings assigned to the Listed Notes by such Rating Agency or (ii) such Rating Agency placing the Listed Notes on rating watch negative (or equivalent) is delivered to the Management Company in respect of the Listed Notes;

(c) the consent of each Hedge Counterparty (with respect to a Base Rate Modification, a Hedge Rate Modification and an Adjustment Spread, as applicable) has been obtained;

(d) the Issuer shall pay all fees, costs and expenses (including legal fees) incurred by the Management Company in connection with such modification; and

(e) the Management Company has provided at least 30 days' prior written notice to the Noteholders of the proposed Base Rate Modification in accordance with Condition 13 (*Notice to the Noteholders*). If Noteholders of any Class representing at least ten (10) per cent. of the aggregate Principal Amount Outstanding of any Class of Listed Notes then outstanding have notified the Management Company (acting on behalf of the Issuer) or the Paying Agent in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Listed Notes may be held) within the notification period referred to above that they do not consent to the proposed Base Rate Modification, then such modification will not be made unless an Extraordinary Resolution of the holders of any Class of Listed Notes then outstanding is passed in favour of such modification in accordance with Condition 11 (*Meetings of Listed Noteholders*) *provided* that objections made in writing to the Issuer other than through the applicable clearing system must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of any Class of Listed Notes.

For the avoidance, until Extraordinary Resolutions are passed, the Applicable Reference Rate shall remain the Euribor Reference Rate.

Other than where specifically provided in this Condition 12(c) (*Additional Right of Modification without Noteholders' consent in relation to EURIBOR Discontinuation or Cessation*) or any Transaction Document:

(A) when implementing any modification pursuant to this Condition 12(c), the Management Company shall not consider the interests of the Noteholders, any other creditors or any other person and shall act and rely solely, and without further investigation, on any Modification Certificate or evidence provided to it by the relevant Transaction Party, as the case may be, pursuant to this Condition 12(c), and shall not be liable to the Noteholders, any other creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person;

(B) the Management Company shall not be obliged to agree to any modification which, in the sole opinion of the Management Company, would have the effect of (i) exposing the Management Company to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Management Company in the Transaction Documents and/or these Conditions; and

(C) any such modification or determination pursuant to Condition 12(c) (*Additional Right of Modification without Noteholders' consent in relation to EURIBOR Discontinuation or Cessation*) shall be binding on the Noteholders and any such modification shall be notified by the Issuer as soon as practicable thereafter to:

(a) so long as any of the Listed Notes rated by the Rating Agencies remains outstanding, each Rating Agency; and

(b) the Custodian (subject to the right of the Custodian to verify the compliance (*régularité*) of any decision of the Management Company in accordance with Article L. 214-183 of the French Monetary and Financial Code); and

(c) the Noteholders in accordance with Condition 13 (*Notice to the Noteholders*).

(d) The Management Company shall be entitled to take into account, for the purpose of exercising or performing any right, power, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, among other things, to the extent that it considers, in its sole and absolute discretion, it is necessary and/or appropriate and/or relevant, any communication or confirmation by any Rating Agency (including any Rating Agency Confirmation and whether or not such communication or confirmation is addressed to, or provides that it may be relied upon by, the Management Company and irrespective of the method by which such confirmation is conveyed) (a) that the then current rating by it of the Listed Notes would not be downgraded, withdrawn or qualified by such exercise or performance and/or (b) if the original ratings of the Listed Notes has been downgraded previously, that such exercise or performance will not prevent the restoration of such original rating of such Class of Listed Notes.

(e) Where, in connection with the exercise or performance by the Management Company of any right, power, authority, duty or discretion under or in relation to the Conditions of the Notes or any of the Transaction Documents (including, without limitation, in relation to any modification, authorisation or determination as referred to above), the Management Company is required to have regard to the interests of the Noteholders of any Class or Classes, it shall (A) have regard to the general interests of the Noteholders of such Class or Classes but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation,

shall not have regard to the consequences of any such exercise or performance for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Management Company shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Management Company or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders and (B) have regard to the interests of holders of each Class of Notes (except where expressly provided otherwise) but requiring the Management Company where there is a conflict of interests between one or more Classes of Notes in any such case to have regard (except as expressly provided otherwise) to the interests of the holders of the Most Senior Class.

## 13. NOTICE TO THE NOTEHOLDERS

### (a) Valid Notices and Date of Publications

(i) Notices may be given to Noteholders in any manner deemed acceptable by the Management Company *provided that* for so long as the Listed Notes are listed and admitted to trading on Euronext Paris, such notice shall be in accordance with the rules of Euronext Paris. The Management Company will send the notices to the Paying Agent which shall cause to be made the appropriate publications on the Euronext's website and submit the notices to Euroclear France.

(ii) Any notice to the Listed Noteholders shall be validly given if (i) published in a leading financial daily newspaper having general circulation in Europe (which is expected to be the Financial Times) or in Paris (which is expected to be *Les Echos*) or if such newspapers shall cease to be published or timely publication in them shall not be practicable, in such other financial daily newspaper having general circulation in Paris so long as the Listed Notes are listed and admitted to trading on Euronext Paris and the applicable rules of Euronext Paris so require or (ii) on the website of the Management Company (www.eurotitrisation.fr) and the website of Euronext Paris (www.euronext.com) or (iii) published in accordance with Articles 221-3 and 221-4 of the AMF General Regulations. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

(iii) Such notices shall be forthwith notified to the Rating Agencies and the *Autorité des Marchés Financiers*.

(iv) Notices relating to the convocation and decision(s) of the General Meetings and the seeking of a Written Resolution shall also be published in a leading daily newspaper of general circulation in Europe.

(v) Notices to Listed Noteholders will be valid if published as described above, or, at the option of the Issuer, if submitted to Euroclear France and Clearstream Banking for communication by them to Noteholders. Any notice delivered to Euroclear France and Clearstream, as aforesaid shall be deemed to have been given on the day of such delivery. The Management Company will send the notices to the Paying Agent which shall cause to be made the appropriate publications on the Euronext's website and submit the notices to Euroclear France.

(vi) Upon the occurrence of an Accelerated Amortisation Event or the exercise of the Seller Call Option or the Clean-up Call Option by the Seller, notification will be given by the Management Company, acting on behalf of the Issuer, to the Rating Agencies and the Noteholders.

(vii) If the Management Company has elected to liquidate the Issuer after the occurrence of an Issuer Liquidation Event or a Note Tax Event, the Management Company shall notify such decision to the Noteholders within ten (10) Business Days. Such

notice will be deemed to have been duly given if published in the leading daily newspapers of Europe or France mentioned above or, as the case may be, on the website of the Management Company (www.eurotitrisation.fr) and the website of Euronext Paris (www.euronext.com). The Management Company may also notify such decision on its website or through any appropriate medium.

(viii) The Issuer will pay reasonable and duly documented expenses incurred with such notices in accordance with the Priority of Payments.

(b) **Other Methods**

The Management Company may approve some other method of giving notice to the Noteholders if, in its opinion, that other method is reasonable having regard to market practice then prevailing and to the requirements of any stock exchange on which Notes are then listed and provided that notice of that other method is given to the Noteholders.

## 14. SUBORDINATION BY DEFERRAL OF INTEREST AND SUBORDINATED STEP-UP CONSIDERATION

(a) **Subordination by Deferral of Interest on the Class B Notes**

(i) Deferred Interest

To the extent that, subject to and in accordance with the relevant Priority of Payments, the funds available to the Issuer to pay interest on the Class B Notes (for so long as the Class B Notes are not the Most Senior Class of Notes) on a Payment Date during the Normal Amortisation Period (after deducting the amounts paid senior to such interest under the Interest Priority of Payments) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Class B Notes (the "**Deferred Interest**") will not then fall due but will instead be deferred until the first Payment Date for such Class B Notes thereafter on which sufficient funds are available or until the Class B Notes becomes the Most Senior Class of Notes (after deducting the amounts paid senior to such interest under the Interest Priority of Payments and subject to and in accordance with the relevant Priority of Payments) to fund the payment of such deferred interest to the extent of such available funds.

If such Deferred Interest remains due and payable for less than one year, such Deferred Interest will not accrue interest.

If such Deferred Interest remains due and payable for at least one year (*dus au moins pour une année entière*) in accordance with Article 1343-2 of the French Civil Code, such Deferred Interest will accrue interest (the "**Additional Interest**") at the rate of interest applicable from time to time to the applicable Class of Notes and payment of any Additional Interest will also be deferred until the first Payment Date for such Notes thereafter on which funds are available (after deducting the amounts referred to in items (1) to (6) (inclusive) of the Interest Priority of Payments subject to and in accordance with the relevant Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date, or any other date for redemption in full, of the applicable Class of Notes, when such amounts will become due and payable.

Payments of interest due on a Payment Date in respect of the Most Senior Class of Notes then outstanding will not be deferred. In the event of the delivery of a Note Acceleration Notice, the amount of interest in respect of such Notes that is then due but not paid will itself bear interest at the applicable rate until both the unpaid interest and the interest on that interest are paid as provided in the Issuer Regulations.

(ii) Principal on the Class B Notes and, the Class C Notes

All payments of principal on the Class B Notes and the Class C Notes shall be made in accordance with the relevant Principal Priority of Payments.

(iii) General

Any amounts of interest in respect of the Class B Notes otherwise payable under these Conditions which are not paid by virtue of this Condition 14 (*Subordination by Deferral of Interest and Subordinated Step-up Consideration*), together with accrued interest thereon, shall in any event become due and payable on the Final Maturity Date or on such earlier date as the Class B Notes become due and repayable in full under Condition 7 (*Redemption*) or if applicable, Condition 10 (*Accelerated Amortisation Events*).

(iv) Notification

As soon as practicable after becoming aware that any part of a payment of interest on the Class B Notes will be deferred or that a payment previously deferred will be made in accordance with this Condition 14 (*Subordination by Deferral of Interest and Subordinated Step-up Consideration*), the Issuer will give notice thereof to the Class B Noteholders as the case may be, in accordance with Condition 13 (*Notice to the Noteholders*). Such notification shall be made by the publication of the Investor Report on the website of the Management Company.

(v) Application

This Condition 14 (*Subordination by Deferral of Interest and Subordinated Step-up Consideration*) shall cease to apply in respect of the Class B Notes, upon the redemption in full of the Class A Notes.

(b) **Subordinated Step-up Consideration**

In the event that on any Payment Date following the First Optional Redemption Date, prior to redemption in full of the Class A Notes, the Issuer has insufficient funds available to it to satisfy its obligations in respect of Class A Notes Subordinated Step-up Consideration due on such Payment Date, the amount available (if any) shall be applied towards satisfaction of the Class A Notes Subordinated Step-up Consideration due on such Payment Date to the holders of the Class A Notes on a pro rata and *pari passu* basis in accordance with the respective amount of Class A Notes Subordinated Step-up Consideration to be distributed to the Class A Noteholders at such time. In the event of a shortfall, the Issuer shall debit the Class A Subordinated Step-up Consideration Deficiency Ledger with an amount equal to the amount by which the aggregate part of the Class A Notes Subordinated Step-up Consideration paid on any Payment Date in accordance with this Condition falls short of the aggregate Class A Notes Subordinated Step-up Consideration payable on that Payment Date. Such shortfall shall not be treated as due on that date for the purposes of Condition 6 (*Interest*) and a pro rata share of such shortfall shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were an amount due, subject to this Condition, on each Class A Note on the next succeeding Payment Date.

In the event that on any Payment Date following the First Optional Redemption Date, prior to redemption in full of the Class B Notes, the Issuer has insufficient funds available to it to satisfy its obligations in respect of Class B Notes Subordinated Step-up Consideration due on such Payment Date, the amount available (if any) shall be applied towards satisfaction of the Class B Notes Subordinated Step-up Consideration due on such Payment Date to the holders of the Class B Notes on a pro rata and pari passu basis in accordance with the respective amount of Class B Notes Subordinated Step-up Consideration to be distributed to the Class B Noteholders at such time. In the event of a shortfall, the Issuer shall debit the Class B Subordinated Step-up Consideration Deficiency Ledger with an amount equal to the amount by which the aggregate part of the Class B Notes Subordinated Step-up

Consideration paid on any Payment Date in accordance with this Condition falls short of the aggregate Class B Subordinated Step-up Consideration payable on that date pursuant to 6 (*Interest*). Such shortfall shall not be treated as due on that date for the purposes of 6 (*Interest*) and a pro rata share of such shortfall shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were an amount due, subject to this Condition, on each Class B Note on the next succeeding Payment Date.

Failure to pay any Subordinated Step-up Consideration will not cause an Issuer Event of Default.

## 15. FINAL MATURITY DATE

After the Final Maturity Date, any part of the principal amount of the Notes or of the interest due on thereon which may remain unpaid shall be automatically cancelled, so that, after such date, the Issuer will be under no obligation to make any payment under the Notes and the Noteholders shall have no right to assert a claim in this respect against the Issuer, regardless of the amounts which may remain unpaid after the Final Maturity Date.

## 16. FURTHER ISSUES

Under the Issuer Regulations, the Issuer shall not issue any further Notes after the Issuer Establishment Date.

## 17. NON PETITION AND LIMITED RECOURSE

(a) **Non Petition**

Pursuant to Article L. 214-175 III of the French Monetary and Financial Code, provisions of Book VI of the French Commercial Code (which govern insolvency proceedings in France) are not applicable to the Issuer.

(b) **Limited Recourse**

(i) 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 (including the Noteholders) as provided by law (*selon le rang de ses créanciers défini par la loi*) or, pursuant to Article L. 214-169 II of the French Monetary and Financial Code, in accordance with the Priority of Payments set out in the Issuer Regulations.

(ii) In accordance with Article L. 214-169 II of the French Monetary and Financial Code:

(a) the Assets of the Issuer may only be subject to civil proceedings (*mesures civiles d'exécution*) to the extent of the applicable Priority of Payments as set out in the Issuer Regulations;

(b) the Noteholders, the Residual Unitholder, the Transaction Parties and any creditors of the Issuer that have agreed thereto will be bound by the Priority of Payments as set out in the Issuer Regulations notwithstanding the opening 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 of the Noteholders, the Residual Unitholder, the Transaction Parties and any creditors of the Issuer. The Priority of Payments shall be applicable even if the Issuer is liquidated in accordance with the relevant provisions of the Issuer Regulations.

(iii) In accordance with Article L. 214-169 VI of the French Monetary and Financial Code, provisions of Article L. 632-2 of the French Commercial Code shall not

apply to any payments received by the Issuer or any acts against payment made by the Issuer or for its interest (*ne sont pas applicables aux paiements reçus par un organisme de financement, ni aux actes à titre onéreux accomplis par un organisme de financement ou à son profit*) to the extent such payments 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 paiements ou ces actes sont directement relatifs aux opérations prévues à l'article L. 214-168*).

(iv) In accordance with 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 as debtors of the Purchased Home Loan Receivables.

(v) None of the Noteholders shall be entitled to take any steps or proceedings that would result in the Priority of Payments in the Issuer Regulations not being observed.

(c) **Management Company's decisions binding**

In accordance with Article L. 214-169 II of the French Monetary and Financial Code the Noteholders, the Residual Unitholder, the Transaction Parties and any creditors of the Issuer that have agreed to them 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.

## 18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) **Governing law**

The Notes and the Transaction Documents are governed by and will be construed in accordance with French law.

(b) **Submission to Jurisdiction**

Pursuant to the Issuer Regulations, the Management Company and the Custodian have submitted to the exclusive jurisdiction of the *Tribunal de commerce de Paris* for all purposes in connection with the Notes and the Transaction Documents.

## FRENCH TAXATION

*THE FOLLOWING INFORMATION IS A GENERAL OVERVIEW OF CERTAIN WITHHOLDING TAX CONSIDERATIONS RELATING TO THE HOLDING OF THE NOTES AS IN EFFECT AND AS APPLIED BY THE RELEVANT AUTHORITIES AS AT THE DATE THEREOF AND DOES NOT PURPORT TO BE A COMPREHENSIVE DISCUSSION OF THE TAX TREATMENT OF THE NOTES.*

*PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISORS ON THE IMPLICATION OF MAKING AN INVESTMENT ON HOLDING OR DISPOSING OF THE NOTES AND THE RECEIPT OF INTEREST WITH RESPECT TO SUCH NOTES UNDER THE LAWS OF THE COUNTRIES IN WHICH THEY MAY BE LIABLE TO TAXATION.* ***IN PARTICULAR, NO REPRESENTATION IS MADE AS TO THE MANNER IN WHICH PAYMENTS UNDER THE NOTES WOULD BE CHARACTERISED BY ANY RELEVANT TAX AUTHORITY. POTENTIAL INVESTORS SHOULD BE AWARE THAT THE RELEVANT FISCAL RULES OR THEIR INTERPRETATION MAY CHANGE, POSSIBLY WITH RETROSPECTIVE EFFECT, AND THAT THIS SUMMARY IS NOT EXHAUSTIVE****. THIS SUMMARY DOES NOT CONSTITUTE LEGAL OR TAX ADVICE OR A GUARANTEE TO ANY POTENTIAL INVESTOR OF THE TAX CONSEQUENCES OF INVESTING IN THE LISTED NOTES.*

### General

Pursuant to Article 125 A of the French *Code général des impôts*, payments of interest and other assimilated revenues made by the Issuer with respect to the Notes issued on or after 1 March 2010 will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**") other than those mentioned in Article 238-0 A 2 bis 2° of the French *Code général des impôts*. If such payments under the Notes are made in a Non-Cooperative State other than those mentioned in Article 238-0 A 2 bis 2° of the French *Code général des impôts*, a 75% withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other assimilated revenues on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other assimilated revenues may be recharacterised as constructive dividends pursuant to Article 109 et seq. of the French *Code général des impôts*, in which case such non-deductible interest and other assimilated revenues may be subject to the withholding tax set out under Article 119 bis of the French *Code général des impôts*, at rates of (i) 30 per cent. (to be aligned with the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* from January 1, 2020) for legal persons, (ii) 12.8 per cent. for individuals or (iii) 75 per cent. for payments made outside France in a Non-Cooperative State other than those mentioned in Article 238-0 A 2 bis 2° of the French *Code général des impôts* (subject to certain exceptions and to more favorable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, in case of payment made in a Non-Cooperative State, the law provides that neither the 75% withholding tax set out under Article 125 A III of the French *Code général des impôts* nor the non-deductibility for tax purposes as set out under Article 238 A of the French *Code général des impôts* to the extent the relevant interest and other assimilated revenues relate to a genuine transaction and are not abnormal or exaggerated in their amount will apply in respect of the Listed Notes if the Issuer can prove that the principal purpose and effect of such issue of the Listed Notes was not that of allowing the payments of interest or other assimilated revenues to be made in a Non-Cooperative State (the "**Exception**").

Pursuant to *Bulletins officiels des Finances Publiques-Impôts* BOI-INT-DG-20-50 n°990 and BOI-RPPM-RCM-30-10-20-40 n°70 dated 11 February 2014 and BOI-IR-DOMIC-10-20-20-60 n°10 dated 20 March 2015, the issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Listed Notes, if such Listed Notes are:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the clearing operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State be able to benefit from the Exception.

**Withholding Tax and No Gross-Up**

The attention of the Noteholders is drawn to Condition 9 (*Taxation*) of the Terms and Conditions of the Notes and stating that no gross-up will be available with respect to any withholding tax imposed under French law and that the Issuer shall not pay any additional amount in this respect.

**Withholding tax applicable to individuals fiscally domiciled in France**

Pursuant to Article 125 A I of the French *Code général des impôts*, where the paying agent (*établissement payeur*) is established in France and subject to certain exceptions, interest and other assimilated revenues received under the Notes by individuals who are fiscally domiciled in France are subject to a 12.8 per cent. withholding tax. This withholding tax is deductible from their personal income tax liability in respect of the year during which the withholding has been made. Social contributions (CSG, CRDS and solidarity levy) are also levied by way of withholding at an aggregate rate of 17.2 per cent. on such interest and other assimilated revenues received by individuals who are fiscally domiciled in France, subject to certain exceptions.

## THE ISSUER BANK ACCOUNTS

*This section sets out the main material terms of the Account Bank Agreement pursuant to which the Issuer Bank Accounts have been opened in the books of the Account Bank.*

### Introduction

On or before the Closing Date and pursuant to the provisions of the Account Bank Agreement, the Management Company shall instruct the Account Bank to open (i) the General Account, (ii) the Liquidity Reserve Account, (iii) the Commingling Reserve Account and (iv) each of the Swap Collateral Accounts (the "**Issuer Bank Accounts**").

### Special Allocation to the Issuer Bank Accounts

Pursuant to the provisions of the Account Bank Agreement and the other relevant Transaction Documents, each of the Issuer Bank Accounts shall be exclusively allocated to the operation of the Issuer.

The Management Company cannot pledge, assign, delegate or, more generally, give any title or right or create any security interest whatsoever in favour of any third parties over the Issuer Bank Accounts. All monies standing at the credit balance of the Issuer Bank Accounts (i) shall be applied to payment of the Issuer Operating Expenses, payments of principal and interest to the Noteholders and the Residual Unitholder in accordance with the relevant Priority of Payments and to the payment of the Hedge Net Amount (if any) to the Hedge Counterparties under the Hedge Agreements and (ii) may be invested from time to time in Authorised Investments by the Management Company.

The Issuer Bank Accounts will only be operated upon instructions of the Management Company under the supervision of the Custodian and in accordance with the relevant provisions of the Account Bank Agreement. The Account Bank has agreed to be bound by the Priority of Payments set out in the Issuer Regulations.

A securities account will be opened in the books of the Account Bank in relation to each of the Issuer Bank Accounts in order for the Management Company to invest any temporarily available cash in Authorised Investments pursuant to the Issuer Regulations. The Issuer Bank Accounts and the related securities accounts may only be debited within the limit of their respective credit balance.

The Account Bank will be indemnified by the Issuer for any ECB Impact suffered or incurred by it in relation to the Issuer Bank Accounts. Any indemnity due to the ECB Impact shall not exceed the ECB rate and shall form part of the Financial Income and as such will be invoiced by the Account Bank on any fees, interests and other remuneration received by the Account Bank with respect to the placement of the sums standing to the credit of the Issuer Bank Accounts.

### General Account

#### *Credit and debit of the General Account on the Closing Date*

On the Closing Date, the General Account shall be credited with the proceeds of:

(i) the issue of the Listed Notes (including the Class A Notes Issuance Premium) in accordance with the Listed Notes Subscription Agreement; and

(ii) the issue of the Class C Notes and the Residual Units in accordance with the Class C Notes and Residual Units Subscription Agreement (subject to any set-off arrangements agreed between the parties to the Class C Notes and Residual Units Subscription Agreement).

On or before the Closing Date, the Management Company shall give the instructions to the Account Bank for the payment of the Purchase Price of the Home Loan Receivables to the Seller, in accordance with the Home Loan Receivables Transfer Agreement, by debiting the General Account (subject to any set-off arrangements agreed between the parties to the Home Loan Receivables Transfer Agreement).

***Credit of the General Account***

The General Account shall be credited with:

(a) the Available Monthly Collections pursuant to the Specially Dedicated Account Agreement;

(b) all Hedge Net Amounts and Hedge Counterparty Termination Amount by each Hedge Counterparty pursuant to each Hedge Agreement;

(c) with the Financial Income generated by the investment of the Issuer Available Cash;

(d) any Repurchase Price of all Purchased Home Loan Receivables paid by the Seller to the Issuer following the exercise of the Seller Call Option or the Clean-up Call Option in accordance with the Home Loan Receivables Transfer Agreement;

(e) any Repurchase Price paid by the Seller or any other entity following the occurrence of an Issuer Liquidation Event;

(f) any Rescission Amount or Deemed Collections owed by the Seller or the Servicer to the Issuer; and

(g) any other amounts which are due and payable to the Issuer by the Transaction Party under the Transaction Documents.

***Debit of the General Account***

On each Payment Date the General Account shall be debited in accordance with the applicable Priority of Payments.

**Liquidity Reserve Account**

***Credit of the Liquidity Reserve Account***

*Credit of the Liquidity Reserve Account on the Closing Date*

On the Closing Date, the Liquidity Reserve Account shall be credited by the Liquidity Reserve Provider with an amount equal to the Liquidity Reserve Required Amount on the Closing Date pursuant to the Liquidity Reserve Deposit Agreement. After the Closing Date, the Liquidity Reserve Provider shall be under no obligation to make any additional deposit, without prejudice to its obligations to credit the Liquidity Reserve Account up to the Liquidity Reserve Required Amount on the Closing Date.

*Credit of the Liquidity Reserve Account after the Closing Date*

After the Closing Date, the Liquidity Reserve Account will be credited up to the Liquidity Reserve Required Amount from the Available Interest Distribution Amount in accordance with the Interest Priority of Payments.

***Debit of the Liquidity Reserve Account***

On each Calculation Date prior to the commencement of the Accelerated Amortisation Period and, for the last time, on the first Calculation Date of the Accelerated Amortisation Period only, the balance of the Liquidity Reserve Account shall be credited to the General Account.

***Release of the Liquidity Reserve Deposit***

The sums standing at the credit of the Liquidity Reserve Deposit will be returned by the Issuer to the Liquidity Reserve Provider in accordance with the Priority of Payments.

**Commingling Reserve Account**

***Credit of the Commingling Reserve Account***

*Commingling Reserve Account on the Closing Date*

On the Closing Date, the Commingling Reserve Required Amount shall be equal to zero.

*Credit of the Commingling Reserve Account after the Closing Date*

The Commingling Reserve Account shall be credited by the Servicer on the basis of the Management Company's instructions in accordance with the terms of the Commingling Reserve Deposit Agreement.

The Management Company shall ensure that the credit balance of the Commingling Reserve Account shall always be equal on each Payment Date to the Commingling Reserve Required Amount.

The Commingling Reserve Required Amount shall be calculated on a monthly basis by the Management Company on the basis of the information provided to it by the Servicer. Such calculation shall be made before each Payment Date.

***Debit of the Commingling Reserve Account***

If a Servicer Termination Event has occurred, the Management Company, acting for and on behalf of the Issuer, shall immediately debit the Commingling Reserve Account and shall immediately credit the General Account up to the amount of any unpaid Payments Amounts, in order to enable the Issuer to satisfy its obligations as set out in the Issuer Regulations, in accordance with provisions of Article L. 211-36-I 2° and Article L. 211-38-II of the French Monetary and Financial Code.

If, on any Payment Date, the current balance of the Commingling Reserve Account exceeds the applicable Commingling Reserve Required Amount, an amount equal to such difference shall be released by the Management Company (on behalf of the Issuer) and transferred back to the Servicer by debiting the Commingling Reserve Account on the next following Payment Date.

If the Commingling Reserve Deposit has been funded by the Servicer but if a new specially dedicated account bank having the Account Bank Required Ratings has been appointed by the Servicer, the Commingling Reserve Deposit so funded will be released by the Issuer to the Servicer outside the Priority of Payments.

***Final Release and Repayment of the Commingling Reserve Deposit***

If:

(i) the appointment of the Servicer has been terminated by the Management Company in accordance with the terms of the Servicing Agreement; or

(ii) an Issuer Liquidation Event has occurred and the Management Company has elected to liquidate the Issuer in accordance with the Issuer Regulations,

the Issuer shall release and directly transfer back to the Servicer, outside of the Priority of Payments, all monies standing to the Commingling Reserve Account (to the bank account specified by the Servicer to the Management Company) subject to the satisfaction of all outstanding Servicer's obligations under the Servicing Agreement prior to termination (including, but not limited to, with respect to the collection and administration of the Purchased Home Loan Receivables).

**Swap Collateral Accounts**

(a) The Swap Collateral Accounts will be opened in the books of the Account Bank in respect of each Hedge Counterparty on or before the entry into the relevant Hedge Agreement between the Issuer and the relevant Hedge Counterparty.

(b) Each Swap Collateral Account will comprise (i) a collateral cash account when collateral is transferred in the form of cash by any of the Hedge Counterparties to the Issuer pursuant to the terms of the relevant Hedge Agreement and (ii) a collateral securities account when collateral is transferred in the form of eligible securities by any of the Hedge Counterparties to the Issuer pursuant to the terms of the relevant Hedge Agreement.

(c) Cash and securities (if any) standing to the credit of the Swap Collateral Accounts (including interest, distributions and redemption or sale proceeds thereon or thereof) will not constitute Available Monthly Collections or Available Distribution Amounts and accordingly, such cash and

securities (if any) (and any interest and/or distributions earned thereon and redemption or sale proceeds thereof) will not be available for the Issuer to make payments to its creditors generally. Payments made by the Issuer from each Swap Collateral Account will not fall within the Priority of Payments.

(d) Each Swap Collateral Account will be opened in the name of the Issuer and credited and debited upon instructions given by the Management Company in accordance with the provisions of the Issuer Regulations, the Account Bank Agreement and each Hedge Agreement, to the extent of available funds standing to the credit of such Swap Collateral Account.

(e) Each Swap Collateral Account will be credited from time to time with:

(i) swap collateral, in the form of cash or securities, transferred by the relevant Hedge Counterparty to the Issuer in accordance with the terms of the relevant Hedge Agreement; and

(ii) any interest, distributions thereon or liquidation proceeds thereof with respect to such swap collateral.

(f) Each Swap Collateral Account shall be debited with such amounts as are due to be paid in accordance with each Hedge Agreement.

(g) The amounts credited to each Swap Collateral Account shall be held separate from and shall not form part of Available Monthly Collections or of the Available Distribution Amount and shall not be available to fund general distributions of the Issuer.

(h) The amounts contained in each Swap Collateral Account shall not be commingled with any other funds from any party other than the relevant Hedge Counterparty.

**Termination of the Account Bank Agreement**

***Term***

(a) Unless terminated earlier in the event of the occurrence of any events set out below, the Account Bank Agreement shall terminate on the Issuer Liquidation Date.

(b) The parties to the Account Bank Agreement will remain bound to execute their obligations in respect of the Account Bank Agreement until the date on which all of their obligations shall have been satisfied, even if such date falls after the Issuer Liquidation Date.

***Downgrade or Insolvency Events and Termination of the Account Bank's Appointment by the Management Company***

Under the Account Bank Agreement, if the Account Bank:

(a) ceases to have the Account Bank Required Rating; or

(b) is subject to a proceeding governed by the provisions of Book VI of the French Commercial Code,

the Management Company (acting for and on behalf of the Issuer) shall within thirty (30) calendar days after the downgrade of the ratings of the Account Bank or the commencement of any proceeding governed by the provisions of Book VI of the French Commercial Code against the Account Bank, terminate the appointment of the Account Bank and appoint, under the supervision of the Custodian, a new account bank (the "**New Account Bank**") provided that:

(a) such termination shall not take effect (and the Account Bank shall continue to be bound hereby) until the transfer of the Issuer Bank Accounts to the New Account Bank and documentation has been executed to the satisfaction of the Management Company;

(b) the New Account Bank shall be a credit institution having its registered office in France and shall be licensed by the *Autorité de Contrôle Prudentiel et de Résolution* and authorised to provide

administration and custody of financial instruments under the terms of Article L. 542-1 of the French Monetary and Financial Code;

(c) the New Account Bank has at least the Account Bank Required Ratings;

(d) the New Account Bank can assume in substance the rights and obligations of the Account Bank and replacement Issuer Bank Accounts are opened in the books of the New Account Bank;

(e) the New Account Bank shall have agreed with the Management Company and the Custodian to perform the duties and obligations of the Account Bank pursuant to an agreement entered into between the Management Company, the Custodian and the New Account Bank substantially similar to the terms of the Account Bank Agreement;

(f) each Issuer Bank Account has been transferred in the books of the New Account Bank or replacement Issuer Bank Accounts are opened in the books of the New Account Bank;

(g) the Custodian shall have given its prior written approval of such substitution and of the New Account Bank (such consent may not be unreasonably refused or withheld other than on the basis of legitimate, serious and reasonable grounds);

(h) the Issuer shall not bear any additional costs, whether upon such substitution or on an ongoing basis following such substitution, in connection with such substitution; and

(i) such substitution is made in compliance with the then applicable laws and regulations.

***Revocation and Termination of the Account Bank's Appointment by the Management Company***

The Management Company has reserved the right (by sending a letter with acknowledgement of receipt to the other parties not less than ninety (90) calendar days' written notice prior to such effective date and that such effective date shall not fall less than thirty (30) calendar days before any due date for payment in respect of any Notes) to revoke the appointment of the Account Bank and to appoint a substitute account bank provider provided that:

(a) such revocation shall not take effect (and the Account Bank shall continue to be bound hereby) until the transfer of the Issuer Bank Accounts to a new account bank (a "New Account Bank") and documentation has been executed to the satisfaction of the Management Company;

(b) the New Account Bank shall be a credit institution having its registered office in France and shall be licensed by the *Autorité de Contrôle Prudentiel et de Résolution* and authorised to provide administration and custody of financial instruments under the terms of Article L. 542-1 of the French Monetary and Financial Code;

(c) the New Account Bank has at least the Account Bank Required Ratings;

(d) the New Account Bank can assume in substance the rights and obligations of the Account Bank and replacement Issuer Bank Accounts are opened in the books of the New Account Bank;

(e) the New Account Bank shall have agreed with the Management Company and the Custodian to perform the duties and obligations of the Account Bank pursuant to an agreement entered into between the Management Company, the Custodian and the New Account Bank substantially similar to the terms of the Account Bank Agreement;

(f) the Custodian shall have given its prior written approval of such substitution and of the New Account Bank (such consent may not be unreasonably refused or withheld other than on the basis of legitimate, serious and reasonable grounds);

(g) each Issuer Bank Account has been transferred in the books of the New Account Bank or replacement Issuer Bank Accounts are opened in the books of the New Account Bank;

(h) the Issuer shall not bear any additional costs, whether upon such substitution or on an ongoing basis following such substitution, in connection with such substitution; and

(i) such substitution is made in compliance with the then applicable laws and regulations.

***Breach of Account Bank's Obligations and Termination of the Account Bank's Appointment by the Management Company***

If the Account Bank breaches any of its obligations under the Account Bank Agreement and such breach continues unremedied for a period of three (3) Business Days following the receipt by the Account Bank of a notice in writing sent by the Management Company detailing such breach, the Management Company may, in its reasonable opinion, immediately terminate the Account Bank Agreement and appoint a substitute account bank provider provided that:

(a) such termination shall not take effect (and the Account Bank shall continue to be bound hereby) until the transfer of the Issuer Bank Accounts to a new account bank (a "New Account Bank") and documentation has been executed to the satisfaction of the Management Company;

(b) the New Account Bank shall be a credit institution having its registered office in France and shall be licensed by the *Autorité de Contrôle Prudentiel et de Résolution* and authorised to provide administration and custody of financial instruments under the terms of Article L. 542-1 of the French Monetary and Financial Code;

(c) the New Account Bank has at least the Account Bank Required Ratings;

(d) the New Account Bank can assume in substance the rights and obligations of the Account Bank;

(e) the New Account Bank shall have agreed with the Management Company and the Custodian to perform the duties and obligations of the Account Bank pursuant to an agreement entered into between the Management Company, the Custodian and the New Account Bank substantially similar to the terms of the Account Bank Agreement;

(f) each Issuer Bank Account has been transferred in the books of the New Account Bank or replacement Issuer Bank Accounts are opened in the books of the New Account Bank;

(g) the Custodian shall have given its prior written approval of such substitution and of the New Account Bank (such consent may not be unreasonably refused or withheld other than on the basis of legitimate, serious and reasonable grounds);

(h) the Issuer shall not bear any additional costs, whether upon such substitution or on an ongoing basis following such substitution, in connection with such substitution; and

(i) such substitution is made in compliance with the then applicable laws and regulations.

***Resignation and Termination by the Account Bank***

The Account Bank may, at any time upon not less than ninety (90) calendar days' written notice, notify the Management Company and the Custodian in writing that it wishes to cease to be a party to the Account Bank Agreement as Account Bank (a "**Cessation Notice**"). Upon receipt of a Cessation Notice, the Management Company and the Custodian will nominate a successor to the Account Bank (a "**Successor Account Bank**") provided, however, that such resignation shall not take effect until the following conditions are satisfied:

(a) such termination shall not take effect (and the Account Bank shall continue to be bound hereby) until the transfer of the Issuer Bank Accounts to the Successor Account Bank appointed by the Management Company, under the supervision of the Custodian, and documentation has been executed to the satisfaction of the Management Company and the Custodian;

(b) the Successor Account Bank shall be a credit institution having its registered office in France and shall be licensed by the *Autorité de Contrôle Prudentiel et de Résolution* and authorised to provide administration and custody of financial instruments under the terms of Article L. 542-1 of the French Monetary and Financial Code;

(c) the Successor Account Bank has the Account Bank Required Ratings;

(d) each Issuer Bank Account has been transferred in the books of the Successor Account Bank or replacement Issuer Bank Accounts are opened in the books of the Successor Account Bank;

(e) the Custodian shall have given its prior written approval of such substitution and of the Successor Account Bank (such consent may not be unreasonably refused or withheld other than on the basis of legitimate, serious and reasonable grounds);

(f) the Issuer shall not bear any additional costs, whether upon such substitution or on an ongoing basis following such substitution, in connection with such substitution; and

(g) such substitution is made in compliance with the then applicable laws and regulations.

**Governing Law and Jurisdiction**

The Account Bank Agreement is governed by and shall be construed in accordance with French law. The parties to the Account Bank Agreement have agreed to submit any dispute that may arise in connection with the Account Bank Agreement to the exclusive jurisdiction of the *Tribunal de Commerce de Paris*.

## ISSUER AVAILABLE CASH

### General

The Management Company will take the appropriate steps to invest the Issuer Available Cash standing to the credit of the Issuer Bank Accounts. The Management Company has undertaken to manage the Issuer Available Cash in accordance with the Issuer Regulations.

### Authorised Investments

A securities account (*compte-titres*) shall be set up in relation to each of the Issuer Bank Accounts opened with the Account Bank.

Pursuant to Article D. 214-232-4 of the French Monetary and Financial Code, the Management Company may, subject to the Priority of Payments, invest all sums temporarily available and pending allocation for distribution and credited to the Issuer Bank Accounts in the Authorised Investments.

### Investment Rules

The Management Company will arrange for the investment of funds temporarily available and pending allocation and distribution in accordance with, and subject to, the provisions of the Issuer Regulations.

The investment rules aim to remove any risk of loss of principal and to provide for the selection of securities whose credit ratings do not result in a reduction of the level of security enjoyed by the Noteholders. No investment shall be made with a maturity ending after the Business Day preceding the next Payment Date following the date of the said investment nor shall it be disposed of before its maturity.

The Management Company may not invest the Issuer Available Cash in any Authorised Investment that would, on the relevant investment date, adversely affect the level of security enjoyed by the Noteholders.

## CREDIT AND LIQUIDITY STRUCTURE

*An investment in the Notes implies a certain level of risk on which the attention of the investors must be drawn when subscribing or purchasing any Notes of any Class. The structure of the Issuer provides for various credit enhancement and liquidity protection mechanisms which benefit exclusively to the Noteholders.*

### Absorption of Losses

Irrespective of the hedging and protection mechanisms set forth under this Part, the main protection of the Noteholder derives from the ability of the Management Company to apply, on any Payment Date, the Available Interest Distribution Amount in or towards the elimination of any outstanding debit balance, first on the Class C Principal Deficiency Ledger, and, thereafter on the Class B Principal Deficiency Ledger, and, thereafter on the Class A Principal Deficiency Ledger in accordance with the Interest Priority of Payments, but only to the extent such Available Interest Distribution Amount is sufficient to that effect.

### Credit Enhancement

#### *Subordination of Notes*

*General*

The obligations of the Issuer to pay interest and to repay principal on the Notes will be subject to the applicable Priority of Payments and such amounts will only be payable to the extent that the Issuer has sufficient Available Interest Distribution Amount and Available Principal Distribution Amount during the Normal Amortisation Period and sufficient Available Distribution Amount during the Normal Amortisation Period and the Accelerated Amortisation Period and after making payment of all amounts required to be paid pursuant to the relevant provisions of the Issuer Regulations in priority to such payments.

Junior Classes of Notes will be subordinated to more senior Classes of Notes, thereby ensuring that available funds are applied to the Most Senior Class in priority to more junior Classes of Notes. The Class A Notes benefit from credit enhancement in the form of subordination of the Class B Notes, the Class C Notes and the Residual Units. The Class B Notes benefit from credit enhancement in the form of subordination of the Class C Notes and the Residual Units. The Class C Notes benefit from credit enhancement in the form of subordination of the Residual Units.

*Class A Notes*

Credit enhancement for the Class A Notes will be provided by the subordination of payments due in respect of the Class B Notes, the Class C Notes and the Residual Units in accordance with the applicable Priority of Payments.

Such subordination consists in the right granted to the holders of the Class A Notes to receive on each Payment Date:

(a) any amounts of interest in priority to any amounts of interest payable to the holders of the Class B Notes, the holders of the Class C Notes and the holders of the Residual Units; and

(b) any amounts of principal in priority to any amounts of principal payable the holders of the Class B Notes, the holders of the Class C Notes and the holders of the Residual Units,

*provided that* during the Accelerated Amortisation Period:

(i) the Class B Notes will not receive any payment of principal or interest for so long as the Class A Notes have not been redeemed in full;

(ii) the Class C Notes will not receive any payment of principal or interest for so long as the Class B Notes have not been redeemed in full;

(iii) the Residual Units will not receive any payment of principal or interest for so long as the Class C Notes have not been redeemed in full.

The purpose of this subordination is to provide support for the payments of interest and principal to the holders of the Class A Notes by the Issuer.

*Class B Notes*

Credit enhancement for the Class B Notes will be provided by the subordination of payments due in respect of the Class C Notes and the Residual Units in accordance with the applicable Priority of Payments.

Such subordination consists in the right granted to the holders of the Class B Notes to receive on each Payment Date:

(a) any amounts of interest in priority to any amounts of interest payable to the holders of the Class C Notes and the holders of the Residual Units; and

(b) any amounts of principal in priority to any amounts of principal payable the holders of the Class C Notes and the holders of the Residual Units,

*provided that* during the Accelerated Amortisation Period:

(i) the Class C Notes will not receive any payment of principal or interest for so long as the Class B Notes have not been redeemed in full;

(ii) the Residual Units will not receive any payment of principal or interest for so long as the Class C Notes have not been redeemed in full.

The purpose of this subordination is to provide support for the payments of interest and principal to the holders of the Class B Notes by the Issuer.

***Subordination of the Residual Units***

The rights of the holders of Residual Units to receive amounts of principal relating to the Purchased Home Loan Receivables shall be subordinated to the rights of the holders of the Notes to receive such amounts of principal pursuant to the provisions specified in this Prospectus. The purpose of this subordination is to provide support for, without prejudice to the rights attached to the Residual Units, the regularity of payments of amounts of principal to the Noteholders.

***Level of Credit Enhancement for each Class of Notes***

***Class A Notes***

On the Closing Date the issue of the Class B Notes and the Class C Notes provide the holders of Class A Notes with a total level of credit enhancement equal to 8.50 per cent. of the aggregate of the Initial Principal Amount of the Notes.

***Class B Notes***

On the Closing Date the issue of the Class C Notes provide the holders of Class B Notes with a total level of credit enhancement equal to 5.00 per cent. of the aggregate of the Initial Principal Amount of the Notes.

**Liquidity Support**

***Subordination in payment of interest of the Notes***

Subordination in payment of interest of the Class B Notes and the Class C Notes will provide liquidity support for the Class A Notes.

Subordination in payment of interest of the Class C Notes will provide liquidity support for the Class B Notes.

***Liquidity Reserve Deposit Agreement***

Pursuant to Article L. 211-36-I 2° and Article L. 211-38-II of the French Monetary and Financial Code and the terms of the Liquidity Reserve Deposit Agreement, the Liquidity Reserve Provider has agreed to

guarantee the performance of the Purchased Home Loan Receivables against any losses resulting from any default of the Borrowers (*pertes consécutives à la défaillance des débiteurs*) up to an amount equal to the Liquidity Reserve Deposit on the Closing Date.

As a guarantee for its financial obligations (*obligations financières*) under such undertaking, CIFD, acting as the Liquidity Reserve Provider has agreed to provide a Liquidity Reserve Deposit with the Issuer, by way of full transfer of title (*remise d'espèces en pleine propriété à titre de garantie*) in accordance with Article L. 211-36-I 2° and Article L. 211-38 of the French Monetary and Financial Code.

On the Closing Date, the Liquidity Reserve Account shall be credited by the Liquidity Reserve Provider with an amount equal to the Liquidity Reserve Required Amount pursuant to the Liquidity Reserve Deposit Agreement. After the Closing Date, the Liquidity Reserve Provider shall be under no obligation to make any additional deposit.

***Allocation and Use of the Liquidity Reserve Deposit***

On each Calculation Date prior to the commencement of the Accelerated Amortisation Period and, for the last time, on the first Calculation Date of the Accelerated Amortisation Period only, the balance of the Liquidity Reserve Account shall be credited to the General Account.

On each Payment Date the Liquidity Reserve Deposit shall be used by the Issuer in accordance with the relevant Priority of Payments.

The Liquidity Reserve Account will be replenished up to the Liquidity Reserve Required Amount in accordance with the Normal Priority of Payments during the Normal Amortisation Period only.

**Release and Repayment of the Liquidity Reserve Deposit**

The sums standing at the credit of the Liquidity Reserve Deposit will be returned by the Issuer to the Liquidity Reserve Provider in accordance with the Priority of Payments.

## THE HEDGE AGREEMENTS

*The following description of the Hedge Agreements consists of a summary of the principal terms of the Hedge Agreements. 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 section of this Prospectus or in the 2013 FBF Master Agreement.*

### Introduction

#### *2013 FBF Master Agreement*

On the Signing Date the Management Company, acting for and on behalf of the Issuer, shall enter into the Hedge Agreements, in connection with the Listed Notes, with each of BNP Paribas and Crédit Agricole Corporate and Investment Bank, each in its capacity as Hedge Counterparty.

Each Hedge Agreement is governed by the 2013 Fédération Bancaire Française master agreement for foreign exchange and derivatives transactions (*convention-cadre FBF relative aux opérations sur instruments financiers*, the "**2013 FBF Master Agreement**"), as amended by a supplementary schedule and collateral annex and confirmed by a written confirmation governed by French law.

#### *Purpose of the Hedge Agreements*

The purpose of each Hedge Agreement is to enable the Issuer to meet its interest obligations on the Listed Notes, in particular by hedging the Issuer against the risk of a difference between the floating rate of the Listed Notes applicable for the relevant Interest Period (on each relevant Payment Date) against the fixed and floating interest rate of the Purchased Home Loan Receivables.

The Euro-denominated interest payments that each of the Hedge Counterparties is obliged to pay to the Issuer under each of the Hedge Agreements shall be exclusively allocated by the Management Company to the Issuer and applied pursuant to the relevant Priority of Payments.

### Determination of the Hedge Notional Amounts

On the Closing Date, the aggregate of the notional amounts under each of the Hedge Agreement shall equal to the aggregate of the Initial Principal Amount of the Listed Noted of which one-half shall be hedged with BNP Paribas and one-half shall be hedged with Crédit Agricole Corporate and Investment Bank, in each case rounded to two decimal places with 0.005 being rounded upwards.

On each Payment Date, the aggregate of the notional amounts of the Hedge Agreements shall be equal to the lesser of:

(a) the aggregate of the Principal Amount Outstanding of the Listed Notes on the immediately preceding Payment Date (or on the Closing Date in respect of the first Payment Date), minus the aggregate of any Class A Principal Deficiency Ledger and any Class B Principal Deficiency Ledger as calculated by the Management Company (acting herein for and on behalf of the Issuer);

(b) the aggregate of the Principal Outstanding Balance of the Performing Purchased Home Loan Receivables as calculated by the Management Company (acting herein for and on behalf of the Issuer) on the applicable Calculation Date with respect to the relevant Payment Date immediately preceding such Payment Date; and

(c) the maximum notional amount (as defined in each Hedge Agreement),

of which one-half shall be hedged with BNP Paribas and one-half shall be hedged with Crédit Agricole Corporate and Investment Bank, in each case rounded to two decimal places with 0.005 being rounded upwards provided that if the Management Company has not been able to make the calculations of (i) the Principal Amount Outstanding of the Listed Notes and/or the aggregate of any Class A Principal Deficiency Ledger and any Class B Principal Deficiency Ledger or (ii) the aggregate of the Principal Outstanding Balance of the Performing Purchased Home Loan Receivables, then the Hedge Counterparty shall calculate such amounts in a commercially reasonable manner.

**Payments with respect to each Hedge Agreement**

On each Payment Date:

(a) the Issuer will pay to each of the Hedge Counterparties a fixed amount calculated by reference to:

(i) from (and including) the Closing Date to (and including) the First Optional Redemption Date: a fixed rate of 1.04 per cent. per annum; and

(ii) from (but excluding) the First Optional Redemption Date to (and including) the Hedge Maturity Date: a fixed rate of 1.74 per cent. per annum,

and the applicable notional amount and the exact number of days of the relevant Interest Period, divided by 360 (the "**Hedge Fixed Amount**"); and

(b) each of the Hedge Counterparties will pay to the Issuer a floating amount calculated by reference to the sum of (i) EURIBOR Reference Rate and (ii) the Additional Spread, subject to a minimum interest rate which is equal to zero per cent,

Where "**Additional Spread**" means:

(i) from (and including) the Closing Date to (and including) the First Optional Redemption Date: 0.70 per cent. per annum; and

(ii) from (but excluding) the First Optional Redemption Date to (and including) the Hedge Maturity Date: 1.40 per cent. per annum,

and the applicable notional amount and the exact number of days of the relevant Interest Period, divided by 360 (the "**Hedge Floating Amount**"),

provided that a netting will be made between (x) the Hedge Fixed Amount and (y) the Hedge Floating Amount so that the relevant party will only pay to the other party the Hedge Net Amount (if positive) resulting from such netting.

In this section "**Hedge Maturity Date**" means the earlier of the following dates:

(i) the Payment Date on which any of:

(a) the aggregate of the Principal Amount Outstanding of the Listed Notes, minus the aggregate of any Class A Principal Deficiency Ledger and any Class B Principal Deficiency Ledger; or

(b) the aggregate of the Principal Outstanding Balance of the Performing Purchased Home Loan Receivables,

is reduced to zero (other than following the occurrence of an Event of Default or a Change of Circumstances); or

(ii) the Final Maturity Date.

The Hedge Net Amount (when payable by the Issuer) shall be paid by the Issuer to each of Hedge Counterparties in accordance with the applicable Priority of Payments.

**Insufficiency of Available Funds**

In the event that, on any Payment Date, the Issuer, represented by the Management Company, is unable to pay to the Hedge Counterparties the Hedge Net Amount under each Hedge Agreement that is payable as the result of an insufficiency of Issuer's available funds, the amount that is outstanding on such date will give rise to a shortfall of the Hedge Net Amount (the "**Hedge Net Amount Arrears**") which will be paid to the Hedge Counterparties on the next Payment Date. The Hedge Net Amount Arrears will bear default interest in accordance with the Hedge Agreement. Notwithstanding the foregoing, any failure by the Hedge Counterparty or the Issuer to pay the Hedge Net Amount in full due on any Payment Date will constitute an

"Event of Default" (as defined in the Hedge Agreement), which will give the Non-Defaulting Party (as defined in the Hedge Agreement) the right to designate an early termination date in respect of all outstanding transactions under the Hedge Agreement.

Upon the occurrence of an early termination date in respect of the Hedge Agreement, all Hedge Senior Termination Payments or the Hedge Subordinated Termination Payments shall be payable on the first Payment Date immediately following the determination of such amounts in accordance with the Hedge Agreement in accordance with the Priority of Payments, provided that if the relevant Priority of Payments does not allow the full payment of the Hedge Senior Termination Payments or the Hedge Subordinated Termination Payments, as the case may be, to the Hedge Counterparty to be made on a given Payment Date, the unpaid balance of the Hedge Senior Termination Payments or the Hedge Subordinated Termination Payments, as the case may be, shall be paid to the Hedge Counterparty in accordance with the applicable Priority of Payments on the next Payment Date and, in any case, on the following Payment Date(s), until the entire unpaid balance has been paid.

**Return of Collateral in Excess**

If the Hedge Counterparty has posted collateral in excess of the required amount under the relevant Hedge Agreement, such excess will be directly returned by the Issuer to the Hedge Counterparty in accordance with the terms of the relevant Hedge Agreement outside the Priority of Payments.

**No 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 a Hedge Agreement, the Issuer shall not be liable to pay to the Hedge Counterparty any such additional amount. If a Hedge 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 a Hedge Agreement, such Hedge 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 Hedge Net Amount it would have received in the absence of any deduction or withholding. In such event, such Hedge Counterparty will be entitled to terminate the Hedge Agreement only after the parties have attempted in good faith for a period of thirty (30) calendar days to find mutually satisfactory solution for avoiding such deduction or withholding.

**Ratings Downgrade of the Hedge Counterparties**

***Fitch Required Ratings***

In this section:

"**Fitch Long-Term Rating**" means a rating assigned by Fitch under its long-term rating scale in respect of an entity's Long-Term Issuer Default Rating ("**Long-Term IDR**"). With respect to each Hedge Counterparty, the Fitch Long-Term Rating means "Derivative Counterparty Rating" ("**DCR**") or Long-Term IDR when DCR is not assigned.

"**Fitch Short-Term Rating**" means a rating assigned by Fitch under its short-term rating scale in respect of an entity's Short-Term Issuer Default Rating ("**Short-Term IDR**").

"**Highest Rated Notes**" means for so long as the Class A Notes are outstanding, the Class A Notes, and when the Class A Notes are redeemed in full and for so long as the Class B Notes are outstanding, the Class B Notes.

An "**Initial Fitch Rating Event**" shall occur if the Fitch Long-Term Rating and the Fitch Short-Term Rating of the Hedge Counterparty (or any permitted successor or assign) are rated below the Initial Fitch Required Ratings.

"**Initial Fitch Required Ratings**" means at any time the Fitch Long-Term Rating or the Fitch Short-Term Rating found in the table below under the column "Without collateral" and in the row corresponding to the Fitch Long-Term Rating of the Highest Rated Notes at the time:

| Highest Rated Notes' rating | Without collateral | With collateral – Flip clause |
|---|---|---|
| AAAsf | 'A' or 'F1' | 'BBB-' or 'F3' |
| AAsf | 'A-' or 'F1' | 'BBB-' or 'F3' |
| Asf | 'BBB' or 'F2' | 'BB+' |
| BBBsf | 'BBB-' or 'F3' | 'BB-' |
| BBsf | Note rating | 'B+' |
| Bsf | Note rating | 'B-' |

A "**Subsequent Fitch Rating Event**" shall occur if the Fitch Long-Term Rating and the Fitch Short-Term Rating of the Hedge Counterparty (or its guarantor or any permitted successor or assign) are rated below the Subsequent Fitch Required Ratings.

"**Subsequent Fitch Required Ratings**" means at any time the Fitch Long-Term Rating or the Fitch Short-Term Rating found in the table under the definitions of "Initial Fitch Required Ratings" above under the column "With collateral – Flip clause" and in the row corresponding to the Fitch Long-Term Rating of the Highest Rated Notes at the time.

*Initial Fitch Rating Event*

Under the terms of each Hedge Agreement, upon the occurrence of an Initial Fitch Rating Event:

(a) the relevant Hedge Counterparty shall, at its own costs and expenses, within fourteen (14) calendar days following the occurrence of such Initial Fitch Rating Event (and all times thereafter until such Initial Fitch Rating Event ceases to exist or until such time as the Hedge Counterparty has taken one of the actions set out in paragraphs (b)(i) or (b)(ii) below) transfer collateral pursuant to the terms of the Credit Support Annex to the Swap Collateral Account opened in the name of the Issuer (or any entity so designated by the Issuer) with an Eligible Bank (as defined in each Hedge Agreement); or

(b) the relevant Hedge Counterparty, at any time following the occurrence of such Initial Fitch Rating Event, may at its own costs and expenses on a commercially reasonable efforts basis and at its own discretion either:

  (i) transfer or novate to an Eligible Replacement (as defined in each Hedge Agreement) satisfying the Transfer Conditions (as defined in each Hedge Agreement) any and all of its rights and obligations with respect to each Hedge Agreement and all transactions hereunder; or

  (ii) procure any Fitch Eligible Guarantor (as defined in each Hedge Agreement) to guarantee any and all of its obligations under, or in connection with, the relevant Hedge Agreement and the transactions outstanding at such time pursuant to the terms of a Fitch Eligible Guarantee (as defined in each Hedge Agreement).

If any of the remedies specified in paragraph (b) above is not satisfied within fourteen (14) calendar days following the occurrence of such Initial Fitch Rating Event, the Hedge Counterparty shall within fourteen (14) calendar days following the occurrence of such Initial Fitch Rating Event transfer collateral pursuant to the terms of the credit support document to the Swap Collateral Account opened in the name of the Issuer (or any entity so designated by the Issuer) with an Eligible Bank (as defined in each Hedge Agreement).

If an Initial Fitch Rating Event has occurred and the Hedge Counterparty does not take any of the measures described in paragraphs (a) and (b) above (and regardless of whether commercially reasonable efforts have been used to implement any of those measures) (such event being an "**Initial Fitch Rating Requirement Breach**"), such failure shall not be or give rise to an Event of Default (as defined in each Hedge Agreement) but shall constitute a Change of Circumstances (as defined in each Hedge Agreement) with respect to the Hedge Counterparty which shall be deemed to have occurred on the next Business Day after the fourteenth calendar day following the Initial Fitch Rating Event with the Hedge Counterparty as the sole Affected Party (as defined in each Hedge Agreement) and the transactions as affected transactions.

*Subsequent Fitch Rating Event*

Under the terms of each Hedge Agreement, the parties have agreed that upon the occurrence of a Subsequent Fitch Rating Event:

(a) within thirty (30) calendar days following the occurrence of a Subsequent Fitch Rating Event, the relevant Hedge Counterparty shall, on a commercially reasonable efforts basis, at its own costs and expenses, either:

  (i) transfer or novate to an Eligible Replacement (as defined in each Hedge Agreement) satisfying the Transfer Conditions (as defined in each Hedge Agreement) any and all of its rights and obligations with respect to each Hedge Agreement and the transaction; or

  (ii) procure any Fitch Eligible Guarantor (as defined in each Hedge Agreement) to guarantee any and all of its obligations under, or in connection with, the relevant Hedge Agreement and the transaction outstanding at such time pursuant to the terms of a Fitch Eligible Guarantee (as defined in each Hedge Agreement); or

(b) pending taking any of the actions set out in paragraph (a) above, the relevant Hedge Counterparty shall, at its own costs and expenses, (i) within fourteen (14) calendar days following the occurrence of such Subsequent Fitch Rating Event (and all times thereafter until such Subsequent Fitch Rating Event ceases to exist or until such time the Hedge Counterparty has taken one of the actions set out in paragraphs (a)(i) or (a)(ii) above), post collateral pursuant to the terms of the Credit Support Annex to the Swap Collateral Account opened in the name of the Issuer (or any entity so designated by the Issuer) with an Eligible Bank (as defined in each Hedge Agreement) or (ii) if collateral has already been transferred by the Hedge Counterparty pursuant to the provisions of paragraph (a) of sub-section "Initial Fitch Rating Event" above, transfer additional collateral in accordance with the Credit Support Annex.

If, at the time a Subsequent Fitch Rating Event occurs, the Hedge Counterparty fails to take any of the remedies described in paragraph (b) of sub-section "*Subsequent Fitch Rating Event*" (such event being a "**Subsequent Fitch Rating Requirement Breach**"), such failure will not be or give rise to an Event of Default (as defined in each Hedge Agreement) but will constitute a Change of Circumstances (as defined in each Hedge Agreement) with respect to the Hedge Counterparty and will be deemed to have occurred on the later of the next Business Day after the tenth calendar day following such Subsequent Fitch Rating Event and the next Business Day after the fourteenth calendar day following any prior Initial Fitch Rating Event with the Hedge Counterparty as the sole Affected Party (as defined in each Hedge Agreement) and the transaction as an affected transaction.

*Termination*

A Change of Circumstances (as defined in each Hedge Agreement) with respect to the Hedge Counterparty shall be deemed to have occurred if, even if the Hedge Counterparty continues to post collateral as required by paragraph (b) of sub-section "Subsequent Fitch Rating Event" (such event being a "**Subsequent Fitch Rating Requirement Breach**"), the Hedge Counterparty does not take the measures described in paragraph (a) of sub-section "Subsequent Fitch Rating Event". Such Change of Circumstances will be deemed to have occurred on the next Business Day after the thirtieth calendar day following the Subsequent Fitch Rating Event with the Hedge Counterparty as the sole Affected Party (as defined in each Hedge Agreement) and the transaction as an affected transaction.

A termination by reasons of Change of Circumstances will occur upon the occurrence of:

(a) an Initial Fitch Rating Requirement Breach; or

(b) a Subsequent Fitch Rating Requirement Breach.

Under the terms of each Hedge Agreement, the Management Company, acting for and on behalf of the Issuer, may suspend its payment or delivery obligations under each Hedge Agreement and any transaction and may use collateral posted (if any) under the applicable Credit Support Annex (as defined in each Hedge Agreement for the execution of new hedge agreement (substantially the same of the relevant Hedge

Agreement). The Hedge Counterparty has agreed to bear any costs incurred in connection with such termination, substitution, transfer and/or novation and the execution of any new hedge agreement so that the Issuer shall not bear any additional costs. The Management Company will make its best endeavours to find a replacement hedge counterparty having the required ratings.

***Moody's Required Ratings***

In this section:

The "**Moody's Collateral Trigger Requirements**" will apply to each Hedge 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 "A3" or above or long-term counterparty risk assessment from Moody's is at least "A3(cr)" or above in accordance with the document entitled "Moody's Approach to Assessing Counterparty Risks in Structured Finance" (the "**Moody's 2019 Criteria**") on 29 January 2019.

So long as the Moody's Collateral Trigger Requirements apply, each Hedge Counterparty will, at its own cost, use commercially reasonable efforts to, as soon as reasonable practicable, take one of the following actions:

(a) transfer collateral pursuant to the terms of the Collateral Annex (as defined in each Hedge Agreement) to an account opened in the name of the Issuer (or any entity designated by the Issuer) with an Eligible Bank; or

(b) procure a Moody's Eligible Guarantee (as defined in each Hedge Agreement) in respect of all of its present and future obligations under the relevant Hedge Agreement by a guarantor having at least the Moody's Qualifying Transfer Trigger Ratings; or

(c) transfer to a Moody's Eligible Replacement (as defined in each Hedge Agreement) satisfying the Transfer Conditions (as defined in each Hedge Agreement) any and all of its rights and obligations with respect to the relevant Hedge Agreement; or

(d) take such action (which may for the avoidance of doubt, include taking no action) that Moody's confirms will maintain or restore the rating of the Listed Notes to the level that would have been assigned to such obligations if the Moody's Collateral Trigger Requirements did not apply.

So long as the Moody's Transfer Trigger Requirements apply, each Hedge Counterparty will, 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 each Hedge Agreement) in respect of all of its present and future obligations under the relevant Hedge Agreement by a guarantor having at least the Moody's Qualifying Transfer Trigger Ratings; or

(b) a transfer to a Moody's Eligible Replacement (as defined in each Hedge Agreement) satisfying the Transfer Conditions (as defined in each Hedge Agreement) any and all of its rights and obligations with respect to the relevant Hedge Agreement.

*Termination*

A termination by reasons of Change of Circumstances (as defined in each Hedge Agreement) under the relevant Hedge Agreement entitling the Management Company to terminate (without being obliged to) the relevant Hedge Agreement will occur if the Moody's Collateral Trigger Requirements and/or the Moody's Transfer Trigger Requirements apply and the relevant Hedge Counterparty fails to comply with the above provisions.

Under the terms of each Hedge Agreement, the Management Company, acting for and on behalf of the Issuer, may suspend its payment or delivery obligations under the relevant Hedge Agreement and any transaction and may use collateral posted (if any) under the applicable Credit Support Annex (as defined in each Hedge Agreement for the execution of a new hedge agreement (substantially the same of the relevant

Hedge Agreement). Each Hedge Counterparty has agreed to bear any costs incurred in connection with such termination, substitution, transfer and/or novation and the execution of any new hedge agreement so that the Issuer shall not bear any additional costs. The Management Company will make its best endeavours to find a replacement hedge counterparty having the required ratings.

**Swap Collateral Accounts**

The Swap Collateral Accounts will be opened in the books of the Account Bank in respect of each Hedge Counterparty on or before the entry into the relevant Hedge Agreement between the Issuer and the relevant Hedge Counterparty.

The amounts credited to each Swap Collateral Account shall be held separate from and shall not form part of Available Monthly Collections or of the Available Distribution Amount and shall not be available to fund general distributions of the Issuer.

**Termination of each Hedge Agreement**

Each Hedge Counterparty will have the right to early terminate (in part or in full) the Hedge Agreement upon the occurrence of any Event of Default (as defined in each Hedge Agreement) or any of the Changes in Circumstances (as defined in each Hedge Agreement), among others:

(a) upon the occurrence of either of the following events:

  (i) any provision of the Transaction Documents is amended and the effect of such amendment is to affect the amount, timing or priority of any payments due between the parties to each Hedge Agreement unless the Hedge Counterparty has consented in writing to such amendment;

  (ii) any provision of the Transaction Documents is amended without the consent of the Hedge Counterparty only to the extent where such amendment would have a material adverse effect on the Hedge Counterparty in the reasonable opinion of the Hedge Counterparty;

  (iii) the Listed Notes are fully redeemed by the Issuer, subject to, and in accordance with, the terms of the Issuer Regulations and the Conditions;

  (iv) the Management Company has elected to irrevocably liquidate the Issuer upon the occurrence of an Issuer Liquidation Event in accordance with the terms of the Issuer Regulations; or

  (v) the Management Company has received a Seller Call Option Notice from the Seller in the context of the exercise of a Seller Call Option by the Seller in respect of all (but not part) of the Purchased Home Loan Receivables in accordance with the terms of the Home Loan Receivables Transfer Agreement;

(b) upon the occurrence, with respect to the Issuer, of any of the Events of Default (as defined in each Hedge Agreement) or of any of the Changes in Circumstances (as defined in each Hedge Agreement).

The Issuer will have the right to early terminate each Hedge Agreement upon the occurrence of any Event of Default (as defined in each Hedge Agreement), any of the Changes in Circumstances (as defined in each Hedge Agreement) or the Changes in Circumstances (as defined in each Hedge Agreement).

Upon such early termination of each Hedge Agreement as described above, the Issuer or the Hedge Counterparty may be liable to make a termination payment to the other party.

In case the Hedge Counterparty is the defaulting party, the amount of any such termination payment will be based on the replacement value of the derivative transaction.

In case the Issuer is the defaulting party, the amount of any such termination payment will be based on the total losses and costs incurred (or gain, in which case expressed as a negative number) of the non-defaulting party in connection with the termination of each Hedge Agreement, including in respect of any payment or

delivery required to have been made, any loss of bargain, cost of funding, or loss or cost incurred as a result of terminating, liquidating, obtaining or re-establishing any hedge or related trading position. The non-defaulting party's legal expenses and out of pocket expenses incurred enforcing or protecting its rights under each Hedge Agreement are excluded from the calculation of loss.

**Governing Law and Jurisdiction**

Each Hedge 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 Hedge Agreement to the exclusive jurisdiction of the *Tribunal de commerce de Paris*.

## DISSOLUTION AND LIQUIDATION OF THE ISSUER

*This section describes the Issuer Liquidation Events, the procedure for the liquidation of the Issuer and for the obligations of the Management Company in this case, in accordance with the provisions of the Issuer Regulations.*

### General

Pursuant to Article L. 214-186 of the French Monetary and Financial Code and the terms of the Issuer Regulations, the Issuer shall be liquidated by the Management Company within six (6) months after the extinguishment (*extinction*) of the last outstanding Purchased Home Loan Receivable.

Pursuant to the terms of the Issuer Regulations, the Management Company, acting in the name and on behalf of the Issuer, may be entitled (or will have the obligation, if applicable) to declare the early liquidation of the Issuer in accordance with Article L. 214-169 and Article R. 214-226 of the French Monetary and Financial Code. The Issuer may be liquidated upon the occurrence of any of the Issuer Liquidation Events.

The Issuer shall be liquidated on the Issuer Liquidation Date.

### Issuer Liquidation Event

#### *General*

Pursuant to the terms of the Issuer Regulations, the Management Company, acting in the name and on behalf of the Issuer, will have the rights (but not the obligation) to liquidate the Issuer upon the occurrence of any of the Issuer Liquidation Events.

#### *Clean-up Call Event*

Upon the occurrence of a Clean-up Call Event, the Seller may exercise the Clean-up Call Option by delivery of a Clean-up Call Event Notice to the Issuer at least sixty (60) calendar days before the relevant Payment Date.

The Issuer shall apply on the applicable Payment Date the Available Distribution Amount in accordance with the applicable Priority of Payments.

### Dissolution of the Issuer

If an Issuer Liquidation Event has occurred, the Management Company shall first propose to the Seller with copy to the Custodian and the Hedge Counterparties pursuant to the terms of an Issuer Liquidation Offer to repurchase all (but not part) of the Purchased Home Loan Receivables and the following procedure shall apply:

(a) if the Seller offers a repurchase price for all Purchased Home Loan Receivables which is at least equal to the Principal Amount Outstanding of the Listed Notes plus accrued interest and all other amounts due thereon on the Calculation Date, the Management Company shall be bound to sell all Purchased Home Loan Receivables to the Seller on the following Payment Date;

(b) if the Seller refuses or is not able to make an offer with an amount equal to the amount referred to in (a) above or offers a repurchase price for the Purchased Home Loan Receivables which is less than the then Principal Amount Outstanding of the Listed Notes plus accrued interest and all other amounts due thereon on the Calculation Date, then the Management Company will be entitled, within thirty (30) calendar days, to offer for sale all (but not part) of the Purchased Home Loan Receivables to any third party provided that:

  (i) if the Management Company receives within such thirty (30) calendar-day period one or several binding purchase offer(s) from third party(ies), it may either suspend the sale process (e.g. wait for better markets conditions) or decide to proceed with the sale process, in which case, it shall give notice to the Seller of the purchase prices proposed by such third party(ies) before proceeding with the sale of the Purchased Home Loan Receivables;

(ii) the Seller shall have the right within thirty (30) calendar days following such notice to make a counter-offer to the Management Company:

(x) if the Seller offers a repurchase price for the Purchased Home Loan Receivables which is at least equal to the greatest purchase price offered by third party(ies), the Management Company shall be bound to sell the Purchased Home Loan Receivables to the Seller for the repurchase price proposed by the Seller; or

(y) if the Seller refuses or is not able to make an counter-offer or offers a repurchase price which is below the greatest purchase price offered by third parties, the Management Company will be entitled to proceed with the sale of all (but not part) of the Purchased Home Loan Receivables to the relevant third party.

The Seller shall be entitled to substitute to itself any third party in the context of this Issuer Liquidation Offer at any stage of the process described above.

The Management Company shall deliver pursuant to the provisions of Article L. 214-169 V and Article D. 214-227 of the French Monetary and Financial Code, to the purchaser of the Purchased Home Loan Receivables a duly executed Re-Transfer Document. Upon receipt of such Re-Transfer Document, the purchaser shall complete it with the targeted Payment Date on which such repurchase shall occur and such repurchase shall be effective between the parties and enforceable against third parties without any further formality (*de plein droit*) as of such Payment Date specified by the purchaser of the Purchased Home Loan Receivables in the relevant Re-Transfer Document. No representation or warranty shall be made by the Management Company acting in the name and on behalf of the Issuer regarding the characteristics or the existence of the Repurchased Home Loan Receivables which are repurchased by the purchaser and set out in any Re-Transfer Document.

The proceeds of the sale of the Purchased Home Loan Receivables shall be credited on the General Account.

**Liquidation of the Issuer**

The Management Company shall be responsible for the liquidation of the Issuer. In this respect, it has the authority (i) to sell the Assets of the Issuer including, inter alia, the Purchased Home Loan Receivables and the Ancillary Rights, (ii) to pay the Securityholders and any other creditors of the Issuer in accordance with the Accelerated Priority of Payments, (iii) to retransfer the Liquidity Reserve Deposit to the Liquidity Reserve Provider and the Commingling Reserve Deposit to the Servicer and (iv) to distribute any residual monies.

## GENERAL ACCOUNTING PRINCIPLES

*The accounts of the Issuer will be prepared in accordance with the regulation of the French Accounting Regulation Authority n° 2016-02 dated 11 March 2016 relating to the annual statements of securitisation vehicles (règlement n° 2016-02 du 11 mars 2016 relatif aux comptes annuels des organismes de titrisation de l'Autorité des normes comptables).*

**Purchased Home Loan Receivables and Income**

All Purchased Home Loan Receivables shall be recorded on the Issuer's balance sheet at its nominal value. Any potential difference between the transfer price corresponding to such Purchased Home Loan Receivables and the nominal value of the Purchased Home Loan Receivables, whether positive or negative, shall be recorded in an adjustment account on the asset side of the balance sheet. This difference shall result in a carry-forward *pro rata* to the amortisation of the Purchased Home Loan Receivables.

The interest on the Purchased Home Loan Receivables shall be recorded in the income statement (*tableau de formation du solde de liquidation*), *pro rata temporis*. The accrued and overdue interest shall appear on the asset side of the balance sheet in a miscellaneous receivables account.

If the Purchased Home Loan Receivables are overdue for payment or have defaulted, it shall not be specified in the balance sheet but shall be the subject of a disclosure note in the annex.

If the Purchased Home Loan Receivables are in default, it shall be accounted for depreciation, taking into account, among other things, the guarantees attached to the Purchased Home Loan Receivables.

**Notes and Income**

The Notes shall be recorded at their nominal value and shown separately on the liability side of the balance sheet. Any potential difference, whether positive or negative, between the issue price and the nominal value of the Notes shall be recorded in an adjustment account on the liability side of the balance sheet. This difference shall result in a carry-forward *pro rata* to the amortisation of the Notes.

The interest due on 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 a miscellaneous liabilities account.

**Financial Period**

Each accounting period (each such period being a "**Financial Period**") of the Issuer shall be a period of twelve (12) months, beginning on 1 January and ending on 31 December of each year, with the exception of the first Financial Period, which will begin on the Issuer Establishment Date and end on 31 December 2019.

**Costs, Expenses and Payments relating to the Issuer's Operations**

The various costs, expenses and payments paid to the Issuer Operating Creditors shall be accounted for *pro rata temporis* over the Financial Period.

All costs and expenses together with any V.A.T. thereon incurred in connection with the establishment of the Issuer as of the Issue Date will be borne by the Seller.

All costs and expenses (including legal fees and valuation fees) together with any V.A.T. thereon incurred in connection with the operation of the Issuer after the Issue Date will be deemed included in the various commissions and payments paid to the Issuer Operating Creditors in accordance with the relevant Transaction Documents.

**Liquidity Reserve Deposit**

The Liquidity Reserve Deposit shall be recorded on the credit of the Liquidity Reserve Account on the liability side of the balance sheet.

**Commingling Reserve Deposit**

The Commingling Reserve Deposit shall be recorded on the credit of the Commingling Reserve Account on the liability side of the balance sheet.

**Issuer Available Cash**

Any investment income derived from the investment of any Issuer's available cash in Authorised Investments shall be accounted *pro rata temporis*.

**Net Income (*variation du solde de liquidation*)**

The net income shall be posted to a retained earnings carry-forward account.

**Issuer Liquidation Surplus**

The Issuer Liquidation Surplus (if any) shall consist of the income from the liquidation of the Issuer and the retained earnings carry-forward.

**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.

## ISSUER OPERATING EXPENSES

*In accordance with the Issuer Regulations and with the relevant Transaction Documents, the fees and expenses due by the Issuer (the "**Issuer Operating Expenses**") are the following and will be paid to their respective beneficiaries pursuant to the relevant Priority of Payments.*

**Custodian**

In consideration for its services with respect to the Issuer, the Custodian shall receive from the Issuer on each Payment Date:

(a) an annual fee equal to EUR 21,000 (excluding VAT) per annum;

(b) plus an additional amount (excluding VAT) equal to 0.004 per cent. per annum on the aggregated Principal Amount Outstanding of the Notes and the Residual Units as of the preceding Calculation Date until EUR 250,000,000 (included); and

(c) plus an additional amount (excluding VAT) equal to 0.002 per cent. per annum of the aggregated Principal Amount Outstanding of the Notes and the Residual Units as of the preceding Calculation Date exceeding EUR 250,000,000 (excluded).

The Custodian shall also receive:

(a) a fee of EUR 15,000 (excluding VAT) in relation to the liquidation of the Issuer during the first year following the Closing Date or a fee of EUR 10,000 (excluding VAT) in relation to the liquidation of the Issuer during the second year following the Closing Date or a fee of EUR 5,000 (excluding VAT) in relation to the liquidation of the Issuer during the third year following the Closing Date;

(b) a fee of EUR 5,000 (excluding VAT) in relation to any amendment to the Transaction Documents to which the Custodian is a party;

(c) a fee of EUR 5,000 (excluding VAT) upon the replacement of any Transaction Party; and

(d) a fee of EUR 1,000 (excluding VAT) in case of any additional financial flow needs to be treated.

**Management Company**

In consideration for its services with respect to the Issuer the Management Company shall receive from the Issuer:

***On-going fees***

1. a basis fee of EUR 62,000 (excluding VAT, if any) *per annum*. The fee will be payable by the Issuer on each Payment Date. For the avoidance of doubt the basis fee of the Management Company does neither contain the fees payable to the Statutory Auditor nor any fees payable to any third party;

2. a fee of EUR 5,000 (excluding VAT, if any) *per annum* with respect to the cash management of the Issuer Available Cash; and

3. a fee of EUR 15,000 (excluding VAT, if any) *per annum* with respect to the monthly accounting balance and general ledger after every monthly settlement date and financial statements for quarterly accounting consolidation after every quarterly settlement date.

On each anniversary date of the Closing Date, the rate corresponding to the annual positive fluctuation of the Syntec index shall be automatically applied to the Management Company's on-going fees.

***Specific fees***

4. annual fees of EUR 8,000 for its duties as Reporting Entity pursuant to Article 7.1 of the Securitisation Regulation and as data provider so long as the ECB has not based its reporting requirement on the ESMA reporting;

5. an annual fee of EUR 6,000 for its duties as Reporting Entity pursuant to Article 7.1 of the Securitisation Regulation and as data provider when the ECB has based its reporting requirement on the ESMA reporting;

6. a fee of EUR 2,000 (excluding VAT, if any and disbursements) with respect to each consultation of the Noteholders of any Class of Listed Notes;

7. a fee of EUR 5,000 (excluding VAT, if any) in relation to the involvement of the Management Company with respect to any amendment to the Transaction Documents and a fee of EUR 3,000 (excluding VAT, if any) in relation to any waiver to be given with respect to the Transaction Documents;

8. a fee of EUR 15,000 (excluding VAT, if any) in relation to the involvement of the Management Company in the appointment of a Substitute Servicer if this replacement has no impact on the initial data specification book (otherwise an additional cost of EUR 8,000 will be charged);

7. a fee of EUR 10,000 (excluding VAT, if any) in relation to the involvement of the Management Company in the appointment of any substitute or replacement of any Transaction Party (other than the Servicer);

9. a fee of EUR 20,000 (excluding VAT, if any) with respect to the early liquidation of the Issuer within the first two years following the Closing Date and a fee of EUR 10,000 thereafter;

10. in case of special work by the Management Company in relation to enforcement of any regulatory or legal matter to the benefit of the Issuer, the hourly fees of the Management Company's personnel at the following hourly rate payable on the Payment Date immediately following the occurrence of any of the listed events:

    (i) EUR 250 (tax excluded if any) (for personnel member of the *groupe de direction*);

    (iii) EUR 150 (tax excluded if any) (for *personnel cadre confirmé*); and

    (iii) EUR 75 (tax excluded if any) (for other *personnel*).

For the avoidance of doubt, any fees incurred with respect to any publication or notification made in connection with items 1 to 10 above will be borne by the Issuer.

No fees shall be charged in relation to the monthly upload of the file detailing all the daily payment instructions to be performed by the Account Bank and any regularisation of the theoretical and actual collections received in relation to the Purchased Home Loan Receivables.

The fees payable to the Management Company are not subject to value added tax, *provided that* in case of change of law such fees may become subject to valued added tax.

**Servicer**

***Administration and Management Fee and Recovery Fee***

*Administration and Management Fee*

(i) In consideration for the administration and management services with respect to the Purchased Home Loan Receivables *(services de gestion des créances cédées*) provided by the Servicer (or any other delegates or sub-contractors of the Servicer (if any)) to the Issuer under this Agreement (including, for the avoidance of doubt, the completion and delivery of the Servicer Report by the Servicer to the Management Company), the Issuer shall pay to the Servicer on each Payment Date and in accordance with the relevant Priority of Payments an administration and management fee (VAT excluded) of 0.25 per cent. of the Principal Outstanding Balances of the Performing Purchased Home Loan Receivables with less than two unpaid installments on the Cut-Off Date preceding such Payment Date (excluding, for the avoidance of doubt, Purchased Home Loan Receivables which will be repurchased or the transfer of which will be rescinded on such Payment Date) (the "**Administration and Management Fee**").

(ii) The Administration and Management Fee is not subject to value added tax, provided that in case of change of law such Administration and Management Fee may become subject to value added tax.

*Recovery Fee*

(i) In consideration for the collection and recovery services with respect to the Purchased Home Loan Receivables (*services de recouvrement des créances cédées*) provided by the Servicer (or any other delegates or sub-contractors of the Servicer (if any)) to the Issuer under this Agreement, the Issuer shall pay a recovery fee (VAT included) to the Servicer of 0.65 per cent. of the aggregate of the Principal Outstanding Balances of the Performing Purchased Home Loan Receivable with two or more unpaid instalments and Defaulted Purchased Home Loan Receivables on the Cut-Off Date immediately preceding such Payment Date (excluding, for the avoidance of doubt, Purchased Home Loan Receivables which will be repurchased or the transfer of which will be rescinded on such Payment Date) (the "**Recovery Fee**").

(ii) The Recovery Fee will be inclusive of VAT.

*Payment of the Administration and Management Fee and of the Recovery Fee*

The Administration and Management Fee and the Recovery Fee are both included in the Servicer Fees and shall be paid by the Issuer to the Servicer on each Payment Date following the end of such Collection Period subject to and in accordance with the applicable Priority of Payments.

**Paying Agent**

In consideration for its services with respect to the Issuer, the Paying Agent shall receive a fee of EUR 250 per payment on each Class of Notes and Units, and EUR 1 000 (VAT excluded) per issue within Euroclear France.

The Paying Agent's fee will be exclusive of VAT.

**Account Bank**

In consideration for its services with respect to the Issuer the Account Bank shall receive:

1. an annual fee of EUR 2,000 (VAT excluded) for the management of the Issuer Bank Accounts; such fees shall be paid on each Payment Date; and

2. record-keeping and custody fees of EUR 10 per each transaction with respect to French securities in Euroclear, EUR 15 per each transaction with respect to European (BP2S network) securities. Payable upon invoice sent by the Account Bank.

3. an annual fee of 0.8 basis points (excluding VAT) of the aggregate amount of assets held by the Issuer with respect to the custody of French securities which are cleared in the clearing systems. Payable upon invoice sent by the Account Bank.

4. an annual fee of 1.00 basis point (excluding VAT) of the aggregate amount of assets held by the Issuer with respect to the custody of European securities (BP2S Network) which are cleared in the clearing systems. Payable upon invoice sent by the Account Bank.

**Data Protection Agent**

In consideration for its services with respect to the Issuer the Data Protection Agent shall receive:

1. an annual fee of EUR 1,000 (VAT excluded) or EUR 1,200 (including VAT) for the safekeeping of the keys *per annum*; and

2. a fee of EUR 750 (VAT excluded) or EUR 900 (including VAT) for each test on the personal data file.

Such fees shall be paid on each Payment Date.

**Registrar**

In consideration for its services with respect to the Issuer the Registrar shall receive:

1. an annual fee of EUR 1,000 (VAT excluded) with respect to of administration tasks; and

2. a fees of EUR 250 (VAT excluded) per payment per investor.

Such fees shall be paid on each Payment Date.

**Statutory Auditor**

In consideration for its services with respect to the Issuer, the Statutory Auditor of the Issuer shall receive an annual fee of EUR 6,000 (excluding VAT) *per annum*. The fee will be payable on each Payment Date provided that the fees with respect to the first calendar year (i.e. the year when the Issuer is established) and the last calendar year (i.e. the year when the Issuer is liquidated) will be fully invoiced without any *pro rata*.

**French Financial Markets Authority**

Payment of an annual fee to the French Financial Markets Authority (*redevance*) equal to 0.0008 per cent. of the outstanding Notes and Units issued by the Issuer.

**INSEE**

The Issuer shall pay the annual fee payable to the *Institut national de la statistique et des études économiques* (INSEE) in an amount equal (as of the date of this Prospectus) to EUR 150 for the first year and the delivery of the Legal Entity Identifier (LEI) of the Issuer and thereafter EUR 50 in respect of the renewal of the LEI.

**General Meetings of the Listed Noteholders**

The Issuer shall pay the expenses relating to the calling and holding of General Meetings and seeking of Written Resolutions and more generally, all administrative expenses resolved upon by the General Meeting or in writing by the holders of the Listed Notes.

**EDW / Securitisation Repository**

The Issuer shall pay the annual fee payable to EDW or, when designated, the Securitisation Repository.

## INFORMATION RELATING TO THE ISSUER

### Annual Information

*Annual Financial Statements*

In accordance with Article 425-14 of the AMF General Regulations, the Management Company shall prepare under the control of the Custodian the annual financial statements of the Issuer (*documents comptables*).

The Issuer's statutory auditor shall certify the Issuer's annual financial statements.

*Annual Management Report*

In accordance with Article 425-15 of the AMF General Regulations, no later than four (4) months following the end of each financial period of the Issuer, the Management Company shall prepare and publish, under the control of the Custodian and after a verification made by the Issuer's Statutory Auditor, the Annual Management Report (*compte rendu d'activité de l'exercice*).

The Issuer's Statutory Auditor shall verify the information contained in the Annual Management Report.

### Semi-Annual Information

*Inventory Report*

In accordance with 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 year of the Issuer, the Management Company shall prepare, under the control of the Custodian, the inventory report of the Assets of the Issuer (*inventaire de l'actif*).

Each inventory report shall include:

(a) the inventory of the Assets of the Issuer including:

  (i) the inventory of the Purchased Home Loan Receivables; and

  (ii) the amount and the distribution of amounts by the Issuer; and

(b) the annual accounts and the schedules referred to in the opinion (*avis*) of the *Autorité des Normes Comptables* and, as the case may be, a detailed report on the debts of the Issuer and the guarantees in favour of the Issuer.

*Semi-Annual Management Report*

In accordance with Article 425-15 of the AMF General Regulations, no later than three (3) months following the end of the first half-year period of each financial period of the Issuer, the Management Company shall prepare and publish, under the control of the Custodian and after a verification made by the Issuer's Statutory Auditor, a Semi-Annual Management Report (*compte rendu d'activité semestriel*).

The Semi-Annual Management Report shall contain:

(a) financial information in relation to the Issuer with a notice indicating a limited review by the statutory auditor;

(b) an interim management report containing the information described in the Issuer Regulations; and

(c) any modification to the rating documents in relation with the Notes, to the main features of this Prospectus and any event which may have an impact on the Notes and/or Units issued by the Issuer.

The Issuer Statutory Auditor shall certify the accuracy of the information contained in the interim report.

**Availability of Other Information**

The by-laws (*statuts*) of the Management Company and of the Custodian, the annual report, the interim report and all other documents prepared and published by the Issuer shall be provided by the Management Company to the Noteholders who request such information and made available to the Noteholders at the premises of the Custodian, the Paying Agent.

Any Noteholder may obtain free of cost from the Management Company and the Custodian, as soon as they are published, the management reports describing their respective activity.

The above information shall be released by mail. Such information will also be provided to the Rating Agencies and Euronext Paris.

Furthermore, the Management Company shall provide the Rating Agencies with copies of all reports and data in electronic form as may be agreed between the Management Company and the Rating Agencies from time to time.

## SECURITISATION REGULATION COMPLIANCE

### Retention Requirements under the Securitisation Regulation

Pursuant to the Listed Notes Subscription Agreement, the Seller, as "originator" for the purposes of Article 6(1) of the Securitisation Regulations has undertaken that, for so long as any Listed Note remains outstanding, it will (i) retain on an ongoing basis a material net economic interest in the securitisation of not less than five (5) per cent., (ii) at all relevant times comply with the requirements of Article 7(l)(e)(iii) of the Securitisation Regulation by confirming in the investor reports the risk retention of the Seller as contemplated by Article 6(1) of the Securitisation Regulation, (iii) not change the manner in which it retains such material net economic interest, except to the extent permitted by the Securitisation Regulation and (iv) not sell, hedge or otherwise enter into any credit risk mitigation, short position or any other credit risk hedge with respect to its retained material net economic interest, except to the extent permitted by the Securitisation Regulation.

As at the Closing Date the Seller intends to retain on an ongoing basis a material net economic interest of not less than five (5) per cent. in the securitisation through the holding of all Class C Notes as required by paragraph (d) of Article 6(3) of the Securitisation Regulation.

Any change to the manner in which such interest is held will be notified to Listed Noteholders.

Under the Listed Notes Subscription Agreement, the Seller has:

(a) undertaken to, on the Closing Date, subscribe for and hold on an ongoing basis all Class C Notes;

(b) agreed not to transfer, sell, hedge or otherwise enter into any credit risk mitigation, short position or any other credit risk hedge with respect to the Class C Notes, except to the extent permitted in accordance with Article 6 (*Risk retention*) of the Securitisation Regulation;

(c) agreed to take such further reasonable action, provide such information (subject to any applicable duties of confidentiality) and on a confidential basis including confirmation of its compliance with paragraphs (a) and (b) above and enter into such other agreements as may reasonably be required to satisfy the requirements of Article 6 (*Risk retention*) of the Securitisation Regulation as of (i) the Closing Date, and (ii) solely as regards the provision of information in the possession of the Seller and to the extent the same is not subject to a duty of confidentiality, at any time prior to maturity of the Listed Notes;

(d) agreed to confirm its continued compliance with the covenants set out at paragraphs (a) and (b) above (i) on a monthly basis to the Issuer and the Management Company (which may be by way of email) and (ii) upon reasonable request in writing by the Management Company, *provided that* this paragraph (d) shall not impose any obligation on the Seller to provide information in any greater detail than it would be required to provide under paragraph (f) below in the Investor Reports;

(e) agreed that it shall promptly notify the Issuer and the Management Company if for any reason it: (i) ceases to hold all Class C Notes in accordance with (a) above; (ii) fails to comply with the covenants set out in (b) or (c) above in any way; or (iii) any of the representations with respect to the Class C Notes contained in the Listed Notes Subscription Agreement fail to be true on any date; and

(f) agreed to comply with the disclosure obligations described in Article 6 (*Risk retention*) of the Securitisation Regulation by confirming its risk retention as contemplated by Article 6 (*Risk retention*) of the Securitisation Regulation through the provision of the information in the Prospectus, disclosure in the Investor Reports and procuring provision to the Issuer of access to any reasonable and relevant additional data and information referred to in Article 6 (*Risk retention*) of the Securitisation Regulation provided further that the Seller will not be in breach of the requirements of this paragraph (f) if due to events, actions or circumstances beyond its control, it is not able to comply with the undertakings contained herein.

As at the Closing Date, the Seller is established in the European Union. Any change to the manner in which such interest is held by the Seller will be notified to Listed Noteholders.

**Information and Disclosure Requirements in accordance with the Securitisation Regulation**

***Responsibility and delegation***

In accordance with Article 22(5) of the Securitisation Regulation and pursuant to the terms of the Home Loan Receivables Transfer Agreement the Seller shall be responsible for the information provided in accordance with Article 7 (*Transparency requirements for originators, sponsors and SSPEs*) of the Securitisation Regulation.

In accordance with Article 7.2 of the Securitisation Regulation and pursuant to the terms of the Home Loan Receivables Transfer Agreement the Seller shall delegate to the Management Company the release of the reports and information prepared in accordance with Article 7.1 of the Securitisation Regulation.

***Definitions***

In this sub-section:

"**Liability Cash Flow Model**" means, pursuant to Article 22(3) of the Securitisation Regulation, the liability cash flow model which precisely represents the contractual relationship between the Transferred Receivables and the payments flowing between the Seller, the other relevant Transaction Parties and the Issuer.

"**Underlying Exposure Report**" means, pursuant to Article 7(1)(a) of the Securitisation Regulation, the loan by loan report with respect to the Purchased Home Loan Receivables (as such report is also prepared and made available to potential investors before the pricing of the Notes in accordance with Article 22(5) of the Securitisation Regulation).

"**Static and Dynamic Historical Data**" means, pursuant to Article 22(1) of the Securitisation Regulation, the data on static and dynamic historical default and loss performance over the past five years, such as delinquency and default data, for substantially similar exposures to the Home Loan Receivables which will be transferred by it to the Issuer.

***Information available prior to the pricing of the Notes in accordance with Article 7(1) and Article 22 of the Securitisation Regulation***

*Static and Dynamic Historical Data*

In accordance with Article 22(1) of the Securitisation Regulation, the Seller has undertaken to make available the Static and Dynamic Historical Data to potential investors.

*Liability Cash Flow Model*

In accordance with Article 22(3) of the Securitisation Regulation, the Seller has undertaken to make available to potential investors the Liability Cash Flow Model.

*Underlying Exposure Report*

In accordance with Article 22(5) of the Securitisation Regulation, the Underlying Exposures Report shall be made available by the Seller to potential investors before the pricing of the Notes upon request.

*Transaction Documents*

In accordance with Article 7(1)(b) and Article 22(5) of the Securitisation Regulation, the Management Company has undertaken to make available to potential investors the drafts of the Transaction Documents that are essential for the understanding of the transaction described in this Prospectus and which are referred to in "Availability of Transaction Documents" below and listed in item 17 of "General Information".

*STS Notification*

In accordance with Article 22(5) of the Securitisation Regulation, the Seller has undertaken to make available the STS notification, at least in a draft or initial form, established by the Seller pursuant to Article 7(1)(d) of the Securitisation Regulation.

***Information available after the pricing of the Notes in accordance with Article 7(1) and Article 22 of the Securitisation Regulation***

*Underlying Exposures Report*

With respect to the report referred to in Article 7.1(a) of the Securitisation Regulation, please refer to "Underlying Exposures Report" below.

*Prospectus and Transaction Documents*

In accordance with Article 7(1)(b) of the Securitisation Regulation, the Management Company has undertaken to make available, to Noteholders, to the competent authorities referred to in Article 29 (*Designation of competent authorities*) of the Securitisation Regulation and upon request, to potential investors, the final Prospectus and the Transaction Documents referred to in "Availability of Transaction Documents" below and listed in item 17 of "General Information".

In accordance with Article 22(5) of the Securitisation Regulation, the Management Company has undertaken to make available, to Noteholders at the latest fifteen (15) days after the Closing Date, the final Prospectus and the Transaction Documents referred to in "Availability of Transaction Documents" and listed in item 17 of "General Information".

*STS Notification*

In accordance with Article 22(5) of the Securitisation Regulation, the Management Company has undertaken to make available the final STS notification established by the Seller pursuant to Article 7(1)(d) of the Securitisation Regulation.

*Investor Report*

With respect to the report referred to in Article 7.1(e) of the Securitisation Regulation, please refer to "Investor Report" below.

*Inside Information or Significant Event Report*

With respect to the information referred to in Article 7.1(f) and Article 7.1(g) of the Securitisation Regulation, please refer to "Inside Information or Significant Event Report" below.

*Liability Cash Flow Model*

In accordance with Article 22(3) of the Securitisation Regulation, the Seller has undertaken to make the Liability Cash Flow Model available to the Noteholders on an ongoing basis and to potential investors upon request.

**Monthly Management Report, Underlying Exposures Report, Investor Report, Inside Information Report or Significant Event Report**

***Monthly Management Report***

On the basis of the information provided to it by the Servicer, the Management Company shall prepare on each Monthly Management Report Date a monthly management report (the "**Monthly Management Report**"), which shall contain, *inter alia*:

(i) a summary of the transaction including the then current and updated information with respect to the Notes, the credit enhancement with the subordination of each Class of Notes, the liquidity support and aggregated information on the Purchased Home Loan Receivables;

(ii) updated information in relation to the Notes and the Residual Units, such as the then current ratings in respect of the Listed Notes only, Final Maturity Date, the Relevant Margins with respect to the Notes and interest amounts for each Class of Notes, the Notes Principal Amount Outstanding and the Notes Amortisation Amount for each Class of Notes and other amounts which are required to be calculated in accordance with sub-section "*Required Calculations and Determinations to be made by the Management Company*" of "OPERATION OF THE ISSUER";

(iii) updated information in relation to, *inter alia*, the Available Monthly Collections, the Available Distribution Amounts, Available Interest Distribution Amounts and Available Principal Distribution Amounts on a Payment Date and other amounts which are required to be calculated in accordance with the Issuer Regulations;

(iv) updated information in relation to the opening balances of each Issuer Bank Accounts;

(v) information on any payments made by the Issuer in accordance with the applicable Priority of Payments;

(vi) information in relation to the Purchased Home Loan Receivables and updated stratification tables of the Purchased Home Loan Receivables;

(vii) information in relation to the occurrence of any of the rating triggers and non-rating triggers including, for the avoidance of doubt, the occurrence of the following breach or events:

(a) any breach of the Account Bank Required Ratings under the Account Bank Agreement and the Specially Dedicated Account Agreement;

(b) an Accelerated Amortisation Event.

***Underlying Exposures Report***

In accordance with Article 7(1)(a) of the Securitisation Regulation, each quarter, no later than one (1) month after the due date for the payment of interest, the Management Company shall make available the Underlying Exposures Report to the Noteholders, to the competent authorities referred to in Article 29 (*Designation of competent authorities*) of the Securitisation Regulation and, upon request, to potential investors. The Underlying Exposures Report shall be made available simultaneously with the Investor Report.

***Investor Report***

In accordance with Article 7(1)(e) of the Securitisation Regulation, each quarter, no later than one (1) month after the due date for the payment of interest, the Management Company shall make available to the Noteholders, to the competent authorities referred to in Article 29 (*Designation of competent authorities*) of the Securitisation Regulation and, upon request, to potential investors and simultaneously with the Underlying Exposures Report:

(a) all materially relevant data on the credit quality and performance of the Purchased Home Loan Receivables;

(b) updated information in relation to the occurrence of any of the rating triggers and non-rating triggers referred to in section "TRIGGERS TABLES" including, for the avoidance of doubt, the occurrence of an Accelerated Amortisation Event;

(c) data on the cash flows generated by the Purchased Home Loan Receivables and by the Notes;

(d) updated information in relation to the occurrence of:

(i) the exercise of the Seller Call Option;

(ii) a Note Tax Event; or

(e) updated information in relation to the Principal Deficiency Ledger (including each sub-ledger per each Class of Notes);

(f) information on the then current ratings of:

(i) the Account Bank and the Specially Dedicated Account Bank with respect to the Account Bank Required Ratings;

(ii) the Hedge Counterparties;

(g) the replacement of any of the Transaction Parties; and

(h) information about the risk retained by the Seller, including information on which of the manner provided for in Article 6(3) of the Securitisation Regulation has been applied, in accordance with Article 6 (*Risk retention*) of the Securitisation Regulation.

***Inside Information or Significant Event Report***

In accordance with Article 7(1)(f) of the Securitisation Regulation, the Management Company shall make available, without delay, to the Noteholders, to the competent authorities referred to in Article 29 (*Designation of competent authorities*) of the Securitisation Regulation and, upon request, to potential investors, any inside information relating to the securitisation established pursuant to the Transaction Documents that the Seller or the Issuer is obliged to make public in accordance with Article 17 (*Public disclosure of inside information*) of Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation.

In accordance with Article 7(1)(g) of the Securitisation Regulation, the Management Company shall make available, without delay, to Noteholders, to the competent authorities referred to in Article 29 (*Designation of competent authorities*) of the Securitisation Regulation and, upon request, to potential investors, any significant event such as:

(a) a material breach of the obligations provided for in the Transaction Documents made available in accordance with item "Availability of Transaction Documents", including any remedy, waiver or consent subsequently provided in relation to such a breach;

(b) a change in the structural features of the Issuer that can materially impact the performance of the securitisation established pursuant to the Transaction Documents;

(c) a change in the risk characteristics of the securitisation established pursuant to the Transaction Documents or of the Purchased Home Loan Receivables that can materially impact the performance of the securitisation established pursuant to the Transaction Documents;

(d) if the securitisation has been considered as a "*simple, transparent and standardised*" securitisation in accordance with the Securitisation Regulation, where the securitisation ceases to meet the applicable requirements of the Securitisation Regulation or where competent authorities have taken remedial or administrative actions; and

(e) any material amendment to the Transaction Documents.

**STS statements**

Pursuant to Article 18 (*Use of the designation 'simple, transparent and standardised securitisation'*) of the Securitisation Regulation a number of requirements must be met if the originator and the SSPE's wish to use the designation 'STS' or 'simple, transparent and standardised' for securitisation transactions initiated by them. Pursuant to Article 27(1) of the Securitisation Regulation, the Seller intends to notify the European Securities Markets Authority ("**ESMA**") that the securitisation described in this Prospectus will meet the requirements of Articles 20 to 22 of the Securitisation Regulation (the "**STS Notification**"). The STS Notification would then be available for download on the website of ESMA. ESMA is obliged to maintain on its website a list of all securitisations which the originators and sponsors have notified as meeting the requirements of Articles 19 to 22 of the Securitisation Regulation has been notified with the intention that the securitisation transaction described in this Prospectus is to be included in the list administered by ESMA within the meaning of Article 27 (*STS notification requirements*) of the Securitisation Regulation. For this purpose, ESMA has set up a register on an interim basis under https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation. According to ESMA, a more established register is to be launched in due course and placed on the dedicated section of its website under https://registers.esma.europa.eu/publication/.

The Seller, as originator, and the Issuer have used the service of Prime Collateralised Securities (PCS) EU SAS ("**PCS**") which is authorised by the *Autorité des Marchés Financiers* as a third-party verification agent, pursuant to Article 28 *(Third party verifying STS compliance*) of the Securitisation Regulation, to

verify whether the securitisation transaction described in this Prospectus complies with Articles 19 to 22 of the Securitisation Regulation and the compliance with such requirements is expected to be verified by PCS on the Closing Date.

However, none of the Issuer, CIFD, EuroTitrisation (in its capacity as the Reporting Entity), the Joint Arrangers, the Joint Lead Managers and any of the Transaction Parties gives any explicit or implied representation or warranty as to (i) inclusion in the list administered by ESMA within the meaning of Article 27 (*STS notification requirements*) of the Securitisation Regulation, (ii) that the securitisation transaction described in this Prospectus does or continues to comply with the Securitisation Regulation and (iii) that this securitisation transaction does or continues to be recognised or designated as 'STS' or 'simple, transparent and standardised' within the meaning of Article 18 (*Use of the designation 'simple, transparent and standardised securitisation'*) of the Securitisation Regulation after the date of this Prospectus.

Without prejudice to the above the Seller and the Issuer confirm the following to the extent relating to it, which confirmations are made on the basis of the information available with respect to the Securitisation Regulation and related regulations and interpretations (including, without limitation, the EBA STS Guidelines Non-ABCP Securitisations) and regulations and interpretations in draft form at the time of this Prospectus (including, without limitation, the RTS Homogeneity)), and are subject to any changes made therein after the date of this Prospectus:

***Article 20 (Requirements relating to simplicity) of the Securitisation Regulation***

(1) For the purpose of compliance with Article 20(1) of the Securitisation Regulation, the Seller and the Issuer confirm that the sale and transfer of the Home Loan Receivables by the Seller to the Issuer shall be made in accordance with Article L. 214-169 V of the French Monetary and Financial Code (see "SALE AND PURCHASE OF THE HOME LOAN RECEIVABLES – Purchase of the Home Loan Receivables - *Transfer of the Home Loan Receivables and of the Ancillary Rights*"). Pursuant to Article L. 214-169 V 2° of the French Monetary and Financial Code "*the assignment of receivables shall take effect between the parties (i.e. the assignor and the fund in its capacity as transferee) and shall be enforceable vis-à-vis third parties as of the date specified in the deed of transfer* (*acte de cession de créances*)*, irrespective of the origination date, the maturity date or the due date of such receivables with no further formalities regardless of the law governing the transferred receivables and the law of the domicile of the assigned debtors.*". This is also confirmed by the legal opinion of White&Case LLP, *Avocats à la Cour*, qualified external legal counsels with experience in the field of securitisations, which legal opinion has been made available to PCS, being the third party certification agent in respect of the securitisation described in this Prospectus and authorised pursuant to Article 28 (*Third party verifying STS compliance*) of the Securitisation Regulation and to any relevant competent authority referred to in Article 29 (*Designation of competent authorities*) of the Securitisation Regulation.

(2) For the purpose of compliance with Article 20(2) of the Securitisation Regulation, the Seller and the Issuer confirm that pursuant to Article L. 214-169 V 4° of the French Monetary and Financial Code "*the assignment of the receivables and of their ancillary rights shall remain valid (la cession conserve ses effets après le jugement d'ouverture) notwithstanding that the seller is in a state of cessation of payments (cessation des paiements) on the relevant purchase date (au moment de cette cession) and notwithstanding the opening of any proceeding governed by Book VI of the French Commercial Code (dispositions du Livre VI du Code de Commerce) or any equivalent proceeding governed by any foreign law (procédure équivalente sur le fondement d'un droit étranger) against the seller after such purchase (postérieurement à cette cession).*" (see "SALE AND PURCHASE OF THE HOME LOAN RECEIVABLES – Purchase of the Home Loan Receivables - *Transfer of the Home Loan Receivables and of the Ancillary Rights*"). As a result thereof Article 20(5) of the Securitisation Regulation is not applicable. This is also confirmed by the legal opinion of White&Case LLP, *Avocats à la Cour*, qualified external legal counsels with experience in the field of securitisations, which legal opinion has been made available to PCS, being the third party certification agent in respect of the securitisation described in this Prospectus and authorised pursuant to Article 28 (*Third party verifying STS compliance*) of the Securitisation Regulation and to any relevant competent authority referred to in Article 29 (*Designation of competent authorities*) of the Securitisation Regulation.

(3) For the purpose of compliance with Article 20(1) of the Securitisation Regulation and the EBA STS Guidelines Non-ABCP Securitisations with respect to the legal opinion provided by qualified external legal counsel, the sale and assignment of the Home Loan Receivables by the Seller to the Issuer constitutes a "*cession*" in accordance with Article L. 214-169-V 2° and Article D. 214-227 of the French Monetary and Financial Code and therefore does not constitute (and cannot be deemed as) the contracting of a debt by the Seller or the granting of a security interest by the Seller over the Purchased Home Loan Receivables. This is also confirmed by the legal opinion of White&Case LLP, *Avocats à la Cour*, qualified external legal counsels with experience in the field of securitisations, which legal opinion has been made available to PCS, being the third party certification agent in respect of the securitisation described in this Prospectus and authorised pursuant to Article 28 (*Third party verifying STS compliance*) of the Securitisation Regulation and to any relevant competent authority referred to in Article 29 (*Designation of competent authorities*) of the Securitisation Regulation.

(4) The Seller has represented and warranted on the Closing in the Home Loan Receivables Transfer Agreement that each Home Loan Agreement was originated by an Originating Bank and as a result thereof, the requirement stemming from Article 20(4) of the Securitisation Regulation is not applicable.

(5) For the purpose of compliance with the relevant requirements, among other provisions, stemming from Articles 20(6), 20(7), 20(8), 20(9), 20(10), 20(11) and 20(12) of the Securitisation Regulation, the Seller and the Issuer confirm that only Home Loan Receivables resulting from Home Loan Agreements which satisfy the Eligibility Criteria and the Seller's Receivables Warranties made by the Seller in the Home Loan Receivables Transfer Agreement and as set out in section "SALE AND PURCHASE OF THE HOME LOAN RECEIVABLES – Seller's Receivables Warranties" will be sold, assigned and transferred by the Seller to the Issuer.

(6) For the purpose of compliance with the requirements stemming from Article 20(6) of the Securitisation Regulation reference is made to the representation and warranty of the Seller set forth in item (i) of section "SALE AND PURCHASE OF THE HOME LOAN RECEIVABLES – Seller's Receivables Warranties".

(7) For the purpose of compliance with the requirements stemming from Article 20(7) of the Securitisation Regulation:

(i) the Issuer and the Seller are of the view that the Transaction Documents do not allow for active portfolio management of the Purchased Home Loan Receivables on a discretionary basis (see "SALE AND PURCHASE OF THE HOME LOAN RECEIVABLES - *No active portfolio management of the Purchased Home Loan Receivables*"); and

(ii) pursuant to the Issuer Regulations, the Issuer will never engage in any active portfolio management of the Purchased Home Loan Receivables on a discretionary basis.

(8) For the purpose of compliance with the requirements stemming from Article 20(8) of the Securitisation Regulation:

(i) the Purchased Home Loan Receivables are homogeneous in terms of asset type, taking into account the cash flows, credit risk and prepayment characteristics of the Home Loan Receivables within the meaning of Article 20(8) of the Securitisation Regulation and the Purchased Home Loan Receivables satisfy the homogeneity conditions of Article 1(a)(i), (b), (c) and (d) and Article 2 of the RTS Homogeneity (see "STATISTICAL INFORMATION RELATING TO THE PORTFOLIO OF HOME LOAN RECEIVABLES");

(ii) with respect to the defined periodic payment streams of the Purchased Home Loan Receivables, reference is made to item (q) of the "Home Loan Receivable Eligibility Criteria" of "Eligibility Criteria" in the glossary; and

(iii) a transferable security, as defined in Article 4(1), point (44) of Directive 2014/65/EU of the European Parliament and of the Council will not meet the Eligibility Criteria and as a result

thereof the underlying exposures to be sold and assigned to the Issuer shall not include such transferable securities (see also item (x) of the "Home Loan Receivable Eligibility Criteria" of "Eligibility Criteria" in the glossary).

(9) For the purpose of compliance with Article 20(9) of the Securitisation Regulation, a securitisation position as defined in the Securitisation Regulation will not meet the Eligibility Criteria and as a result thereof the underlying exposures to be sold and assigned to the Issuer shall not include such securitisation positions (see also item (x) of the "Home Loan Receivable Eligibility Criteria" of "Eligibility Criteria" in the glossary).

(10) For the purpose of compliance with the requirements stemming from Article 20(10) of the Securitisation Regulation:

(i) the Seller has represented and warranted that each Home Loan Agreement was originated by an Originating Bank (x) pursuant to its usual procedures in respect of the underwriting of home loans as prevailing at the time of origination, (y) within the scope of its normal or usual credit activity as prevailing at the time of origination pursuant to underwriting standards that are no less stringent than those that such Originating Bank applied at the time of origination to similar home loan receivables that are not securitised and (z) has been managed in accordance with its customary servicing procedure as applicable from time to time (see item (h) of the "Home Loan Agreement Eligibility Criteria");

(ii) the Home Loan Receivables have been selected by the Seller from a larger pool of home loan receivables that meet the Eligibility Criteria applying a random selection method. In particular the Seller has represented and warranted that it has not selected Home Loan Receivables to be transferred to the Issuer on the Closing Date with the aim of rendering losses on the Purchased Home Loan Receivables transferred to the Issuer, measured over four (4) years, higher than the losses over the same period on comparable home loan receivables held on its balance sheet in compliance with Article 6(2) of the Securitisation Regulation;

(iii) the Seller has represented and warranted in the Home Loan Receivables Transfer Agreement that in respect of each Home Loan Receivable, the assessment of each Borrower's creditworthiness by each Originating Bank met the requirements set out in Article 8 of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC (which was implemented in the French Consumer Code by law n° 2010-737 dated 1st July 2010 amending consumer credit (*portant réforme du crédit à la consommation*)) (see item (i) of sub-section "Additional Seller's Representations and Warranties" of section "SALE AND PURCHASE OF THE HOME LOAN RECEIVABLES"). It should be noted that the origination of home loan receivables by the Originating Banks terminated at the beginning of 2013 when the Originating Banks were merged into or absorbed by CIFD and that the Seller had never originated and will not originate itself any home loan receivables. As a result references to "paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU" in Article 20(10) of the Securitisation Regulation are not applicable to the Purchased Home Loan Receivables;

(iv) the Seller has represented and warranted in the Home Loan Receivables Transfer Agreement that no Home Loan Agreement was marketed and underwritten on the premise that the Borrower or, where applicable, intermediaries were made aware that the information provided might not be verified by the relevant Originating Bank;

(v) with respect to the expertise of the Originating Bank, the Seller has represented and warranted in the Home Loan Receivables Transfer Agreement that the business of each Originating Bank had included the origination of exposures of a similar nature as the Purchased Home Loan Receivables for at least five (5) years prior to the date of the Orderly Resolution Plan (see item (iii) of sub-section "Additional Seller's Representations and Warranties" of section "SALE AND PURCHASE OF THE HOME LOAN

RECEIVABLES") in compliance with the EBA STS Guidelines Non-ABCP Securitisations. It should be noted that the origination of home loan receivables by the Originating Banks terminated at the beginning of 2013 when the Originating Banks were merged into or absorbed by CIFD and that the Seller had never originated and will not originate itself any home loan receivables. As a result provisions of Article 20(10) of the Securitisation Regulation which require that underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay are not applicable to the securitisation transaction described in this Prospectus.

(11) For the purpose of compliance with the relevant requirements stemming from Article 20(11) of the Securitisation Regulation:

(i) reference is made to item (o)(iii) of sub-section "Receivables Warranties" in section "SALE AND PURCHASE OF THE HOME LOAN RECEIVABLES"); and

(ii) the Home Loan Receivables forming part of the pool have been selected by the Seller on the Initial Cut-Off Date and shall be assigned by the Seller to the Issuer no later than on the Closing Date and such assignments therefore occur in the Seller's view without undue delay.

(12) For the purpose of compliance with the requirements stemming from Article 20(12) of the Securitisation Regulation, reference is made to item (s) of "Home Loan Receivable Eligibility Criteria" of "Eligibility Criteria" in the glossary).

(13) For the purpose of compliance with the requirements stemming from Article 20(13) of the Securitisation Regulation, the repayments to be made to the Noteholders have not been structured to depend predominantly on the sale of the Ancillary Rights attached to the Purchased Home Loan Receivables.

***Article 21 (Requirements relating to standardisation) of the Securitisation Regulation***

(1) For the purpose of compliance with the requirements stemming from Article 21(1) of the Securitisation Regulation, the Listed Notes Subscription Agreement includes a representation, warranty and undertaking of the Seller as to its compliance with the requirements set forth in Article 6 (*Risk retention*) of the Securitisation Regulation (see also the paragraph "Retention and Disclosure Requirements under the Securitisation Regulation" above).

(2) For the purpose of compliance with the requirements stemming from Article 21(2) of the Securitisation Regulation:

(i) the Issuer will mitigate its interest rate exposure in full by entering into the Hedge Agreements with the Hedge Counterparties in order to appropriately mitigate such interest rate exposure (see section "THE HEDGE AGREEMENTS"); and

(ii) other than the Hedge Agreements, no derivative contracts are entered into by the Issuer (see item (i) of "Restrictions on Activities" of section "THE ISSUER") and derivatives will not meet the Eligibility Criteria and as a result thereof the underlying exposures to be sold and assigned to the Issuer shall not include derivatives (see also item (x) of "Home Loan Receivable Eligibility Criteria" of "Eligibility Criteria". Furthermore, the Listed Notes will be denominated in euro, the interest on the Notes will be payable quarterly in arrear in euro and the Purchased Home Loan Receivables are denominated in euro (see also Condition 3 (Form, Denomination and Title) of the Notes and item (b) of "Home Loan Receivable Eligibility Criteria" of "Eligibility Criteria" in the glossary). No currency risk applies to the securitisation described in this Prospectus.

(3) For the purpose of compliance with the requirements stemming from Article 21(3) of the Securitisation Regulation:

(i) any referenced interest payments under the Purchased Home Loan Receivables are based

on (i) fixed rate which shall be equal to zero (0) in case of "Interest-Free Loan" ("*prêt à taux zéro*") or greater than zero (0) per cent. or (ii) at a floating rate based on three-month Euribor, six-month Euribor, twelve-month Euribor or three year *Bons du Trésor à intérêts Annuels* (BTAN) (see item (c) of Home Loan Receivable Eligibility Criteria" of "Eligibility Criteria") which are generally used market interest rates in French residential loan markets; and

(ii) the interest rate of the Listed Notes is based on 3-month Euribor which is a generally used market interest rate in European residential loan securitisation transactions,

in compliance with the EBA STS Guidelines Non-ABCP Securitisations.

(4) For the purpose of compliance with the requirements stemming from Article 21(4) of the Securitisation Regulation, pursuant to the terms of the Issuer Regulations, upon the occurrence of an Accelerated Amortisation Event:

(i) no amount of cash shall be trapped in the Issuer Bank Accounts;

(ii) the Notes shall amortise in sequential order only in accordance with the Accelerated Priority of Payments (see "OPERATION OF THE ISSUER – Priority of Payments - *Priority of Payments during the Accelerated Amortisation Period*");

(iii) repayment of the Notes shall not be reversed with regard to their seniority; and

(iv) no automatic liquidation for market value of the Purchased Home Loan Receivables is required under the Transaction Documents.

(5) Pursuant to the Issuer Regulations the Notes will always amortise in sequential order only as of the first Payment Date. As a result thereof Article 21(5) of the Securitisation Regulation is not applicable.

(6) Pursuant to the Issuer Regulations and the Home Loan Receivables Transfer Agreement the Issuer shall not purchase any new Home Loan Receivable after the Closing Date and no revolving period is featured in the structure of the securitisation described in this Prospectus. As a result thereof Article 21(6) of the Securitisation Regulation is not applicable.

(7) For the purpose of compliance with the requirements stemming from Article 21(7) of the Securitisation Regulation:

(i) the contractual obligations, duties and responsibilities of the Servicer are set forth in the Servicing Agreement (including the processes and responsibilities to ensure that a Substitute Servicer shall be appointed upon the occurrence of a Servicer Termination Event under the Servicing Agreement), a summary of which is included in section "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES – The Servicing Agreement";

(ii) the provisions that ensure the replacement of the Account Bank upon the occurrence of a breach, an insolvency event or a downgrade are set forth in the Account Bank Agreement (see "ISSUER ACCOUNT BANKS - Termination of the Account Bank Agreement"). The relevant rating triggers for potential replacement of the Account Bank are set forth in the definition of "Account Bank Required Ratings" with respect to the Account Bank;

(iii) the provisions that ensure the replacement of the Specially Dedicated Account Bank upon the occurrence of a breach, an insolvency event or a downgrade event are set forth in the Specially Dedicated Account Agreement (see "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES – The Specially Dedicated Account Bank - Termination of the Specially Dedicated Account Agreement"). The relevant rating triggers for potential replacement of the Specially Dedicated Account Bank are set forth in the definition of "Account Bank Required Ratings" with respect to the Specially Dedicated Account Bank; and

(iv) the provisions that ensure the replacement of any Hedge Counterparty upon the occurrence of a breach, an insolvency event or a downgrade event are set forth in each Hedge Agreement (see "THE HEDGE AGREEMENTS").

(8) For the purpose of compliance with the requirements stemming from Article 21(8) of the Securitisation Regulation CIFD (acting as Servicer) has represented and warranted in the Servicing Agreement that:

(i) it has a banking license (*agrément*) as a financing company (*société de financement*) in accordance with the ACPR; and

(ii) its business has included the servicing of exposures of a similar nature as the Purchased Home Loan Receivables for at least five (5) years prior to the Closing Date in compliance with the EBA STS Guidelines Non-ABCP Securitisations (see item (ii) of "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES – The Servicing Agreement – *Servicer's Additional Representations and Warranties*"); and

(iii) it has well documented and adequate policies, procedures and risk-management controls relating to the servicing of the Purchased Home Loan Receivables (see item (ii) of "SERVICING OF THE PURCHASED HOME LOAN RECEIVABLES – The Servicing Agreement – *Servicer's Additional Representations and Warranties*").

(9) For the purpose of compliance with the requirements stemming from Article 21(9) of the Securitisation Regulation:

(i) remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, losses, charge offs, recoveries and other asset performance remedies are set out in CIFD's administration manual by reference to which the Purchased Home Loan Receivables and the Ancillary Rights and other security relating thereto, including, without limitation, the enforcement procedures will be administered and such administration manual is included in the Servicing Agreement;

(ii) the Issuer Regulations clearly specifies the Priority of Payments;

(iii) the occurrence of an Accelerated Amortisation Event shall be reported to Noteholders without undue delay (see Condition 10 of the Notes); and

(iv) any amendment to the Priority of Payments following an Extraordinary Resolution passed at a General Meeting of or a Written Resolution which will materially adversely affect the repayment of the Notes shall be reported to the Noteholders and investors without undue delay (see Condition 11(c)(D)(v) of the Notes).

(10) For the purpose of compliance with the requirements stemming from Article 21(10) of the Securitisation Regulation, the Issuer Regulations and Condition 11 of the Notes contain provisions for convening meetings of Listed Noteholders, voting rights of the Listed Noteholders, the procedures in the event of a conflict between Classes of Notes and the responsibilities of the Management Company in this respect.

***Article 22 (Requirements relating to transparency) of the Securitisation Regulation***

(1) The Seller has provided to potential investors the information regarding the Purchased Home Loan Receivables pursuant to Article 22(1) of the Securitisation Regulation over the past five years as set out in section "HISTORICAL PERFORMANCE DATA" of this Prospectus, a draft of which was made available to such potential investors prior to the pricing of the Notes.

(2) For the purpose of compliance with the requirements stemming from Article 22(2) of the Securitisation Regulation, an agreed upon procedures review on a sample of Home Loan Receivables as of 30 September 2018 (see also item (iv) of "Additional Seller's Representations and Warranties" of section "SALE AND PURCHASE OF THE HOME LOAN RECEIVABLES") selected from a representative portfolio was conducted by an appropriate and independent party and

completed on or about 7 October 2019. For such review a confidence level of at least 99 per cent. was applied. In addition, an Eligibility agreed upon procedures review on the provisional loan portfolio as of 31 August 2019 was conducted by an appropriate and independent party and completed on or about 7 October 2019 which confirms that each home loan composing such provisional portfolio complies with the Eligibility Criteria, with no exceptions. The Seller confirms that not significant findings have been found. This independent third party has also performed agreed upon procedures in order to verify that the data included in the stratification tables disclosed in respect of the Home Loan Receivables is accurate, in accordance with Article 22(2) of the Securitisation Regulation.

(3) The Seller has provided to potential investors the liability cash flow model as referred to in Article 22(3) of the Securitisation Regulation published by Bloomberg and Intex prior to the pricing of the Notes and will, after the date of this Prospectus, on an ongoing basis make the liability cash flow model published by Bloomberg and Intex available to Noteholders and, upon request, to potential investors in accordance with Article 22(3) of the Securitisation Regulation.

(4) For the purpose of compliance with the requirements stemming from Article 22(4) of the Securitisation Regulation, as at the Closing Date the records of the Seller do not contain any information related to the environmental performance of the properties nor is information publicly available related to the environmental performance of the properties, as no investigation in respect of such information formed part of the underwriting policies and procedures of the Originating Banks at the time of origination of the Home Loan Agreements.

(5) For the purpose of compliance with the requirements stemming from Article 22(5) of the Securitisation Regulation:

(i) pursuant to the terms of the Home Loan Receivables Transfer Agreement the Seller shall be responsible for the information provided in accordance with Article 7 (*Transparency requirements for originators, sponsors and SSPEs*) of the Securitisation Regulation;

(ii) the Underlying Exposure Report has been made available by the Seller to potential investors before the pricing of the Notes upon request;

(iii) the Seller and the Issuer confirm that the information required pursuant to Article 7 (*Transparency requirements for originators, sponsors and SSPEs*) of the Securitisation Regulation (including the STS notification within the meaning of Article 27 (*STS notification requirements*) of the Securitisation Regulation) has been made available to potential investors upon their request prior to the pricing of the Notes and in accordance with the Securitisation Regulation, and each of them undertakes to make the relevant information pursuant to Article 7 (*Transparency requirements for originators, sponsors and SSPEs*) of the Securitisation Regulation, to the extent applicable, available to the Noteholders, the competent authorities referred to in Article 29 (*Designation of competent authorities*) of the Securitisation Regulation and, upon request, potential investors;

(iv) copies of the final Transaction Documents (excluding the Listed Notes Subscription Agreement) and the Prospectus shall be published on https://edwin.eurodw.eu/edweb/ at the latest fifteen days after the Closing Date;

(v) for the purposes of Article 7 (*Transparency requirements for originators, sponsors and SSPEs*) of the Securitisation Regulation the Reporting Entity will publish a quarterly investor report in respect of each Interest Period, as required by and in accordance with Article 7(1)(e) of the Securitisation Regulation, which shall be provided substantially in the form of the Investor Report by no later than the Payment Date and publish on a quarterly basis certain loan-by-loan information in relation to the Purchased Home Loan Receivables in respect of each Interest Period, as required by and in accordance with Article 7(1)(a) of the Securitisation Regulation by no later than the Payment Date;

(vi) the Reporting Entity shall make the information described in sub-paragraphs (f) and (g) of Article 7(1) of the Securitisation Regulation available without delay (see "Inside

Information or Significant Event Report" below); and

(vii) the Reporting Entity will publish or make otherwise available the reports and information referred to above as required under Article 7 (*Transparency requirements for originators, sponsors and SSPEs*) and Article 22 (*Requirements relating to transparency*) of the Securitisation Regulation by means of, once there is a Securitisation Repository registered under Article 10 (*Registration of a securitisation repository*) of the Securitisation Regulation and appointed by the Reporting Entity for the securitisation transaction described in this Prospectus, the Securitisation Repository or while no Securitisation Repository has been registered and appointed by the Reporting Entity, https://edwin.eurodw.eu/edweb/, being an external website that conforms to the requirements set out in the fourth paragraph of Article 7(2) of the Securitisation Regulation.

The designation of the securitisation transaction described in this Prospectus as an STS-securitisation is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under MiFID II and it is not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended).

By designating the securitisation transaction described in this Prospectus as an STS-securitisation, no views are expressed about the creditworthiness of the Listed Notes or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for the Listed Notes. No assurance can be provided that the securitisation position described in this Prospectus does or continues to qualify as an STS-securitisation under the Securitisation Regulation.

**Availability of Transaction Documents**

For the purpose of Article 22(5) of the Securitisation Regulation, certain Transaction Documents shall be made available to investors at the latest fifteen days after the Closing Date on the EDW website as set out in item 17 of section "General Information" below.

**EDW Website and Securitisation Repository**

The Seller and the Management Company have designated amongst themselves the Management Company, acting as Reporting Entity, to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first sub-paragraph of Article 7(1) of the Securitisation Regulation.

The Reporting Entity shall make the information for the securitisation transaction described in this Prospectus available by means of a Securitisation Repository when a Securitisation Repository has been registered with ESMA.

For so long as no Securitisation Repository is registered in accordance with Article 10 (*Registration of a securitisation repository*) of the Securitisation Regulation, the Management Company will fulfil the requirements set out in Article 7(1) of the Securitisation Regulation by making the relevant information available via the EDW Website being a website which conforms to the requirements set out in Article 7(2) of the Securitisation Regulation. In a press release dated 15 November 2018, EDW has announced that the EDW Website:

(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; and

(e) makes it possible to keep record of the information for at least five years after the Final Maturity Date.

As soon as a securitisation repository has been registered in accordance with Article 10 (Registration of a securitisation repository) of the Securitisation Regulation, the above mentioned information shall be made available by the Management Company by means of such Securitisation Repository.

Neither the EDW Website, nor the Securitisation Repository, nor the contents thereof form part of this Prospectus.

***STS Verification***

Application has been made to PCS to assess compliance of the Listed Notes with the criteria set forth in the CRR regarding STS-securitisations. In addition, an application has been made to PCS for the securitisation transaction described in this Prospectus to receive a report from PCS verifying compliance with the criteria stemming from Article 18, 19, 20, 21 and 22 of the Securitisation Regulation (the "**STS Verification**").

There can be no assurance that the securitisation transaction described in this Prospectus will receive the STS Verification (either before issuance or at any time thereafter) and if the securitisation transaction described in this Prospectus does receive the STS Verification, this shall not, under any circumstances, affect the liability of the originator and SSPE in respect of their legal obligations under the Securitisation Regulation, nor shall it affect the obligations imposed on institutional investors as set out in Article 5 (*Due-diligence requirements for institutional investors*) of the Securitisation Regulation.

The STS Verifications (the "**PCS Services**") are provided by Prime Collateralised Securities (PCS) EU SAS ("PCS") which is authorised by the *Autorité des Marchés Financiers* as a third-party verification agent, pursuant to Article 28 (*Third party verifying STS compliance*) of the Securitisation Regulation. No PCS Service is a recommendation to buy, sell or hold securities. None are investment advice whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC) and none are a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC) or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended). PCS is not an "expert" as defined in the Securities Act.

PCS is not a law firm and nothing in any PCS Service constitutes legal advice in any jurisdiction. Prime Collateralised Securities (PCS) EU SAS ("**PCS**") is authorised by the *Autorité des* Marchés Financiers as a third-party verification agent, pursuant to Article 28 (*Third party verifying STS compliance*) of the Securitisation Regulation, to act as a third party verifying STS compliance. This authorisation covers STS Verifications in the European Union. Other than as specifically set out above, none of the activities involved in providing the PCS Services are endorsed or regulated by any regulatory and/or supervisory authority nor is PCS regulated by any other regulator.

By providing any PCS Service in respect of any securities PCS does not express any views about the creditworthiness of these securities or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities or financings. Investors should conduct their own research regarding the nature of the STS Verification and must read the information set out in http://pcsmarket.org. In the provision of any PCS Services, PCS has based its decision on information provided directly and indirectly by the Seller. PCS does not undertake its own direct verification of the underlying facts stated in the prospectus, deal sheet, documentation or certificates for the relevant instruments and the completion of any PCS Services is not a confirmation or implication that the information provided by or on behalf of the Seller as part of the relevant PCS Service is accurate or complete.

In completing an STS Verification, PCS bases its analysis on the STS criteria appearing in Articles 20 to 26 of the Securitisation Regulation together with, if relevant, the appropriate provisions of Article 43, (together, the "**STS criteria**"). Unless specifically mentioned in the STS Verification, PCS relies on the English version of the Securitisation Regulation. In addition, Article 19(2) of the Securitisation Regulation requires the European Banking Authorities, from time to time, to issue guidelines and recommendations interpreting the STS criteria.

The EBA has issued the EBA STS Guidelines Non-ABCP Securitisations. The task of interpreting individual STS criteria rests with national competent authorities ("**NCAs**"). Any NCA may publish or otherwise publicly disseminate from time to time interpretations of specific criteria ("**NCA**

**Interpretations**"). The STS criteria, as drafted in the Securitisation Regulation, are subject to a potentially wide variety of interpretations. In compiling an STS Verification, PCS uses its discretion to interpret the STS criteria based on (a) the text of the Securitisation Regulation, (b) any relevant guidelines issued by EBA and (c) any relevant NCA Interpretation.

There can be no guarantees that any regulatory authority or any court of law interpreting the STS criteria will agree with the interpretation of PCS. There can be no guarantees that any future guidelines issued by EBA or NCA Interpretations may not differ in their approach from those used by PCS in interpreting any STS criterion prior to the issuance of such new guideline or interpretation. In particular, guidelines issued by EBA are not binding on any NCA. There can be no guarantees that any interpretation by any NCA will be the same as that set out in the EBA Guidelines and therefore used, prior to the publication of such NCA interpretation, by PCS in completing an STS Verification. Although PCS will use all reasonable endeavours to ascertain the position of any relevant NCA as to STS criteria interpretation, PCS cannot guarantee that it will have been made aware of any NCA interpretation in cases where such interpretation has not been officially published by the relevant NCA.

Accordingly, the provision of an STS Verification is only an opinion by PCS and not a statement of fact. It is not a guarantee or warranty that any national competent authority, court, investor or any other person will accept the STS status of the relevant securitisation.

**Management Company's website**

The Management Company will publish on its Internet site (www.eurotitrisation.fr), or through any other means that it deems appropriate, any information regarding the Seller, the Servicer, the Purchased Home Loan Receivables, the Notes and the management of the Issuer which it considers significant in order to ensure adequate and accurate information for the Noteholders.

The Management Company will publish under its responsibility any additional information as often as it deems appropriate according to the circumstances affecting the Issuer.

## LIMITED RECOURSE AGAINST THE ISSUER

Pursuant to the Conditions of the Notes, the Conditions of the Residual Units and the terms of the Transaction Documents, each Noteholder, each Unitholder and each Transaction Party has expressly and irrevocably agreed (and the Management Company has expressly and irrevocably undertaken to procure, upon the conclusion of any agreement, in the name and on behalf of the Issuer with any third party, that such third party expressly and irrevocably) that in accordance with:

(a) Article L. 214-175 III of the French Monetary and Financial Code:

(i) provisions of Book VI of the French Commercial Code (which govern insolvency proceedings in France) are not applicable to the Issuer; and

(ii) 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 (including the Noteholders) as provided by law (*selon le rang de ses créanciers défini par la loi*) or, pursuant to Article L. 214-169 II of the French Monetary and Financial Code, in accordance with the Priority of Payments set out in the Issuer Regulations;

(b) Article L. 214-169 II of the French Monetary and Financial Code:

(i) the Assets of the Issuer may only be subject to civil proceedings (*mesures civiles d'exécution*) to the extent of the applicable Priority of Payments as set out in the Issuer Regulations;

(ii) the Noteholders, the Residual Unitholders, the Transaction Parties and any creditors of the Issuer will be bound by the Priority of Payments as set out in the Issuer Regulations notwithstanding the opening 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 of the Noteholders, the Residual Unitholders, the Transaction Parties and any creditors of the Issuer. The Priority of Payments shall be applicable even if the Issuer is liquidated in accordance with the relevant provisions of the Issuer Regulations; and

(iii) the Noteholders, the Residual Unitholders, the Transaction Parties and any creditors of the Issuer 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;

(c) Article L. 214-169 VI of the French Monetary and Financial Code, provisions of Article L. 632-2 of the French Commercial Code shall not apply to any payments received by the Issuer or any acts against payment made by the Issuer or for its interest (*ne sont pas applicables aux paiements reçus par un organisme de financement, ni aux actes à titre onéreux accomplis par un organisme de financement ou à son profit*) to the extent such payments 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 paiements ou ces actes sont directement relatifs aux opérations prévues à l'article L. 214-168*); and

(d) 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 as debtors of the Purchased Home Loan Receivables.

## MODIFICATIONS TO THE TRANSACTION

### General

Any event which may have a significant impact on the terms and conditions of each Class of Notes and any modification to the information set out in this Prospectus shall be made public in a press release subject to the prior written notice to the Rating Agencies. The press release shall be incorporated in the next Investor Report. Modifications shall be enforceable against Noteholders three calendar days following publication of the relevant press release.

So long as any Listed Notes are listed on Euronext Paris, any proposed modifications will be promptly notified to the Financial Markets Authority and a supplement to this Prospectus shall also be published by the Issuer pursuant to Article 212-25 of the AMF General Regulations.

### Amendments to the Issuer Regulations and the other Transaction Documents

The Management Company and the Custodian, acting in their capacity as founders of the Issuer, may agree, with any relevant Transaction Parties, to amend the provisions of the Transaction Documents, *provided* that:

(a) the Rating Agencies shall have received prior written notices of the proposed amendments (unless the purpose of such modification is to correct a manifest or proven error established as such to the satisfaction of the Management Company and the Custodian or is an error of a formal, minor or technical nature) and such amendments (i) shall 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 any Class of Notes or (ii) limit such downgrading of, or avoid, such withdrawal of the ratings of the Listed Notes which could have otherwise occurred;

(b) with respect to any amendment (unless the purpose of such modification is to correct a manifest or proven error established as such to the satisfaction of the Management Company and the Custodian or is an error of a formal, minor or technical nature) to any Transaction Document (including, for the avoidance of doubt, any amendments to the Priority of Payments) or the Conditions of the Notes which may be materially prejudicial to the interests of the Hedge Counterparty under each Hedge Agreement or if any Priority of Payments or, in respect of the Notes, the interest rate, the payment dates, the maturity date, the terms of repayment, the redemption provisions, the Priority of Payments applicable to it or the allocation of Issuer's funds for distribution in accordance with the Priority of Payments are amended, the Hedge Counterparty shall have received prior written notices of the proposed amendments and shall have consented to such amendments;

(c) any amendment (unless the purpose of such modification is to correct a manifest or proven error established as such to the satisfaction of the Management Company, the Custodian and the relevant Noteholders or is an error of a formal, minor or technical nature) to the financial terms and conditions of any Class of Notes (including, for the avoidance of doubt, any provision of the Issuer Regulations governing the allocation of available funds between the Classes of Notes) shall require the prior approval of the holders of such Class of Notes (by a decision of the General Meeting of the relevant Class of Noteholders or Written Resolution passed under the applicable quorum and/or majority rule or of the sole holder of the relevant Class of Notes, as the case may be) (see Condition 11 (*Meetings of Listed Noteholders*)) unless such modification in made in accordance with Condition 12(b) (*General Additional Right of Modification without Noteholders' consent*) or Condition 12(c) (*Additional Right of Modification without Noteholders' consent in relation to EURIBOR Discontinuation or Cessation*);

(d) any amendment (unless the purpose of such modification is to correct a manifest or proven error established as such to the satisfaction of the Management Company and the Custodian or is an error of a formal, minor or technical nature) to the financial terms and conditions of the Residual Units shall require the prior approval of the holder of the Residual Units;

(e) in addition to the specific provisions of paragraphs (c) and (d) above, any amendment (unless the purpose of such modification is to correct a manifest or proven error established as such to the satisfaction of the Management Company, the Custodian and the relevant Noteholders or is an error of a formal, minor or technical nature) to the Issuer Regulations shall be notified to the Noteholders

(in accordance with Condition 13 (*Notice to the Noteholders*)) and the holder of the Residual Units, it being specified that such amendments shall, automatically and without any further formalities (*de plein droit*), be enforceable as against such Noteholders and the holder of Residual Units within three (3) Business Days after they have been notified thereof.

Notwithstanding the provisions set out above, the Management Company will, under all circumstances, act in the interests of the Noteholders and the Residual Unitholder in accordance with the provisions of the AMF General Regulations and the Issuer Regulations.

**Implementation of the 2017 Ordinance**

The Management Company, acting in the name and on behalf of the Issuer, shall be obliged, without any consent or sanction of the Noteholders and the Residual Unitholder to (a) make any modification of any of the provisions of the Transaction Documents which is made in order for the Issuer to comply with the 2017 Ordinance (including, without limitation, (i) 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 2020, (ii) any amendment made to the provisions of the AMF General Regulations in order to implement the 2017 Ordinance after the Closing Date and (iii) any other text implementing the 2017 Ordinance as will be adopted or will enter into force after the Closing Date). In addition, pursuant to decree n° 2018-1008 dated 19 November 2018, on 1 January 2020, Article D. 214-229 of the French Monetary and Financial Code relating to certain duties of custodians of *fonds communs de titrisation* shall be replaced by Article D. 214-233 with amended duties.

## GOVERNING LAW AND JURISDICTION

### Governing law

The Notes and the Transaction Documents are governed by, and shall be construed in accordance with, French law.

### Submission to Jurisdiction

The *Tribunal de commerce de Paris* shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Transaction Documents or the formation, operation and liquidation of the Issuer.

## SUBSCRIPTION OF THE NOTES

### Summary of the Listed Notes Subscription Agreement

Subject to the terms and conditions set forth in the subscription agreement for the Listed Notes dated 30 October 2019 (the "**Listed Notes Subscription Agreement**") and made between the Management Company, the Custodian, the Joint Lead Managers, CIFD (acting as Seller), the Joint Lead Managers have, jointly but not severally, subject to certain conditions, agreed to subscribe for on the Closing Date the Listed Notes at their respective issue prices.

### Summary of the Class C Notes and Residual Units Subscription Agreement

Subject to the terms and conditions set forth in the subscription agreement for the Class C Notes and the Residual Units dated 30 October 2019 (the "**Class C Notes and Residual Units Subscription Agreement**") and made between the Management Company, the Custodian, CIFD (acting as Class C Notes Purchaser and Residual Units Purchaser), the Class C Notes Purchaser has, subject to certain conditions, agreed to subscribe for on the Closing Date the Class C Notes at their issue price.

## PLAN OF DISTRIBUTION, SELLING AND TRANSFER RESTRICTIONS

*The following section consists of a summary of certain provisions of the Listed Notes Subscription Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreements.*

### General Restrictions

Other than admission of the Listed Notes on Euronext Paris, no action has been or will be taken in any country or jurisdiction by the Management Company, the Custodian, the Joint Lead Managers that would, or is intended to, permit a public offering of the Listed Notes, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

The Joint Lead Managers have agreed to comply with any applicable laws and regulations in force in any jurisdictions in connection with the issue of the Listed Notes.

Purchasers of the Listed Notes of any Class may be required to pay stamp taxes and other charges in accordance with the laws and practises of the country of purchase in addition to the issue price.

The Joint Lead Managers have not and will not represent that the Listed Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exception available thereunder, or assumes any responsibility for facilitating such sale.

### Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Listed Notes to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

  (ii) a customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) a person which is not a qualified investor as defined in Article 2(e) of the Prospectus Regulation; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Listed Notes to be offered so as to enable an investor to decide to purchase or subscribe the Listed Notes.

The Listed Notes will not be sold to any retail client as defined in point 11 of Article 4(1) of Directive 2014/65/EU. Therefore provisions of Article 3 (*Selling of securitisations to retail clients*) of the Securitisation Regulation shall not apply.

### France

Each Joint Lead Manager has represented and agreed that in connection with the initial distribution of the Listed Notes only (i) it has not offered, sold or otherwise transferred and will not offer, sell or otherwise transfer, directly, or indirectly, the Listed Notes to the public in France and (ii) that offers, sales and transfers of the Listed Notes in France will be made only to qualified investors (*investisseurs qualifiés*), *provided that* such investors are acting for their own account and/or to 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*), all as defined and in accordance with Article L. 411-1, Article L. 411-2 II and Article D. 411-1 of the French Monetary and Financial Code and (iii) it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the

public in France, this Prospectus or any other offering material relating to the Listed Notes other than to investors to whom offers and sales of Notes in France may be made as described above.

**United States of America**

***Selling Restrictions - Non-U.S. Distributions***

The Listed Notes have not been and will not be registered under the Securities Act and may not at any time be offered or sold in the United States (as defined in Regulation S) or to, or for the account or benefit of, any person who is (a) a U.S. person (as defined in Regulation S) or (b) not a Non-United States person (as defined in CFTC Rule 4.7).

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

In addition, until forty (40) calendar days after the commencement of the offering of the Listed Notes, an offer or sale of Listed Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Any person who subscribes or acquires Listed Notes will be deemed to have represented, warranted and agreed, by accepting delivery of this Prospectus or delivery of the Listed Notes, that it is subscribing or acquiring the Listed Notes in compliance with Rule 903 of Regulation S in an "offshore transaction" or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Terms used in this paragraph and not otherwise defined in this Prospectus have the meanings given to them in Regulation S.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of Listed Notes outside of the United States. This Prospectus does not constitute an offer to any person in the United States. Distribution of this Prospectus to any U.S. person, any person who is not a Non-United States person (as defined in CFTC Rule 4.7), or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person, to any person who is not a Non-United States person (as defined in CFTC Rule 4.7), or to any person within the United States, is prohibited.

***Transfer Restrictions - Non-U.S. Distributions***

Each purchaser of any Class of Listed Notes (and, for the purposes hereof, references to Notes shall be deemed to include interests therein) by accepting delivery of the Listed Notes, will be deemed to have represented, agreed and acknowledged as follows:

1. It is, or at the time such Listed Notes are purchased will be, the beneficial owner of such Notes and it is (x) not a U.S. person (as defined in Regulation S) and (y) a Non- United States person (as defined in CFTC Rule 4.7) and is located outside the United States.

2. It understands that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositories. It understands that each of it and any account for which it may act in respect of the Listed Notes is not permitted to have a partial interest in any Note and, as such, beneficial interests in the Listed Notes should only be permitted in principal amounts representing the denomination of such Listed Notes.

3. It understands that no person has registered nor will register as a commodity pool operator of the Issuer under the CEA and the rules of the CFTC thereunder, and that Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, pledged or otherwise transferred except to a person that (A) is not a U.S. person (within the meaning of Regulation S) and (B) is a Non-United States person (as defined in CFTC Rule 4.7), in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, and in accordance with any other applicable securities

laws. The purchaser understands that the Issuer has not been, nor will be, registered under the Investment Company Act.

4. It understands that the Issuer has the right to compel any beneficial owner that is a U.S. person (as defined in Regulation S) or is not a Non-United States person (as defined in CFTC Rule 4.7) to sell its interest in the Listed Notes, or may sell such interest on behalf of such owner, at the lesser of (x) the purchase price therefor paid by the beneficial owner, (y) 100 per cent. of the principal amount thereof or (z) the fair market value thereof. In addition, the Issuer has the right to refuse to honour the purported transfer of any interest to a U.S. person or to a person that is not a Non-United States person.

**United Kingdom**

Each Joint Lead Manager has represented, warranted 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 Listed 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 Listed Notes in, from or otherwise involving the United Kingdom.

***Germany***

The Listed Notes will not be registered for public distribution in Germany. This Prospectus does not constitute a sales document pursuant to the German Capital Investment Act (*Vermogensanlagengesetz*). Accordingly, each Joint Lead Manager has represented and agreed that no offer of the Listed Notes will be made to the public in Germany. This Prospectus and any other document relating to the Listed Notes, as well as information or statements contained therein, will not be supplied to the public in Germany or used in connection with any offer for subscription of the Listed Notes to the public in Germany or any other means of public marketing.

***Austria***

No offering circular or prospectus has been or will be approved and/or published pursuant to the Austrian Capital Markets Act (*Kapitalmarktgesetz - KMG*) (the "KMG") as amended. Neither this Prospectus nor any other document connected therewith constitutes a prospectus according to the KMG and neither this Prospectus nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with Each Joint Lead Manager. No document pursuant to Directive 2003/71/EC has been or will be drawn up and approved in Austria and no document pursuant to Directive 2003/71/EC has been or will be passported into Austria as the Listed Notes will be offered in Austria in reliance an on exemption from the document publication requirement under the KMG. Each Joint Lead Manager has represented and agreed that it will offer the Listed Notes in Austria only in compliance with the provisions of the KMG, and Notes will therefore not be publicly offered or (re)sold in Austria without a document being published or an applicable exemption from such requirement being relied upon.

***Belgium***

The offering of the Listed Notes has not been and will not be notified to the Belgian Financial Services and Markets Authority (*autoriteit voor financiele diensten en markten*/*autorité des services et marches financiers*) nor has this Prospectus been, nor will it be, approved by the Belgian Financial Services and Markets Authority. The Listed Notes may not be distributed in Belgium by way of an offer of the Listed Notes to the public, as defined in Article 3, §1 of the Act of 16 June 2006 relating to public offers of investment instruments, as amended or replaced from time to time and taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect, save in those circumstances (commonly called 'private placement') set out in Article 3 §2 of the Act of 16 June 2006 relating to public offers of investment instruments, as amended or replaced from time to

time and taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect. This document will be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of this offering of the Listed Notes. Each Joint Lead Manager has represented and agreed that it will not:

(i) offer for sale, sell or market the Listed Notes in Belgium otherwise than in conformity with the Act of 16 June 2006 taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect; and

(ii) offer for sale, sell or market the Listed Notes to any person qualifying as a consumer within the meaning of Article 1.3 of the Law of 6 April 2010 on trade practices and consumer protection, as modified, otherwise than in conformity with such law and its implementing regulations.

***Netherlands***

The Listed Notes may only be offered, sold or delivered in The Netherlands to qualified investors (as defined in the Dutch FSA (*Wet op het financieel toezicht*), as amended from time to time) that do not qualify as "public" (within the meaning of article 4(1) Capital Requirements Regulation (Regulation (EU) 575/2013) and the rules promulgated thereunder, as amended or any subsequent legislation replacing that regulation).

Each Joint Lead Manager has represented and agreed that no subordinated Notes may be offered, sold, resold, delivered or transferred other than to "professional market parties" (*professionele marktpartijen*) within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) that do not qualify as "public" (within the meaning of article 4(1) of the CRR) and the rules promulgated thereunder or any subsequent legislation replacing that regulation, and, if resident or domiciled in The Netherlands, other than to qualified investors within the meaning of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*).

***Ireland***

Each Joint Lead Manager has represented and agreed that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Listed Notes, or do anything in Ireland in respect of the Listed Notes, otherwise than in conformity with the provisions of:

(a) the Prospectus Directive Regulations 2015 (as amended) and any Central Bank of Ireland (the "**Central Bank**") rules issued and/or in force pursuant to Section 1363 of the Companies Act 2014;

(b) the provisions of the Companies Act 1963 to 2013 (as amended), the Irish Central Bank Acts 1942 to 2015 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 or regulations made under section 48 of the Central Bank (Supervision and Enforcement) Act 2013;

(c) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) and it will conduct itself in accordance with any regulations, rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank, including, without limitation, Parts 6, 7 and 12 thereof and the provisions of the Investor Compensation Act 1998; and

(d) the Market Abuse Regulation (EU 596/2014), the European Union (Market Abuse) Regulations 2016 and any Central Bank rules issued and/or in force pursuant to Section 1370 of the Companies Act 2014 and/or Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act, 2005, by the Central Bank of Ireland.

***Spain***

Neither the Listed Notes nor the Prospectus have been approved or registered with the Spanish Notes Markets Commission (*Comision Nacional del Mercado de Valores*). Accordingly, each Joint Lead Manager has represented and agreed that the Listed Notes will not be offered or sold in Spain except in circumstances which do not constitute a public offering of notes within the meaning of Article 30-BIS of the Spanish

Notes Market Law of 28 July 1988 (LEY 24/1988, de 28 de julio, *del Mercado de Valores*), as amended and restated, and supplemental rules enacted thereunder.

***Switzerland***

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Listed Notes described herein. The Listed Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Listed Notes constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland and neither this Prospectus nor any other offering or marketing material relating to the Listed Notes may be publicly distributed or otherwise made publicly available in Switzerland. This Prospectus is intended solely for use on a confidential basis by those persons to whom it is transmitted.

With respect to the above, no Listed Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Listed Notes be distributed in Switzerland to more than 20 (twenty) investors resident or having their corporate seat in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the offering, nor the Listed Notes have been or will be filed with or approved by any Swiss regulatory authority. The Listed Notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMA (FINMA), and investors in the Listed Notes will not benefit from protection or supervision by such authority.

***Republic of Italy***

The offering of the Listed Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Listed Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Listed Notes be distributed in the Republic of Italy, except:

Unless it is specified within the Prospectus that a non-exempt offer may be made in Italy, the offering of the Listed Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Listed Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Listed Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Listed Notes or distribution of copies of the Prospectus or any other document relating to the Listed Notes in the Republic of Italy under paragraph (a) or (b) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and

(b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

***Monaco***

The Notes may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco bank or a duly authorised Monegasque intermediary acting as a professional institutional investor which has such knowledge and experience in financial and business matters as to be capable of evaluating the risks and merits of an investment in the Listed Notes. Consequently, this Prospectus may only be communicated to banks duly licensed by the *Autorité de Contrôle Prudentiel et de Résolution* and fully licensed portfolio management companies by virtue of Law No. 1.144 of July 26, 1991 and Law 1.338 of 7 September 2007, duly licensed by the *Commission de Contrôle des Activités Financières*. Such regulated intermediaries may in turn communicate this Prospectus to potential investors.

***Japan***

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

**Risk Retention U.S. Persons**

The Listed Notes may not be purchased by any person except for persons that are not Risk Retention U.S. Persons. Each holder of a Listed Note or a beneficial interest therein acquired in the initial sale of the Listed Notes, by its acquisition of a Listed Note or a beneficial interest in a Listed Note, will be deemed to represent to the Issuer, the Seller, the Joint Arrangers and each Joint Lead Manager that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Listed Note or a beneficial interest therein for its own account and not with a view to distribute such Listed Note and (3) is not acquiring such Listed 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 Listed 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) (see "OTHER REGULATORY COMPLIANCE – U.S. Risk Retention Rules").

The Seller, the Issuer, the Joint Arrangers and each Joint Lead Manager have agreed that the determination of the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section __.20 of the U.S. Risk Retention Rules is solely the responsibility of the Seller, and none of the Joint Arrangers, the Joint Lead Managers or any person who controls it or any director, officer, employee, agent or affiliate of the Joint Arrangers or the Joint Lead Managers shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section __.20 of the U.S. Risk Retention Rules, and none of the Joint Arrangers or the Joint Lead Managers or any person who controls it or any director, officer, employee, agent or affiliate of the Joint Arrangers or the Joint Lead Managers accepts any liability or responsibility whatsoever for any such determination or characterisation.

**Legality of Purchase**

Neither the Joint Arrangers, the Transaction Parties nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Listed 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 Listed 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 Listed Notes under or in accordance with any applicable legal and regulatory (or other) provisions in any jurisdiction where the Listed 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 Listed Notes constitute legal investments or are subject to investment, capital or other restrictions. Such considerations might restrict, if applicable, the market liquidity of the Listed Notes.

**No Assurance as to Resale Price or Resale Liquidity for the Listed Notes**

The Listed Notes are a new issue of securities for which there is currently no established trading market. A liquid or active market for the Listed Notes may not develop or continue. If an active market for the Listed Notes does not develop or continue, the market price and liquidity of the Listed Notes may be adversely affected. The Listed Notes may trade at a discount from their initial offering price, depending on prevailing interest rate, the market for similar securities, the performance of the Issuer and its assets and other factors. The Joint Lead Managers has advised the Management Company and the Custodian that it may intend to make a market in the Listed Notes, as permitted by applicable laws and regulations, but it is not obligated to do so and may discontinue market trading at any time without notice. Accordingly, no assurance can be given as to the liquidity of the trading market for the Listed Notes.

**Legal Investment Considerations**

No representation is made by the Management Company, the Custodian, the Joint Arrangers and the Joint Lead Managers as to the proper characterisation that the Listed 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 Listed Notes under or in accordance of any applicable legal and regulatory (or other) provisions in any jurisdiction where the Listed Notes would be subscribed or acquired by any investor and none of the Management Company, the Custodian, the Joint Arrangers or the Joint Lead Managers has given any undertaking as to the ability of investors established in any jurisdiction to subscribe to, or acquire, the Listed Notes. Accordingly, all 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 Listed Notes constitute legal investments or are subject to investment, capital or other restrictions. Such considerations might restrict, if applicable, the market liquidity of the Listed Notes.

## OTHER REGULATORY COMPLIANCE

### U.S. Risk Retention Rules

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 five (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 U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

For the purposes of the U.S. Risk Retention Rules, the Seller does not intend to retain the minimum 5 per cent. of the credit risk of the securitized assets, 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 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, 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.

The Notes provide that they may not be purchased by Risk Retention U.S. Persons. Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is different from 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. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h), which are different than comparable provisions from Regulation S.

Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" (and "Risk Retention U.S. Person" 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 Securities Act.

With respect to clause (b), the comparable provision from Regulation S is "*(ii) any partnership or corporation organised or incorporated under the laws of the United States."*

With respect to clause (h), the comparable provision from Regulation S is "(vii)(B) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in 17 CFR 230.501(a)) who are not natural persons, estates or trusts."

Notwithstanding the threshold set out in criteria (2) of the exemption mentioned above, the Notes are not intended to be sold to any Risk Retention U.S. Persons and may only be purchased by persons that are not Risk Retention U.S. Persons.

Each holder of a Note or a beneficial interest acquired in the initial sale of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Issuer, the Seller, the Joint Arrangers and the Joint Lead Managers that it (1) is not a Risk Retention U.S. Person, (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).

None of the Seller, the Issuer, the Management Company, the Custodian, the Joint Arrangers or the Joint Lead Managers or any of their respective 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 Closing 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.

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. The Joint Lead Managers will fully rely on representations made by potential investors and therefore the Joint Lead Managers or any person who controls it or any director, officer, employee, agent or affiliate of the Joint Lead Managers shall have no responsibility for determining the proper characterization of potential investors for such restriction or for determining the availability of the exemption provided for in Section 20 of the U.S. Risk Retention Rules, and the Joint Arrangers or the Joint Lead Managers or any person who controls it or any director, officer, employee, agent or affiliate of the Joint Arrangers or the Joint Lead Managers does not accepts any liability or responsibility whatsoever for any such determination or characterisation.

Failure of the transaction described in this Prospectus or of the Seller to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action which may adversely affect the market value of the Notes of any Class and/or the ability of the Seller to perform its obligations. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and a failure by a transaction to comply with the risk retention requirements of the U.S. Risk Retention Rules could negatively affect the market value and secondary market liquidity of the any Listed Notes.

**Volcker Rule**

Under Section 619 of the U.S. Dodd-Frank Act and the corresponding implementing rules (the "**Volcker Rule**"), U.S. banks, foreign banks with U.S. branches or agencies, bank holding companies, and their affiliates (collectively, the "**Relevant Banking Entities**" as defined under the Volcker Rule) are prohibited from, among other things, acquiring or retaining any ownership interest in, or acting as sponsor in respect of, certain investment entities referred to in the Volcker Rule as covered funds, except as may be permitted by an applicable exclusion or exception from the Volcker Rule. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure related transactions with covered funds. Full conformance with the Volcker Rule is required since 21 July 2015.

Key terms are widely defined under the Volcker Rule, including "banking entity", "ownership interest", "sponsor" and "covered fund". In particular, "banking entity" is defined to include certain non-U.S. affiliates of U.S. banking entities. A "covered fund" is defined to include an issuer that would be an investment company under the Investment Company Act 1940 but is exempt from registration solely in reliance on section 3(c)(1) or 3(c)(7) of that Act, subject to certain exemptions found in the Volcker Rule's implementing regulations. An "ownership interest" is defined to include, among other things, interests arising through a holder's exposure to profits and losses in the covered fund, as well as through any right of the holder to participate in the selection or removal of an investment advisor, manager, or general partner, trustee, or member of the board of directors of the covered fund.

The Issuer has been structured so as not to constitute a "covered fund" based on the "loan securitisation exclusion" set forth in the Volcker Rule. Such exclusion applies to issuing entities of asset-backed securities that limit assets exclusively to loans (including receivables), assets or rights designed to assure the servicing or timely distribution of proceeds to holders or that are related or incidental to purchasing or otherwise acquiring and holding the loans. Although the Issuer has conducted careful analysis, including the review of advice of legal counsel, to determine the availability of the "loan securitisation exclusion", there is no assurance that the US federal financial regulators responsible for the Volcker Rule will not take a contrary position.

If the Issuer is considered a "covered fund", the liquidity of the market for the Listed Notes may be materially and adversely affected, since banking entities could be prohibited from, or face restrictions in, investing in the Listed Notes. The Volcker Rule and any similar measures introduced in another relevant jurisdiction may, in addition, have a negative impact on the price and liquidity of the Listed Notes in the secondary market.

There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in the Listed Notes should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each purchaser must determine for itself whether it is a banking entity subject to regulation under the Volcker Rule. Neither the Issuer nor the Joint Arrangers or the Joint Lead Managers makes any representation regarding the ability of any purchaser to acquire or hold the Listed Notes, now or at any time in the future.

The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of relevant individual prospective purchasers to invest in the Notes and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market.

Prospective investors which qualify as Relevant Banking Entities must rely on their own independent investigation and appraisal of the Issuer and the terms of the offering and should consult their own legal advisers in order to assess whether an investment in the Listed Notes would lead them to violate any applicable provisions of the Volcker Rule. Each investor is responsible for analysing its own position under the Volcker Rule and any similar measures and none of the Joint Arrangers, the Joint Lead Managers, the Issuer or any Transaction Parties makes any representation regarding such position, including with respect to the ability of any investor to acquire or hold the Listed Notes, now or at any time in the future in compliance with the Volcker Rule and any other applicable laws.

**Anti-Money Laundering, Anti-Terrorism, Anti-Corruption, Bribery and Similar Laws May Require Certain Actions or Disclosures**

Many jurisdictions have adopted wide-ranging anti-money laundering, economic and trade sanctions, and anti-corruption and anti-bribery laws, and regulations (collectively, the "**AML Requirements**"). Any of the Issuer, the Joint Arrangers, the Joint Lead Managers, the Management Company or the Custodian could be requested or required to obtain certain assurances from prospective investors intending to purchase Listed Notes and to retain such information or to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is expected that the Issuer, the Joint Arrangers, the Joint Lead Managers, the Management Company and the Custodian will comply with AML Requirements to which they are or may become subject and to interpret such AML Requirements broadly in favour of disclosure. Failure to honour

any request by the Issuer, the Joint Arrangers, the Joint Lead Managers, the Management Company or the Custodian to provide requested information or take such other actions as may be necessary or advisable for the Issuer, the Joint Arrangers, the Joint Lead Managers, the Management Company or the Custodian to comply with any AML Requirements, related legal process or appropriate requests (whether formal or informal) may result in, among other things, a forced sale to another investor of such investor's Listed Notes. In addition, it is expected that each of the Issuer, the Joint Arrangers, the Joint Lead Managers, the Management Company or the Custodian intends to comply with applicable anti-money laundering and anti-terrorism, economic and trade sanctions, and anti-corruption or anti-bribery laws, and regulations of the United States and other countries, and will disclose any information required or requested by authorities in connection therewith. Listed Noteholders may also be obliged to provide information they may have previously identified or regarded as confidential to satisfy the AML Requirements.

**EU Anti-Tax Avoidance Directive and EU Anti-Tax Avoidance Directive 2**

As part of its anti-tax avoidance package the EU Commission published a draft Anti-Tax Avoidance Directive on 28 January 2016 which was formally adopted by the EC Council on 12 July 2016 in Council Directive (EU) 2016/1164 (the "**Anti-Tax Avoidance Directive**"). The Anti-Tax Avoidance Directive must be implemented by each Member State by 2019, subject to derogations for Member States which have equivalent measures in their domestic law. Amongst the measures contained in the Anti-Tax Avoidance Directive is an interest deductibility limitation rule similar to the recommendation contained in the "Action 4" of the "Action Plan on Base Erosion and Profit Shifting" ("**BEPS**") launched by the Organisation for Economic Co-operation and Development ("**OECD**"). The Anti-Tax Avoidance Directive provides that interest costs in excess of the higher of (a) EUR 3,000,000 or (b) 30 per cent. of an entity's earnings before interest, tax, depreciation and amortisation will not be deductible in the year in which they are incurred but would remain available for carry forward. However, the restriction on interest deductibility would only be in respect of the amount by which the borrowing costs exceed "interest revenues and other equivalent taxable revenues from financial assets". Accordingly, as the Issuer will generally fund interest payments it makes under the Notes from interest payments to which it is entitled under the Purchased Home Loan Receivables (that is such that the Issuer pays limited or no net interest), the restriction may be of limited relevance to the Issuer even if the Anti-Tax Avoidance Directive were implemented as originally published. There is also a carve-out in the Anti-Tax Avoidance Directive for "financial undertakings". As currently drafted the Issuer might be treated as a "financial undertaking" (" *(f) an alternative investment fund (AIF) managed by an AIFM as defined in point (b) of Article 4(1) of Directive 2011/61/EU or an AIF supervised under the applicable national law*"). The European Commission is also pursuing other initiatives, such as the introduction of a common corporate tax base, the impact of which, if implemented, is uncertain. On 21 February 2017, the Economic and Financial Affairs Council of the European Union agreed an amendment to the Anti-Tax Avoidance Directive to provide for minimum standards for counteracting hybrid mismatches involving EU Member States and third countries ("**Anti-Tax Avoidance Directive 2**"). Anti-Tax Avoidance Directive 2 requires EU Member States to either delay deduction of payments, expenses or losses or include payments as taxable income, in case of hybrid mismatches. Anti-Tax Avoidance Directive 2 needs to be implemented in the EU Member States' national laws and regulations by 31 December 2019 and will have to apply as of 1 January 2020, except for the provision on reverse hybrid mismatches for which implementation can be postponed to 31 December 2021 and will apply as of 1 January 2022. It remains unclear how these rules would apply to the Issuer when implemented.

## SELECTED ASPECTS OF FRENCH LAW

### The Issuer is not subject to French Insolvency Law

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. As a consequence, the Issuer's winding-up or liquidation may only be effected in accordance with the applicable provisions of the French Monetary and Financial Code (see "DISSOLUTION AND LIQUIDATION OF THE ISSUER"). Pursuant to Article L. 214-175 IV and Article L. 214-186 of the French Monetary and Financial Code, the Management Company shall liquidate the Issuer in accordance with the provisions of the Issuer Regulations.

Furthermore, the right of recourse of the Noteholders and the Unitholder and, more generally, of any creditor of the Issuer in relation to the payment of principal, interest and any eventual arrears shall be limited to the funds available to the Issuer and shall be subject to the rules governing the allocation of cash flows set out in the Issuer Regulations.

In accordance with Article L. 214-169 VI of the French Monetary and Financial Code, provisions of Article L. 632-2 of the French Commercial Code shall not apply to any payments received by the Issuer or any acts against payment (*actes à titre onéreux*) made by the Issuer or for its interest (*ne sont pas applicables aux paiements reçus par un organisme de financement, ni aux actes à titre onéreux accomplis par un organisme de financement ou à son profit*) to the extent such payments 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*) (see "LIMITED RECOURSE AGAINST THE ISSUER").

### Notification of the assignment of the Purchased Home Loan Receivables to the Borrowers

#### *No initial notification of assignment of Purchased Home Loan Receivables*

The Home Loan Receivables Transfer Agreement provides that the transfer of the Receivables (and any Ancillary Rights) from the Seller to the Issuer will be effected through an assignment of these rights by the Seller to the Issuer pursuant to Article L.214-169 V of the French Monetary and Financial Code. The assignment will not be initially notified to the Borrowers.

Pursuant to Article L. 214-169 V 2° of the French Monetary and Financial Code "*the assignment of receivables shall take effect between the parties (i.e. the assignor and the fund in its capacity as transferee) and shall be enforceable* vis-à-vis *third parties as of the date specified in the deed of transfer* (*acte de cession de créances*)*, irrespective of the origination date, the maturity date or the due date of such receivables with no further formalities regardless of the law governing the transferred receivables and the law of the domicile of the assigned debtors.*"

Pursuant to Article L. 214-169 V 3° of the French Monetary and Financial Code "*the delivery (remise) of the deed of transfer (acte de cession de créances) shall, as a matter of French law, entail the automatic (de plein droit) transfer of any Ancillary Rights (including any security interest, guarantees and other ancillary rights) attached to each receivable and the enforceability (opposabilité) of such transfer vis-à-vis third parties, without any further formalities (sans qu'il soit besoin d'autre formalité).*"

Pursuant to Article L. 214-169 V 4° of the French Monetary and Financial Code "*the assignment of the receivables and of their ancillary rights shall remain valid (la cession conserve ses effets après le jugement d'ouverture) notwithstanding that the seller is in a state of cessation of payments (cessation des paiements) on the purchase date (au moment de cette cession) and notwithstanding the opening of any proceeding governed by Book VI of the French Commercial Code (dispositions du Livre VI du Code de Commerce) or any equivalent proceeding governed by any foreign law (procédure équivalente sur le fondement d'un droit étranger) against the seller after such purchase (postérieurement à cette cession).*"

Therefore legal title to the Purchased Home Loan Receivables and the Ancillary Rights will be validly transferred from the Seller to the Issuer from the time of delivery of the relevant Transfer Document without notification being required. For the avoidance of doubt, no perfection of title is required by Article L.214-

169 V of the French Monetary and Financial Code to perfect the Issuer's legal title to the Purchased Home Loan Receivables.

However, until Borrowers have been notified of the assignment of the Receivables by the Management Company or any authorised third party, they may discharge their payment obligations by making direct payments to the Seller.

Each Borrower may further raise 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.

***Notification of the Borrowers of the assignment of the Purchased Home Loan Receivables upon the occurrence of a Borrower Notification Event***

Pursuant to Article L. 214-172 of the French Monetary and Financial Code any substitution of the initial servicer must be notified to the borrowers.

If a Borrower Notification Event occurs, the Management Company will promptly deliver, or will instruct any third party designated by it (including any Substitute Servicer as may be appointed by the Management Company) to deliver a Borrower Notification Event Notice to the Borrowers pursuant to the terms of the Servicing Agreement and the Data Protection Agency Agreement in order to:

(i) notify the Borrowers of the assignment, sale and transfer of the Purchased Home Loan Receivables by the Seller to the Issuer; and

(ii) notify (or cause to be notified) the Borrowers to make all payments in relation to the Purchased Home Loan Receivables onto the General Account or on any Issuer's substitute bank account held and operated by any authorised credit institution having the Account Bank Required Ratings in the event of the substitution and replacement of the Account Bank pursuant to the terms of the Account Bank Agreement.

**French Consumer Credit Legislation**

***General***

The Borrowers who are individuals (*personnes physiques*) benefit from the protection of the legal and regulatory provisions of the French *Code de la Consommation* (the "**French Consumer Code**"). The French Consumer Code, inter alia, (a) requires lenders under consumer law contracts to provide (i) certain information to borrowers that are consumers, and to award time to the consumer before the entry into of a credit transaction is definitive and (ii) sets out detailed formalistic rules with regard to the contents of the credit contract.

The Home Loan Receivables are subject to French consumer protection laws and regulations. The French Consumer Code defines the legal and regulatory framework designed to protect consumers when entering into loan agreements. The French Consumer Code in particular distinguishes between (i) consumer loans ("*crédits à la consommation*") and (ii) real estate loans ("*crédits immobiliers*").

Such regulatory framework has been modified several times since 2010, in particular:

(i) by the so-called "*Loi Lagarde*" n° 2010-737 dated 1 July 2010 (the "**Lagarde Law**"), which transposed Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers; and

(ii) by ordinance n° 2016-351 of 25 March 2016 (the "**Mortgage Credit Ordinance**"), which transposed Directive 2014/17/EC of 4 February 2014 on credit agreements for consumers relating to residential immovable property.

Credit consolidation transactions are not subject to a separate legal regime. Lenders shall apply laws and regulations relating to consumer loans ("**Consumer Credit Law**") or laws and regulations relating to real estate loans ("**Real Estate Credit Law**") (or none of such regimes if an exclusion may be available), depending on the regulatory framework applicable on the date on which the relevant transaction was entered into.

Before the enactment of the Lagarde Law, no provision of the French Consumer Code related specifically to refinancing of debts (*regroupement de crédits*). It was, in particular, unclear as to whether a loan agreement that was refinancing both consumer loan(s) and real estate loan(s) should be subject to Consumer Credit Law and/or Real Estate Credit Law. It cannot therefore be excluded that the legal regime applied in relation to any Home Loan Agreement entered into before 1 September 2010 may be subject to challenge by certain Borrowers. Infringement of applicable rules may result in the contractual rate of interest not being recoverable (i.e. the credit will be effectively granted on an interest free basis).

The Lagarde Law has clarified such rules by introducing statutory provisions specifically to refinancing of debts in the French Consumer Code, although uncertainties remain on how these new rules should be interpreted. The Mortgage Credit Ordinance now specifies that all loans granted to a consumer secured by a mortgage (*hypothèque*) or similar security over real estate properties used for residential purposes are to be subject to Real Estate Credit Law. Such new provisions are applicable to loans in relation to which the relevant offer has been issued after 1 July 2016.

***Protection of Overindebtedness Consumers***

Any individual who is a consumer having contracted consumer or home loans (professional debts are excluded) and who is in good faith (*bonne foi*) is entitled to contact a *commission départementale de surendettement* if he considers to be in a situation of overindebtedness (*surendettement*). An overindebted individual will not be in good faith if he has organised its own insolvency or if he has dissipated its assets.

If the individual is overindebted (*en état de surendettement*) and in good faith, and depending on the amount of its total debts, of its assets and its current resources, Article L.712-2 and Article L.732-1 of the French Consumer Code provides that the *commission départementale de surendettement* may propose:

(a) a contractual settlement (*plan conventionnel de redressement*) between the overindebted individual and its creditors if the *commission départementale de surendettement* considers the overindebted individual is capable of paying its debts subject to their rescheduling, a reduction (or a cancellation) of the interest rates or a sale of the overindebted individual's assets (subject to the fact that the overindebted individual's assets which are essential to its life cannot be sold); or

(b) a personal recovery plan without liquidation (*rétablissement personnel sans liquidation*) if the *commission départementale de surendettement* considers the overindebted individual is in an "irremediably compromised situation" (*situation irrémédiablement compromise*) and is therefore not capable of paying its debts with any rescheduling of its debts or a reduction (or a cancellation) of the interest rates and a sale of the overindebted individual's assets. The personal recovery plan without liquidation of the overindebted individual's assets will be decided by the *commission départementale de surendettement* for overindebted individuals who have no assets other than furniture or assets with no value; or

(c) a personal recovery plan with liquidation (*rétablissement personnel avec liquidation*) if the *commission départementale de surendettement* considers the overindebted individual is in an "irremediably compromised situation" (*situation irrémédiablement compromise*) and is therefore not capable of paying its debts with any rescheduling of its debts or a reduction (or a cancellation) of interest rates and a partial sale of the overindebted individual's assets. The personal recovery

plan with liquidation of the overindebted individual's assets will be decided by the *commission départementale de surendettement* for overindebted 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 overindebted individual. The personal recovery plan with liquidation (*rétablissement personnel avec liquidation*), when settled, will trigger the cancellation of all personal debts of the overindebted individual.

Pursuant to a law n°2016-1547 dated 18 November 2016, as from 1st January 2018, the over-indebtedness committee is able, without the need to obtain a prior decision of the court (*juge d'instance*) to validate the measures proposed by the over-indebtedness committee, to impose (i) the measures provided for in Title III of Book VII of the French Consumer Code in case of failure to adopt a contractual settlement plan mentioned in paragraph (a) above and (ii) a personal recovery plan without liquidation of the individual's assets mentioned in paragraph (b) above. These modifications are applicable to all ongoing procedures as at 1st January 2018 save for the procedures in respect of which the court (*juge d'instance*) has already been seized by the over-indebtedness committee in order to validate its proposals (*sauf lorsque le juge d'instance a déjà été saisi par la commission aux fins d'homologation*) and to all new procedures started on or after 1st January 2018.

Pursuant to Article L.722-2 of the French Consumer Code if the *commission départementale de surendettement* approves the opening of an overindebtedness 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 *commission départementale de surendettement* (*décision de recevabilité de la demande de traitement de la situation de surendettement*), any overindebted individual may ask the *commission départementale de surendettement* to obtain from the judge (*juge d'instance*) the suspension of 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*) or the decision of the court authorising the personal recovery plan with liquidation (*rétablissement personnel avec liquidation*).

Upon the application of such measures in favour of certain Borrowers, the Issuer may suffer a principal loss and/or a reduction in the yield of the Purchased Home Loan Receivables.

**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 which 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.

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 preferred creditors or prior ranking creditors (including creditors benefiting from a higher ranking mortgage, as the case may be), and after certain claims of the manager of the condominium (*syndic de copropriété*) if the property is comprised within a condominium (*copropriété*) and after certain claims of any operator which may be appointed in connection with protection measures (*mesures de sauvegarde*) taken in accordance with articles L. 615-1 et seq. of the French Construction and Housing Code (*Code de la construction et de l'habitat*) and involving the expropriation of the common areas (*parties communes*) of the 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 (within the limit of the rate

actually specified in the mortgage certificate (*bordereau d'inscription*)) can be secured on an equal rank basis with the principal by a lender's lien or a legal 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.

*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 other creditors, pursuant to the provisions of articles 2377 and 2425 of the French Civil Code, lender's liens and mortgages must be registered at the relevant French Land and Charges Registry (*Service de la Publicité Foncière* (replacing the *Conservation des Hypothèques*) or *Livre Foncier* in respect of Alsace Moselle).

Mortgages are perfected from their date of registration with the French Land and Charges Registry (*Service de la Publicité Foncière* 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, as set out above, will apply to the lender's lien.

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 falls on or before the registration date, then 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.

**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 *Code de commerce* (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 Loan Receivables when the relevant Borrower is subject to such proceedings.

**Rights of Transfer (*Droit de suite*), Priority Rights on Sale (*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 debtor to a third party. This right is known as the *droit de suite*. In the event of the sale of the property by a relevant Borrower, the secured creditor is entitled to have the debts owing to it 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 French Civil Code. If the secured creditor wishes to exercise this right, it must cause an order to pay to be served on the debtor 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 paying the debt secured by the lender's lien or mortgage granted over the property or to surrendering 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.

**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 transfer addressed 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 Loan Receivables, the exercise of such local authority pre-emption rights 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 Purchased Home Loan Receivables and/or the liquidity position of the Issuer.

**Implementation of the 2017 Ordinance**

On 3 January 2018 ordinance n°2017-1432 dated 4 October 2017 *portant modernisation du cadre juridique de la gestion d'actifs et du financement par la dette* (the "**2017 Ordinance**"), which amended 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 and which are applicable to the duties of the custodians of securitisation vehicles (*organismes de titrisation*) which will enter into force on 1 January 2020.

The implementation decrees of the 2017 Ordinance have been published. However, pursuant to decree n° 2018-1008 dated 19 November 2018, on 1 January 2020, Article D. 214-229 of the French Monetary and Financial Code relating to certain duties of custodians of *fonds communs de titrisation* shall be replaced by Article D. 214-233 with amended duties.

The Management Company, acting in the name and on behalf of the Issuer, shall be obliged, without any consent or sanction of the Noteholders and the Residual Unitholder to (a) any modification of any of the provisions of the Transaction Documents which is made in order for the Issuer to comply with the 2017 Ordinance (including, without limitation, (i) 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 2020, (ii) any amendment made to the provisions of the AMF General Regulations in order to implement the 2017 Ordinance after the Closing Date and (iii) any other text implementing the 2017 Ordinance as will be adopted or will enter into force after the Closing Date).

## SELECTED ASPECTS OF APPLICABLE REGULATIONS

**Implementation of and/or changes to the Basel III framework may affect the capital requirements and/or the liquidity associated with a holding of the Listed Notes for certain investors**

The Basel Committee on Banking Supervision (the "**Basel Committee**") approved significant changes to the Basel II regulatory capital and liquidity framework in 2011 (such changes being commonly referred to as "**Basel III**"). In particular, Basel III provides for a substantial strengthening of existing prudential rules, including new capital and liquidity requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**"). Member countries will be required to implement the new capital standards and the new Liquidity Coverage Ratio as soon as possible (with provision for phased implementation, meaning that the measure will apply as of January 2019) and the Net Stable Funding Ratio from January 2018. Implementation of Basel III requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation.

The Basel Committee has also published a consultative document setting out 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.

Regulation (EU) 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 has been amended by Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 in order to "*provide for an appropriately risk- sensitive calibration for STS securitisations, provided that they also meet additional requirements to minimise risk, in the manner recommended by the European Banking Association in that report which involves, in particular, a lower risk-weight floor of 10 % for senior positions*".

In January 2014, the Basel Committee finalised a definition of how the leverage ratio (the "**LR**") should be computed and set an indicative benchmark (namely 3% of Tier 1 capital).

Under the Regulation (EU) 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 and amended by Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 (the "**CRR**"), credit institutions and investment firms must respect 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 CRR, the Commission is required to specify the detailed rules for EU-based credit institutions. This delegated act lays down a full set of rules on the liquid assets, cash outflows, cash inflows needed to calculate the precise liquidity coverage requirement.

The European Commission has published on 10 October 2014 the Commission Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions (the "**LCR Delegated Regulation**") which became effective on 1 October 2015. 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). As of 30 April 2020, the LCR Delegated Regulation will be amended by the Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018 (the "**Amended LCR Delegated Regulation**".

Implementation of the Basel framework and any changes as described above may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Listed Notes.

In general, investors 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 any changes to the Basel framework (including the changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

**Securitisation Regulation**

***Due diligence requirements***

Investors should be aware of the due diligence requirements under Article 5 (*Due-diligence requirements for institutional investors*) of the Securitisation Regulation that apply to institutional investors with an EU nexus (including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings, institutions for occupational retirement provision and UCITS funds). Amongst other things, such requirements restrict an institutional investor (other than the originator, sponsor or original lender within the meaning of the Securitisation Regulation) from investing in securitisation positions unless, prior to holding the securitisation position:

(a) that institutional investor has verified that:

  (i) for certain originators, certain credit-granting standards were met in relation to the origination of the underlying exposures;

  (ii) the risk retention requirements set out in Article 6 (*Risk retention*) of the Securitisation Regulation are being complied with; and

  (iii) information required by Article 7 (*Transparency requirements for originators, sponsors and SSPEs*) of the Securitisation Regulation has been made available; and

(b) that institutional investor has carried out a due diligence assessment which enables it to assess the risks involved, which shall include at least (among other things) the risk characteristics of its securitisation position and the underlying exposures of the securitisation, and all the structural features of the transaction that can materially impact the performance of its securitisation position.

In addition, under article 5(4) of the Securitisation Regulation, an institutional investor (other than the originator, sponsor or original lender) holding a securitisation position shall at least establish appropriate written procedures that are proportionate to the risk profile of the securitisation position and, where relevant, to the institutional investor's trading and non-trading book, in order to monitor, on an ongoing basis, compliance with its due diligence requirements and the performance of the securitisation position and of the underlying exposures.

Depending on the approach in the relevant EU Member State, failure to comply with one or more of the due diligence requirements may result in penalties including fines, other administrative sanctions and possibly criminal sanctions. In the case of those institutional investors subject to regulatory capital requirements, penal capital charges may also be imposed on the securitisation position (i.e., notes) acquired by the relevant institutional investor.

The institutional investor due diligence requirements described above apply in respect of the Listed Notes. With respect to the commitment of the Seller to retain a material net economic interest in the securitisation and with respect to the information to be made available by the Issuer, Seller or another relevant party, please see the statements set out in section "SECURITISATION REGULATION COMPLIANCE". Relevant institutional investors are required to independently assess and determine the sufficiency of the information described elsewhere in this Prospectus for the purposes of complying with Article 5 (*Due-diligence requirements for institutional investors*) of the Securitisation Regulation and any corresponding national measures which may be relevant to investors.

To ensure that the securitisation transaction described in this Prospectus will comply with future changes or requirements of any delegated regulation which may enter into force after the Closing Date, the Issuer and the Seller, the Servicer and the other Transaction Parties will be entitled, without any consent or sanction of the Noteholders, to change the Transaction Documents as well as the Conditions, in accordance with amendment provisions in the Transaction Documents and the Conditions, to comply with such requirements

provided that such modification is required solely for such purpose and has been drafted solely to such effect (see Condition 12(b)(D)).

None of the Issuer, the Management Company, the Custodian, the Joint Arrangers, the Joint Lead Managers, the Seller (without prejudice to the responsibility of the Seller for compliance with Article 7 (*Transparency requirements for originators, sponsors and SSPEs*) of the Securitisation Regulation pursuant to Article 22(5) of the Securitisation Regulation) or any of the Transaction Parties or any of their respective affiliates:

(a) gives any representation (whether express or implied), warranty, confirmation or guarantee to any investor in the Listed Notes that (i) the securitisation transaction described in this Prospectus will satisfy all requirements set out in the Securitisation Regulation to qualify as "simple, transparent and standard" securitisation within the meaning of the Securitisation Regulation at any point in time in the future, (ii) the information described in this Prospectus, or any other information which may be made available to investors, are or will be sufficient for the purposes of any institutional investor's compliance with any investor requirement set out in Article 5 (*Due-diligence requirements for institutional investors*) of the Securitisation Regulation, (ii) investors in the Listed Notes shall have the benefit of Articles 260, 262 and 264 of the CRR as respectively referred to in paragraph 2 of Article 243 (*Criteria for STS securitisations qualifying for differentiated capital treatment*) of the CRR from the Closing Date until the full amortisation of the Notes. Please refer to "*Treatment of STS securitisations*" below; and

(b) has or shall have any liability to any prospective investor or any other person for any insufficiency of such information or any non-compliance by any such person with the due diligence and retention rules set out in Article 5 (*Due-diligence requirements for institutional investors*) and Article 6 (*Risk retention*) of the Securitisation Regulation or any other applicable legal, regulatory or other requirements, or has any obligation to provide any further information or take any other steps that may be required by any institutional investor to enable compliance by such person with the requirements of any due diligence and investor requirement or any other applicable legal, regulatory or other requirements.

***Retention requirements***

The Seller, as "originator" for the purposes of Article 6(1) of the Securitisation Regulation has undertaken that, for so long as any Listed Note remains outstanding, it will (i) retain on an ongoing basis a material net economic interest in the securitisation of not less than five (5) per cent., (ii) at all relevant times comply with the requirements of Article 7(l)(e)(iii) of the Securitisation Regulation by confirming in the investor reports the risk retention of the Seller as contemplated by Article 6(1) of the Securitisation Regulation, (iii) not change the manner in which it retains such material net economic interest, except to the extent permitted by the Securitisation Regulation and (iv) not sell, hedge or otherwise enter into any credit risk mitigation, short position or any other credit risk hedge with respect to its retained material net economic interest, except to the extent permitted by the Securitisation Regulation.

As at the Closing Date the Seller intends to retain on a consolidated basis and on an ongoing basis a material net economic interest of not less than five (5) per cent. in the securitisation through the holding of all Class C Notes as required by paragraph (d) of Article 6(3) of the Securitisation Regulation.

Any change to the manner in which such interest is held on a consolidated basis will be notified to Listed Noteholders.

With respect to the commitment of the Seller to retain on an ongoing basis a material net economic interest in the securitisation as contemplated by Article 6 (*Risk retention*) of the Securitisation Regulation (see section "SECURITISATION REGULATION COMPLIANCE – Retention Requirements under the Securitisation Regulation"), prospective investors are required independently to assess and determine the sufficiency of the information described in this Prospectus, in any Investor Report and otherwise for the purposes of complying with Article 6 (*Risk retention*) of the Securitisation Regulation. None of the Issuer, the Management Company, the Custodian, the Joint Arrangers, the Joint Lead Managers, the Seller (without prejudice to the responsibility of the Seller for compliance with Article 7 (*Transparency requirements for originators, sponsors and SSPEs*) of the Securitisation Regulation pursuant to Article 22(5) of the

Securitisation Regulation) or any Transaction Party makes any representation that the information described above is sufficient in all circumstances for such purposes.

Furthermore, investors should be aware of the EU risk retention and due diligence requirements which apply pursuant to Article 5(1)(c) of the Securitisation Regulation, in respect of various types of EU regulated investors including institutions for occupational retirement, credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds.

***Disclosure requirements under the Securitisation Regulation***

Pursuant to the Article 7(2) of the Securitisation Regulation, the originator, sponsor and securitisation special purpose entity (SSPE) of a securitisation shall designate amongst themselves one entity to submit the information set out in points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the Securitisation Regulation, which includes the prospectus issued in the context of the offer of notes in a securitisation transaction, to a regulated securitisation repository. The securitisation repository, which authorisation requirements are set out in chapter 4 of the Securitisation Regulation will in turn disclose information on securitisation transactions to the public. On 22 August 2018, ESMA published its Final Report on securitisation disclosure technical standards (RTS/ITS) which included draft reporting templates, but on 31 January 2019, ESMA published a document entitled 'Opinion regarding amendments to ESMA's draft technical standards on disclosure requirements under the Securitisation Regulation which included revised draft reporting templates' (Disclosure Technical Standards). Such Disclosure Technical Standards are on the date of issue of the Listed Notes subject to review by the European Commission and not yet adopted in a binding delegated regulation of the European Commission. The transitional provision of article 43(8) Securitisation Regulation applies and, consequently, disclosures in respect of the Listed Notes must be made in accordance with the requirements of Annexes I to VIII of Delegated Regulation (EU) 2015/3. In a joint statement of the European Supervisory Authorities published on 30 November 2018 (JC 2018 70), the European Supervisory Authorities confirmed that with the repealing of article 8b of the CRA Regulation effective since 1 January 2019 and until the ESMA reporting templates to be used to meet the reporting requirements under Article 7 (*Transparency requirements for originators, sponsors and SSPEs*) of the Securitisation Regulation will be available, the competent authority will be required to make a case-by-case assessment when examining the compliance with the disclosure requirements of the Securitisation Regulation, taking into account the type and extent of information being disclosed by the reporting entity and indicated that competent authorities should generally apply their supervisory powers in their day-to-day supervision and enforcement of applicable legislation in a proportionate and risk-based manner. On the date of this Prospectus, there remains uncertainty as to the nature and detail of the information to be published, the manner in which it will need to be published and what the consequences would be for the Issuer, related third parties and investors resulting from any potential non-compliance by the Issuer with the reporting obligations.

With regard to the transparency requirements set out in Article 7 (*Transparency requirements for originators, sponsors and SSPEs*) of the Securitisation Regulation, the relevant regulatory technical standards, including the standardised templates to be developed by the ESMA to fulfil these requirements (the "ESMA disclosure templates") have not yet been adopted. As a result, the Securitisation Regulation transitional provisions will apply, which require that the disclosure templates prescribed under CRA3 are to be used until the regulatory technical standards have been published and the ESMA disclosure templates are adopted. Furthermore, in a statement issued on 30 November 2018, the Joint Committee of the European Supervisory Authorities noted the operational difficulties of compliance with the Securitisation Regulation disclosure obligations using the CRA3 templates for some entities and indicated that competent authorities should generally apply their supervisory powers in their day-to-day supervision and enforcement of applicable legislation in a proportionate and risk-based manner.

***Treatment of STS securitisations***

Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC ("**CRD IV**") and the CRR replaced the former banking capital adequacy framework. CRD IV is supplemented by technical

standards and there remains uncertainty as to how these standards will affect transactions entered into prior to their adoption.

Regulation (EU) 2017/2401 explains that "*capital requirements for positions in a securitisation under Regulation (EU) No 575/2013 will be subject to the same calculation methods for all institutions. In the first instance and to remove any form of mechanistic reliance on external ratings, an institution should use its own calculation of regulatory capital requirements where the institution has permission to apply the Internal Ratings Based Approach (the "**IRB Approach**") in relation to exposures of the same type as those underlying the securitisation and is able to calculate regulatory capital requirements in relation to the underlying exposures as if these had not been securitised ("**K IRB**"), in each case subject to certain pre-defined inputs (the Securitisation IRB Approach — "**SEC-IRBA**"). A "Securitisation Standardised Approach" ("**SEC-SA**") should then be available to institutions that are not able to use the SEC-IRBA in relation to their positions in a given securitisation. The SEC-SA should rely on a formula using as an input the capital requirements that would be calculated under the Standardised Approach to credit risk in relation to the underlying exposures as if they had not been securitised ("**KSA**"). When the first two approaches are not available, institutions should be able to apply the Securitisation External Ratings Based Approach ("**SEC-ERBA**"). Under the SEC-ERBA, capital requirements should be assigned to securitisation tranches on the basis of their external rating. However, institutions should always use the SEC-ERBA as a fall back when the SEC-IRBA is not available for low-rated tranches and certain medium-rated tranches of STS securitisations identified through appropriate parameters. For non-STS securitisations, the use of the SEC-SA after the SEC-IRBA should be further restricted. Moreover, competent authorities should be able to prohibit the use of the SEC-SA when the latter is not able to adequately tackle the risks that the securitisation poses to the solvability of the institution or to financial stability. Upon notification to the competent authority, institutions should be allowed to use the SEC-ERBA in respect of all rated securitisations they hold when they cannot use the SEC-IRBA*."

In order to capture agency and model risks which are more prevalent for securitisations than for other financial assets and give rise to some degree of uncertainty in the calculation of capital requirements for securitisations even after all appropriate risk drivers have been taken into account, the CRR was amended by Regulation (EU) 2017/2401 in order to provide for a minimum 15 per cent. risk-weight floor for all securitisation positions.

Sub-section 2 of section 3 of Chapter 5 of Title II of Part III of the CRR sets out the hierarchy of methods and common parameters.

Sub-section 3 of section 3 of Chapter 5 of Title II of Part III of the CRR sets out the methods which must be used by institutions to calculate risk-weighted exposure amounts.

Pursuant to Article 260 (*Treatment of STS securitisations under the SEC-IRBA*), the risk weight for a position in an STS securitisation shall be calculated in accordance with Article 259, subject to, among other things, a risk-weight floor for senior securitisation positions of 10 per cent.

Pursuant to Article 262 (*Treatment of STS securitisations under the SEC-SA*), the risk weight for a position in an STS securitisation shall be calculated in accordance with Article 261, subject to, among other things, a risk-weight floor for senior securitisation positions of 10 per cent.

Pursuant to Article 264 (*Treatment of STS securitisations under the SEC-ERBA*), the risk weight for a position in an STS securitisation shall be calculated in accordance with Article 263 (*Calculation of risk-weighted exposure amounts under the External Ratings Based Approach (SEC-ERBA)*) of the CRR, subject to the modifications laid down in Article 264. Table 3 (exposures with short-term credit assessments) and table 4 (exposures with long-term credit assessments) of Article 264 provide the applicable risk weight depending on the credit quality step and, with respect to exposures with long-term credit assessments (only), the applicable senior and non-senior tranche maturity.

Investors should review sub-section 2 (*Hierarchy of methods and common parameters*) and sub-section 3 (*Methods to calculate risk-weighted exposure amounts*) of section 3 of Chapter 5 of Title II of Part III of the CRR before investing in the Listed Notes.

Prospective investors should carefully consider (and, where appropriate, take independent advice) in relation to the capital charges associated with an investment in the Listed Notes, especially during this transition period. In particular, investors should carefully consider the effects of the change (and likely increase) to the capital charges associated with an investment in the Listed Notes for credit institutions and investment firms expected to take effect from 1 January 2019 or 1 January 2020, depending on the particular exposure. These effects may include, but are not limited to, a decrease in demand for the Listed Notes in the secondary market, which may lead to a decreased price for the Listed Notes. It may also lead to decreased liquidity and increased volatility in the secondary market. Prospective investors are themselves responsible for monitoring and assessing changes to the EU risk retention rules and their regulatory capital requirements.

**Amended LCR Delegated Regulation**

As of 30 April 2020, the LCR Delegated Regulation will be amended by the Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018 (the "**Amended LCR Delegated Regulation**").

One of the purposes of the Amended LCR Delegated Regulation is to take into account the Securitisation Regulation and its criteria that "*ensure that STS securitisations are of high quality*" and that such criteria "*should also be used to determine which securitisations are to count as high quality liquid assets for the calculation of the liquidity coverage requirement*".

According to the Amended LCR Delegated Regulation, securitisations should therefore be eligible as level 2B assets for the purposes of the LCR Delegated Regulation if they fulfil all the requirements laid down in the Securitisation Regulation, in addition to those criteria already specified in Delegated Regulation (EU) 2015/61 that are specific to their liquidity characteristics.

For so long as the Amended LCR Delegated Regulation does not apply, exposures in the form of asset-backed securities referred to in Article 12(1)(a) shall qualify as level 2B securitisations where they meet the criteria laid down in paragraphs 2 to 14 of Article 13.

When the Amended LCR Delegated Regulation apply as of 30 April 2020, exposures in the form of asset-backed securities as referred to in Article 12(1)(a) of the LCR Delegated Regulation shall qualify as level 2B securitisations where the following conditions are satisfied:

(a) the designation 'STS' or 'simple, transparent and standardised', or a designation that refers directly or indirectly to those terms, is permitted to be used for the securitisation in accordance with Securitisation Regulation and is being so used; and

(b) the criteria laid down in paragraph 2 and paragraphs 10 to 13 of Article 13 of the LCR Delegated Regulation are met.

Consequently, even if the securitisation described in this Prospectus qualifies as a '*simple, transparent and standardised*' securitisation within the meaning of the Securitisation Regulation, the Most Senior Class of Listed Notes shall not qualify as level 1 assets or level 2A assets but only as a 'level 2B securitisation' with the corresponding haircut.

If the securitisation described in this Prospectus does not qualify or cease to qualify as a '*simple, transparent and standardised*' securitisation within the meaning of the Securitisation Regulation, the Most Senior Class of Listed Notes shall not qualify as a 'level 2B securitisation' and a haircut shall apply.

Although the criteria which are applicable to securitisations of home loans and which are referred to in the Amended LCR Delegated Regulation and the Securitisation Regulation have been included in the securitisation transaction described in this Prospectus, none of the Management Company, the Custodian, the Joint Arrangers, the Joint Lead Managers, the Seller or the Servicer makes any representation to any prospective investor or purchaser of the Listed Notes of any Class as to these matters on the Closing Date or at any time in the future.

**Solvency II Framework Directive**

Article 135 of Directive 2009/138/EC of the European Parliament and the Council of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (the "**Solvency II Framework Directive**") empowered the European Commission to adopt implementing measures laying down the requirements that 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.

On 10 October 2014 the European Commission adopted 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.

Among other requirements set forth in the Solvency II Delegated Act, the net economic interest shall be measured at origination. The net economic interest shall not be subject to any credit risk mitigation or any short positions or any other form of hedging and shall not be sold. The net economic interest shall be determined by the notional value for off-balance sheet items.

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 decree no. 2015-513 dated 7 May 2015. 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 Listed Notes of any Class in the secondary market.

In order to revise calibrations for securitisation investments by insurance and reinsurance undertakings under Solvency II, "*Commission Delegated Regulation (EU) 2018/1221 amending Delegated Regulation (EU) 2015/35 as regards the calculation of regulatory capital requirements for securitisations and simple, transparent and standardised securitisations held by insurance and reinsurance undertakings*" has been published on 1 June 2018. The revised Article 178 (*Spread risk on securitisation positions: calculation of the capital requirement*) of the Solvency II Delegated Act applied as of 1 January 2019. Paragraphs 3 to 6 of Article 178 set out the applicable risk factor stress depending on the credit quality step and the modified duration of the securitisation position for senior and non-senior STS securitisation positions for which a credit assessment by a rating agency is available or is not available and which fulfil the criteria set out in Article 243 (*Criteria for STS securitisations qualifying for differentiated capital treatment*) of the CRR.

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 Joint Arrangers, the Joint Lead Managers, the Seller, the Servicer or any other entity makes any representation or warranty that such information is sufficient in all circumstances.

**European Bank Recovery and Resolution Directive and Single Resolution Mechanism**

On 15 May 2014, the European Parliament and the Council of the European Union adopted Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**"). The BRRD provides authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

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* (the "**SRM Regulation**") has established a centralised power of resolution with the Single Resolution Board and to the national resolution authorities. Starting on 1 January 2015, the Single Resolution Board works in close cooperation with the *Autorité de contrôle prudentiel et de résolution* (the "**ACPR**"), in particular in relation to the elaboration of resolution planning. Since 1 January 2016 it assumes full resolution powers.

Credit institutions (or other banking entities subject to BRRD) which have been designated as a significant supervised entity for the purposes of Article 49(1) of Regulation (EU) No 468/2014 of 16 April 2014 of the ECB establishing the framework for cooperation within the Single Supervisory Mechanism between the ECB and national competent authorities and with national designated authorities (the "**SSM Framework Regulation**") are subject to the direct supervision of the European Central Bank in the context of the Single Supervision Mechanism and therefore to the SRM Regulation. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the Single Resolution Board is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

If at any time any resolution powers would be used by the *Autorité de contrôle prudentiel et de résolution* or, as applicable, the Single Resolution Board or any other relevant authority in relation to any of the Transaction Parties under the BRRD and the relevant provisions of the French Monetary and Financial Code or otherwise, this could adversely affect the proper performance by each of the Transaction Parties under the Transaction Documents and result in losses to, or otherwise affect the rights of, the Listed Noteholders and/or could affect the market value and the liquidity of the Listed Notes and/or the credit ratings assigned to the Listed Notes.

In particular, pursuant to Article L. 613-50-3 I. of the French Monetary and Financial Code, Articles L. 211-36-I 2° to L. 211-38 of the French Monetary and Financial Code (which govern the collateral financial guarantees (*garanties financières*) under French law) will not prevent (*ne font pas obstacle*) the implementation of measures decided (*application des mesures imposées*) in accordance with the provisions of the French Monetary and Financial Code relating to resolution measures.

The potential effects of Article L. 613-50-3 I. of the French Monetary and Financial Code are mitigated by Article L. 613-57-1 IV of the French Monetary and Financial Code (which has implemented in French law the provisions of Article 79 of the BRRD entitled "*Protection for structured finance arrangements and covered bonds*") "the assets, rights and liabilities which constitute all or part of a structured finance arrangement to which is participating an entity which is subject to a resolution procedure can neither be partially transferred nor amended or terminated by the enforcement of a resolution measure" (*Les biens, droits et obligations qui constituent tout ou partie d'un mécanisme de financement structuré auquel participe une personne soumise à la procédure de résolution ne peuvent pas être partiellement transférés ni être modifiés ou résiliés par l'exercice d'une mesure de résolution*).

Pursuant to Article L. 613-57-1 I of the French Monetary and Financial Code, the "*structured finance arrangements*" (*mécanismes de financement structuré*) will be defined by a decree. At the date of this Prospectus, no decree has been published. It should be noted that the term "securitisation" is not used or referred to in Article L. 613-57-1 IV of the French Monetary and Financial Code which has implemented in French law the provisions of Article 79 of the BRRD. This term "securitisation" is used in point (f) of Article 76(2) of the BRRD which is referred to in Article 79 of BRRD. Given (a) such reference to "securitisations" in Article 76 of BRRD is made as follows *"(f) structured finance arrangements, including securitisations [….]*" and (b) Article 79 of the BRRD is drafted as follows: "*Member States shall ensure that there is appropriate protection for structured finance arrangements including arrangements referred to in point (f) of Article 76(2)*", it can be considered that "securitisation" is implicitly but necessarily included in the concept of "*structured finance arrangement*" (*mécanisme de financement structuré*) which is used in Article L. 613-57-1 IV of the French Monetary and Financial Code because this concept is a pure translation of the concept of "*structured finance arrangement*" which is used in Article 76(2) of BRRD and which includes "securitisations". More clarity on this particular aspect will be available when the decree referred to in Article L. 613-57-1 I of the French Monetary and Financial Code to define the "*structured finance arrangements*" (*mécanismes de financement structuré*) shall be published.

As of 1 September 2019, CIFD is on the "*List of less significant supervised entities*" in accordance with Article 6(4) of the Council Regulation (EU) No 1024/2013 of 15 October 2013 *conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions* which has been produced by the European Central Bank and which are under the direct supervision of the ACPR.

**ECB Purchase Programme**

In September 2014, the ECB initiated an asset purchase programme whereby it envisages to bring inflation back to levels in line with the ECB's objective to maintain the price stability in the Eurozone and, also, to help enterprises across Europe to gain better access to credit, boost investments, create jobs and thus support the overall economic growth. On 7 March 2019, the Governing Council indicated that it intends to continue reinvesting, in full, the principal payments from maturing securities purchased under the asset purchase programme for an extended period of time past the date when the Governing Council starts raising the key ECB interest rates, and in any case for as long as necessary to maintain favourable liquidity conditions and an ample degree of monetary accommodation (TLTRO III). On 12 September 2019, the Governing Council of the ECB decided to modify some of the key parameters of the third series of targeted longer-term refinancing operations (TLTRO III) to preserve favourable bank lending conditions, ensure the smooth functioning of the monetary policy transmission mechanism and further support the accommodative stance of monetary policy. The maturity of TLTRO III operations has been extended to three years as of their settlement date. This longer maturity is better aligned with that of bank loans used to finance investment projects and thereby enhances the support that the operations will provide to the financing of the real economy, in view of the deterioration in the economic outlook since the maturity was originally announced in March 2019. Following the extension of the maturity of TLTRO III operations, counterparties will be able to repay the amounts borrowed under TLTRO III earlier than their final maturity, at a quarterly frequency starting two years after the settlement of each operation. These changes will apply as of the first TLTRO III operation to be allotted on 19 September 2019 and will be implemented in an amendment to the Decision of the ECB of 22 July 2019 on a third series of targeted longer-term refinancing operations (ECB/2019/21). It remains uncertain which effect these asset purchase programmes will have on the volatility in the financial markets and the overall economy in the Eurozone and the wider European Union. In addition, the termination of the asset purchase programme could have an adverse effect on the secondary market value of the Class A Notes and the liquidity in the secondary market for the Class A Notes.

## GENERAL INFORMATION

### 1. Establishment of the Issuer

The Issuer will be established on the Issuer Establishment Date with the issue of the Notes and the Residual Units and the purchase of the Home Loan Receivables and their Ancillary Rights.

### 2. Issue of the Notes

The Notes will be issued by the Issuer pursuant to the terms of the Issuer Regulations entered into between the Management Company and the Custodian. No authorisation of the Issuer is required under French law for the issuance of the Notes. The creation and issuance of the Notes will be made in accordance with laws and regulations applicable to *fonds communs de titrisation* and the Issuer Regulations.

### 3. Approval of the French Financial Markets Authority

For the purpose of the listing of the Listed Notes on Euronext 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 articles 212-1 and 421-4 of the AMF General Regulations (i) this Prospectus has been approved by the French Financial Market Authority on 29 October 2019 under number FCT N°19-13.

### 4. Legal Entity Identifier

The Legal Entity Identifier of the Issuer is 969500651HMG0IO6S894.

### 5. Listing of the Listed Notes on Euronext Paris

Application has been made to Euronext Paris for the Listed Notes to be listed and admitted to trading on Euronext Paris. It is expected that the Listed Notes will be listed on Euronext Paris on 4 November 2019.

### 6. Securities Depositaries – Common Codes – ISIN

The Listed Notes have been accepted for clearance through the Euroclear Franceand Clearstream.

The Common Codes and the International Securities Identification Number (ISIN) in respect of each Class of Listed Notes are as follows:

| | Common Codes | ISIN |
|---|---|---|
| **Class A Notes** | 206069651 | FR0013449626 |
| **Class B Notes** | 206069759 | FR0013449683 |

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France. The address of Euroclear Bank is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

### 7. Transaction Documents

The Issuer (represented by the Management Company) has not entered into contracts other than the Transaction Documents.

### 8. Statutory Auditor to the Issuer

Pursuant to Article L. 214-185 of the French Monetary and Financial Code, the Statutory Auditor of the Issuer (PricewaterhouseCoopers Audit) has been appointed by the board of directors of the Management Company. Under the applicable laws and regulations, the Statutory Auditor shall establish the accounting documents relating to the Issuer. PricewaterhouseCoopers Audit are regulated by the *Haut Conseil du Commissariat aux Comptes* and are duly authorised as *Commissaires aux comptes*.

**9**. **Financial Statements**

The Issuer will be established on the Issuer Establishment Date. On the date of this Prospectus, the Issuer has not commenced operations and no financial statements of the Issuer have been prepared.

**10**. **No Litigation**

Save as disclosed in this Prospectus, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Management Company or the Custodian are aware), during the period covering at least the twelve months prior to the date of this Prospectus which may have significant effects in the context of the issue of the Listed Notes.

**11**. **Legal Matters**

Legal opinion in connection with the Issuer, the Notes, the Transaction Parties and the Transaction Documents will be given by White & Case LLP, 19, place Vendôme, 75001 Paris, legal advisers to BNP PARIBAS and Crédit Agricole Corporate and Investment Bank as to French law.

Legal opinion in connection with CIFD will be given by Jones Day, 2 Rue Saint-Florentin, 75001 Paris, France, legal advisers to CIFD as to French law.

**12**. **Paying Agent**

The Paying Agent is BNP PARIBAS Securities Services.

**13**. **Notices**

For so long as any of the Listed Notes remains listed on Euronext Paris and the rules of that exchange so require notices in respect of the Listed Notes will be published in a leading daily economic and financial newspaper having general circulation in France (which is expected to be *Les Echos*).

**14. Third Party Information**

Information contained in this Prospectus which is sourced from a third party has been accurately reproduced and, as far as the Management Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Management Company has also identified the source(s) of such information.

**15. No Other Application**

No application has been made for the notification of a certificate of approval released to any other competent authority.

**16. Websites**

Any website referred to in this Prospectus does not form part of the Prospectus.

**17. Availability of Documents**

For the purpose of Article 7 (*Transparency requirements for originators, sponsors and SSPEs*) and Article 22(5) of the Securitisation Regulation, the following Transaction Documents shall be made available to investors at the latest fifteen days after the Closing Date on the website of the Management Company:

(a) the Issuer Regulations (which include the Conditions of the Notes and the Priority of Payments);

(b) the Home Loan Receivables Transfer Agreement;

(c) the Servicing Agreement;

(d) the Specially Dedicated Account Agreement;

(e) the Liquidity Reserve Deposit Agreement;

(f) the Commingling Reserve Deposit Agreement;

(g) the Data Protection Agency Agreement;

(h) the Hedge Agreements;

(i) the Account Bank Agreement;

(j) the Paying Agency Agreement;

(k) the Class C Notes and Residual Units Subscription Agreement;

(l) the Master Definitions Agreement;

(m) the notification referred to in Article 27 (*STS notification requirements*) of the Securitisation Regulation; and

(n) electronic versions of this Prospectus and the Management Reports, the Investor Reports and the Monthly Management Reports shall be available on the website of the Management Company (www.eurotitrisation.fr).

**18. Post-issuance transaction information**

The Issuer intends to provide post-issuance transaction information regarding the Listed Notes and the performance of the Purchased Home Loan Receivables. The Management Company, acting for and on behalf of the Issuer, will publish monthly investor reports regarding the Listed Notes and the Purchased Home Loan Receivables (see "INFORMATION RELATING TO THE ISSUER" and "SECURITISATION REGULATION COMPLIANCE - Information and Disclosure Requirements in accordance with the Securitisation Regulation - *Information available after the pricing of the Notes in accordance with Article 7(1) and Article 22 of the Securitisation Regulation*").

## GLOSSARY OF TERMS

*The following defined must be considered in conjunction with the more detailed information appearing elsewhere in this Prospectus.*

"**2017 Ordinance**" means ordinance n°2017-1432 dated 4 October 2017 *portant modernisation du cadre juridique de la gestion d'actifs et du financement par la dette* which amended, among other things, the legal framework governing French debt securitisation funds (*fonds communs de titrisation*), entered into force on 3 January 2018 except for new Article L. 214-181 and new Articles L. 214-175-2 to L. 214-175-8 of the French Monetary and Financial Code which are applicable to the duties of the custodians of securitisation vehicles (*organismes de titrisation*) and which will enter into force on 1 January 2020.

"**€**" and "**EUR**" means the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time.

"**Accelerated Amortisation Events**" means any of the following events:

(a) the occurrence of an Issuer Event of Default; or

(b) an Issuer Liquidation Event has occurred and the Management Company has elected to liquidate the Issuer.

"**Accelerated Amortisation Period**" means the period which shall:

(a) commence, as the case may be, on (and including) the Payment Date falling on or following the date on which an Accelerated Amortisation Event has occurred; and

(b) end on the earlier of:

  (i) the date on which the Notes and the Residual Units are all redeemed in full;

  (ii) the Final Maturity Date; and

  (iii) the Issuer Liquidation Date.

"**Accelerated Priority of Payments**" means the priority of payments for the application of, amongst other things, Available Distribution Amounts after the occurrence of an Accelerated Amortisation Event as set out in the Issuer Regulations (see "OPERATION OF THE ISSUER – Priority of Payments – Priority of Payments during the Accelerated Amortisation Period").

"**Account Bank**" means BNP PARIBAS Securities Services under the Account Bank Agreement.

"**Account Bank Agreement**" means the account bank agreement dated the Signing Date and made between the Management Company, the Custodian and the Account Bank.

"**Account Bank Required Ratings**" means, with respect to the Account Bank and the Specially Dedicated Account Bank:

(a) if a "Deposit Rating" is assigned and applicable, a rating of not less than A by Fitch or, if a "Deposit Rating" is not assigned or not applicable, a "Long-Term Issuer Default Rating" of not less than A by Fitch; and

(b) a long-term rating of at least A2 by Moody's,

or such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then ratings of the Listed Notes.

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Alternative Base Rate Determination Agent, acting in good faith, determines is required to be applied to the Alternative Base Rate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case

may be) to the Listed Noteholders as a result of the replacement of the Euribor Reference Rate with the Alternative Base Rate and is the spread, formula or methodology which:

(a) is formally recommended in relation to the replacement of the Euribor Reference Rate with the Alternative Base Rate by any competent authority; or

(b) if no such recommendation has been made, the Alternative Base Rate Determination Agent determines, acting in good faith, is recognised or acknowledged as being the industry standard for debt market instruments such as or comparable to the Listed Notes or for over-the-counter derivative transactions which reference the Euribor Reference Rate, where such rate has been replaced by the Alternative Base Rate; or

(c) if the Alternative Base Rate Determination Agent determines that no such industry accepted standard is recognised or acknowledged, the Alternative Base Rate Determination Agent, in its discretion, acting in good faith, determines to be appropriate.

"**Administrative and External Costs**" means any administrative and external recovery costs (including courts officers' and bailiff's fees) incurred by the Servicer in accordance with the Servicing Agreement and which are invoiced by the Servicer to the Borrowers.

"**Affected Party**" means any affected party within the meaning of the Hedge Agreements.

"**Alternative Base Rate**" means, when a Benchmark Event has occurred, any alternative base rate for the purpose of changing the EURIBOR Reference Rate that then applies in respect of the Listed Notes to an alternative base rate following the occurrence of a Benchmark Event, as adjusted to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value as a result of such replacement (including, without limitation, any transfer of economic value as a result of any difference in the term structure or tenor of the Alternative Base Rate by comparison to the EURIBOR Reference Rate).

"**Alternative Base Rate Determination Agent**" means, if a Benchmark Event has occurred, the investment banking division of a bank of international repute and which is not an affiliate of the Seller appointed by the Management Company.

"**Amended LCR Delegated Regulation**" means the LCR Delegated Regulation amended by the Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018 (as of 30 April 2020).

"**AMF**" means the *Autorité des Marchés Financiers*.

"**AMF General Regulation**" means the *Règlement Général de l'Autorité des Marchés Financiers*, as amended and supplemented from time to time.

"**Ancillary Rights**" means any rights or guarantees which secure the payment of each Home Loan Receivable pursuant to the terms of the related Home Loan Agreement. The Ancillary Rights shall be transferred to the Issuer together with the relevant Purchased Home Loan Receivables on the Closing Date in accordance with Article L. 214-169 V of the French Monetary and Financial Code. The Ancillary Rights with respect to any Purchased Home Loan Receivables, if any, may be any of the following:

(a) any Home Loan Eligible Security; and

(b) a delegation (*délégation*) of Insurance Policy or an indication as beneficiary for any payment of any sums due under an insurance contract (*indication de paiement*); and/or

(c) other guarantees and/or security interests (without any limitation, *caution de personne physique, caution hypothécaire, promesses d'affectation hypothécaire, nantissements de comptes bancaires, nantissements de contrats d'assurance-vie, nantissement de titres, nantissements de bons de capitalisation, nantissement de parts de société civile immobilière, délégation de loyers, promesse de délégation de loyers, ordre irrévocable de remboursement*, etc.).

"**Annual Management Report**" means the annual management report of the Issuer published by the Management Company within four (4) months of the end of each financial year pursuant to Article 425-15

of the AMF General Regulations (see "INFORMATION RELATING TO THE ISSUER – Annual Information").

"**Applicable Reference Rate**" means:

(a) as of the Closing Date and until the last Payment Date before the occurrence of a Benchmark Event, the EURIBOR Reference Rate; and

(b) as of the first Payment Date following the occurrence of a Benchmark Event, the Alternative Base Rate.

"**Assets of the Issuer**" means:

(a) the Purchased Home Loan Receivables and their respective Ancillary Rights;

(b) the Liquidity Reserve Deposit;

(c) the Commingling Reserve Deposit;

(d) any amounts received by the Issuer from the Hedge Counterparties, as the case may be, under each Hedge Agreement;

(e) the positive credit balances, if any, of the Issuer Bank Accounts;

(f) the Issuer Available Cash invested in the Authorised Investments; and

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

"**Authorised Investments**" means any of the following instruments listed in Article D. 214-232-4 of the French Monetary and Financial Code:

1. 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 Co-operation and Development and having at least the Account Bank Required Ratings and which can be repaid or withdrawn at any time on demand by the Management Company, acting for and on behalf of the Issuer and is scheduled to mature at least one (1) Business Day prior to the next Payment Date;

2. Euro-denominated French treasury bonds (*bons du Trésor*) or Euro-denominated debt securities issued by a member state of the European Economic Area or the Organisation for Economic Co-operation and Development with:

   (a) a rating of at least F1 (short-term) or A (long-term) by Fitch if their maturity is up to 30 days (otherwise if their maturity does not exceed 365 days and a rating of at least F1+ (short-term) or AA- (long-term) by Fitch); and

   (b) a rating of at least P-1 (short-term) and A2 (long-term) by Moody's;

3. Euro-denominated debt securities referred to in Article R. 214-219-2° of the French Monetary and Financial Code and which represent a monetary claim against the relevant issuer (*titres de créances représentant chacun un droit de créance sur l'entité qui les émet*) provided that such debt securities (i) are negotiated on a regulated market located in a member state of the European Economic Area but provided also that such debt securities do not give a right of access directly or indirectly to the share capital of a company and (ii) have at least a rating of:

   (a) Moody's:

      (i) maximum maturity of 30 days: P-1 (short-term) or A2 (long-term);

      (ii) maximum maturity of 60 days: P-1 (short-term) or A2 (long-term);

   (b) a rating of at least F1 (short-term) or A (long-term) by Fitch if their maturity is up to 30

days (otherwise if their maturity does not exceed 365 days and a rating of at least F1+ (short-term) or AA- (long-term) by Fitch),

and is scheduled to mature at least one (1) Business Day prior to the next Payment Date; and

4. Euro-denominated negotiable debt securities (*titres de créances négociables*) which are rated:

(a) Fitch: a rating of at least F1 (short-term) or A (long-term) if their maturity is up to 30 days (otherwise if their maturity does not exceed 365 days, with a rating of at least F1+ (short-term) or AA- (long-term)); and

(b) Moody's: A2 (long-term) and P-1 (short-term);

and is scheduled to mature at least one (1) Business Day prior to the next Payment Date,

*provided* that:

(a) these investments shall be subject to the investment policy of CIFD;

(b) such investments shall not include tranches of other asset-backed securities, credit-linked notes, swaps or other derivatives instruments, synthetic securities or similar claims; and

(c) the Notes and the Residual Units are excluded.

"***Autorité de Contrôle Prudentiel et de Résolution***" or "**ACPR**" means the French "Prudential Supervision and Resolution Authority" which is an independent administrative authority (*autorité administrative indépendante*) and monitors the activities of credit institutions (*établissements de crédit*), financing companies (*sociétés de financement*) and insurance companies in France.

"**Available Distribution Amount**" means, in respect of each Calculation Period and Payment Date during the Accelerated Amortisation Period, the sum of:

(a) on the First Payment Date (only), the Class A Notes Issuance Premium;

(b) all Available Monthly Collections collected during the three Collection Periods relating to such Calculation Date;

(c) any Rescission Amount paid by the Seller during the three Collection Periods in relation to the Payment Date following such Calculation Date;

(d) on each Calculation Date prior to the commencement of the Accelerated Amortisation Period and on the first Calculation Date of the Accelerated Amortisation Period only, the balance of the Liquidity Reserve Account which shall be credited to the General Account;

(e) all amounts received by the Issuer from the Hedge Counterparties under the Hedge Agreements (including termination amounts but excluding the Swap Collateral);

(f) upon the occurrence of a Servicer Termination Event, the amounts standing to the credit of the Commingling Reserve Account;

(g) interest accrued on the Issuer's Bank Accounts other than the Swap Collateral Accounts;

(h) any Deemed Collections paid by the Seller during the three Collection Periods in relation to the Payment Date following such Calculation Date; and

(i) any other amount (if any) standing to the credit of the General Account.

"**Available Interest Collections**" means, on any Payment Date and in respect of the Collection Period immediately preceding such Payment Date, an amount equal to the sum of:

(a) the difference between:

(i) the amount of the Available Monthly Collections collected during that Collection Period;

and

(ii) the amount of the Available Principal Collections collected during that Collection Period;

(b) all principal recoveries collected during the three Collection Periods in respect of the Purchased Home Loan Receivables.

"**Available Interest Distribution Amount**" means in respect of each Calculation Period and Payment Date during the Normal Amortisation Period, the sum of:

(a) on each Calculation Date prior to the Accelerated Amortisation Period and on the first Calculation Date of the Accelerated Amortisation Period only, the balance of the Liquidity Reserve Account which shall be credited to the General Account;

(b) all Available Interest Collections collected during the relevant Collection Period;

(c) all Deemed Collections paid by the Servicer in respect of the Purchased Home Loan Receivables during the three Collection Periods ending immediately prior to such Calculation Date and registered as interest by the Management Company;

(d) any Rescission Amount paid by the Seller during the Calculation Period in relation to the Payment Date following such Calculation Date and registered as interest by the Management Company;

(e) all amounts received by the Issuer from the Hedge Counterparties under the Hedge Agreements (including termination amounts but excluding the Swap Collateral);

(f) interest accrued on the Issuer's Bank Accounts other than the Swap Collateral Accounts; and

(g) any other amounts (if any) standing to the credit of the General Account.

"**Available Monthly Collections**" means:

(a) all payments collected by the Servicer in relation to the Purchased Home Loan Receivables, including:

(i) payments in principal (including Prepayments);

(ii) interest payments (including fees assimilated to interest from an accounting standpoint);

(iii) arrears, late payments, penalties, prepayment penalties and ancillaries;

(iv) any proceeds from the sale of any Purchased Home Loan Receivables in accordance with the Servicing Procedures;

but excluding any Insurance Premium and Administrative and External Costs;

(b) all recoveries (in principal, interest or other amounts but excluding Insurance Premium and Administrative and External Costs) collected by the Servicer or any other third party in relation to the Purchased Home Loan Receivables or any security interest attached thereto held by the Issuer which are not already included in item (a) above;

(c) all amounts (but excluding Insurance Premium and Administrative and External Costs) paid to the Servicer with respect to any Home Loan Eligible Security securing the Purchased Home Loan Receivables; and

(d) all insurance indemnities paid to the Seller by any insurance company under any Insurance Policy concluded in relation to the Purchased Home Loan Receivables (which shall exclude, for the avoidance of doubt, any fixed or variable remuneration due by such Insurance Company to the Seller in connection thereto).

"**Available Principal Collections**" means on any Payment Date and in respect of the Collection Period immediately preceding such Payment Date, an amount equal to the aggregate of:

(a) all payments in principal (including Prepayments) received under the Purchased Home Loan Receivables;

(b) all payments (including principal, interests and insurance premium) regarding the instalments which were postponed before the Initial Cut-Off Date, and

(c) all payments in principal only, regarding the instalments which were postponed after the initial Cut-Off Date.

"**Available Principal Distribution Amount**" means in respect of each Calculation Period and Payment Date during the Normal Amortisation Period, the sum of:

(a) all Available Principal Collections received during the Collection Period relating to such Calculation Date;

(b) all Deemed Collections paid by the Servicer in respect of the Purchased Home Loan Receivables during the three Collection Periods ending immediately prior to such Calculation Date and registered as principal by the Management Company;

(c) any Rescission Amount paid by the Seller during the Calculation Period in relation to the Payment Date following such Calculation Date registered as principal by the Management Company;

(d) the proceeds resulting from the sale of the then outstanding Purchased Home Loan Receivables if the Seller exercises its Seller Call Option or in case of liquidation of the Issuer following the occurrence of an Issuer Liquidation Event;

(e) upon the occurrence of a Servicer Termination Event, the amounts standing to the credit of the Commingling Reserve Account; and

(f) the amount of Available Principal Distribution Amount of the immediately preceding Collection Period which was not allocated to any payments on the last Payment Date due to rounding.

"**Basel II**" means the capital accord under the title "Basel II: International Convergence of Capital Measurement and Capital Standards Revised Framework" published on 26 June 2004 by the Basel Committee.

"**Basel III**" means the capital accord amending Basel II under the title "Basel III: a global regulatory framework for more resilient banks and banking systems" published in December 2010 by the Basel Committee.

"**Basel Committee**" means the Basel Committee on Banking Supervision.

"**Basic Terms Modification**" means any modification to, consent or waiver under the Transaction Documents which would have the effect of:

(a) modifying (i) the amount of principal or the rate of interest payable in respect of any Class of the Notes (other than a Base Rate Modification (as defined in Condition 12(c) (*Additional Right of Modification without Noteholders' consent in relation to EURIBOR Discontinuation or Cessation*))) or (ii) any provision relating to (x) any date of payment of principal or interest or other amount in respect of the Notes of any Class or (y) the amount of principal or interest due on any date in respect of the Notes of any Class or (z) the date of maturity of any Class of the Notes or (iii) where applicable, of the method of calculating the amount of any principal or interest payable in respect of any Class of the Notes; or

(b) altering of the Interest Priority of Payments, the Principal Priority of Payments or the Accelerated Priority of Payments or of any payment items in the Priority of Payments; or

(c) modifying of the provisions concerning the quorum required at any General Meeting of Noteholders or the minimum percentage required to pass an Ordinary Resolution or an Extraordinary Resolution

or any other provision of the Issuer Regulations or the Conditions which requires the written consent of the Noteholders of a requisite Principal Amount Outstanding of the Notes of any Class outstanding; or

(d) modifying any item requiring approval by Extraordinary Resolution pursuant to the Conditions or any Transaction Document; or

(e) amending the definition of a "Basic Terms Modification".

For the avoidance of doubt, the approval of a Basic Terms Modification may only be made by Extraordinary Resolution and no Extraordinary Resolution involving a Basic Terms Modification that is passed by Noteholders of one Class of Listed Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of each of the other Classes of Listed Notes affected.

"**Benchmark Event**" means any of the following events:

(1) a material disruption to EURIBOR, a material change in the methodology of calculating EURIBOR or EURIBOR ceasing to exist or be published;

(2) a public statement by the EURIBOR administrator that it will cease publishing EURIBOR permanently or indefinitely (in circumstances where no successor EURIBOR administrator has been appointed that will continue publication of EURIBOR);

(3) a public statement by the supervisor of the EURIBOR administrator that EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;

(4) a public announcement of the permanent or indefinite discontinuation of EURIBOR that applies to the Class A Notes at such time;

(5) a public statement by the supervisor for the EURIBOR administrator that means EURIBOR may no longer be used or that its use is subject to restrictions or adverse consequences; or

(6) the reasonable expectation of the Management Company that any of the events specified in sub-paragraphs (1) to (5) above will occur or exist within six months of such Base Rate Modification.

"**Benchmark Regulation**" means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

"**Borrower**" means one (or several individuals (who are jointly liable (*co-débiteurs solidaires*) in case of several individuals)) who was a resident in metropolitan France (*France métropolitaine*) or in overseas departments and regions of France (*départements et régions d'outre-mer*) or any member states of the European Economic Area on the signing date of the relevant Home Loan Agreement.

"**Borrower Notification Event**" means the occurrence of any of the following events:

(a) a Servicer Termination Event; or

(b) the appointment of a Substitute Servicer by the Management Company pursuant to the Servicing Agreement.

"**Borrower Notification Event Notice**" means a written notice (substantially in the same form as the one set out in the Servicing Agreement) sent by the Management Company or any third party designated by it (including any Substitute Servicer as may be appointed by the Management Company) stating that such Purchased Home Loan Receivables have been assigned by the Seller to the Issuer pursuant to the Home Loan Receivables Transfer Agreement and instructing the Borrowers to make payments to the General Account or on any Issuer's substitute bank account held and operated by any authorised credit institution having the Account Bank Required Ratings in the event of the substitution and replacement of the Account Bank pursuant to the terms of the Account Bank Agreement.

"**BRRD**" means 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.

"**Business Day**" means a day (other than Saturday, Sunday or public holidays) on which banks are open in Paris for the settlement of interbank operations in Euro and which is a TARGET Business Day.

"**Calculation Date**" means the date falling twelve (12) Business Days following any Cut-Off Date.

"**CIFD**" means Crédit Immobilier de France Développement whose registered office is at 26-28, rue de Madrid, 75008 Paris, France, registered with the Trade and Companies Register of Paris under number 379 502 644, licensed in France as a financing company (*société de financement*) by the *Autorité de Contrôle Prudentiel et de Résolution.*

"**CIF Group**" means the Caisse Centrale de Crédit Immobilier de France and CIFD.

"**Class**" means, with respect to the Notes or the Noteholders, the Class A Notes, the Class B Notes and the Class C Notes, as the context requires.

"**Class of Notes**" means any of the Class A Notes, the Class B Notes and the Class C Notes, as the context requires.

"**Class A Noteholder**" means any holder of any Class A Note.

"**Class A Notes**" means the EUR 650,000,000 Class A Asset Backed Floating Rate Notes due 27 November 2062.

"**Class A Notes Amortisation Amount**" means in respect of any Payment Date prior to the occurrence of an Accelerated Amortisation Event, an amount equal to the lower of:

(a) an amount equal to the aggregate Principal Amount Outstanding of Class A Notes on the preceding Payment Date (or in case of the First Payment Date, the Closing Date); and

(b) the Note Amortisation Amount on such Payment Date.

"**Class A Notes Deferred Interest**" means, in relation to a Payment Date, the difference between (x) the Class A Notes Interest Amount due and payable on the relevant Payment Date and (y) the amount of interests actually paid in relation to a Class A Note with respect to such Class A Notes Interest Amount.

"**Class A Notes Initial Principal Amount**" means EUR 650,000,000.

"**Class A Notes Interest Amount**" means on each Payment Date and with respect to each Class A Note:

(a) the amount of interest payable to the Class A Noteholders on each Payment Date as calculated by the Management Company as follows: the product (rounding the resultant figure to the lower cent) of (x) the Class A Notes Interest Rate, (y) the Principal Amount Outstanding of a Class A Note as of the preceding Payment Date, and (z) the actual number of days in the relevant Interest Period divided by 360) (see "TERMS AND CONDITIONS OF THE NOTES – Condition 6 (*Interest*)"); and

(b) any Class A Notes Deferred Interest (if any) remaining unpaid,

*provided always* that the Issuer shall always pay the amount referred to in item (b) in priority to the amount referred to in item (a).

"**Class A Notes Interest Rate**" means, with respect to the Class A Notes, an annual interest rate equal to the aggregate of the Euribor Reference Rate plus the Relevant Margin, subject to a minimum interest rate of 0.00 per cent. per annum.

"**Class A Notes Issuance Premium**" means, on the Issue Date, an amount equal to EUR 7,852,000.

"**Class A Notes Principal Amount Outstanding**" means, on any date, the principal amount outstanding of the Class A Notes after giving effect to the payment of amount due under item (2) of the Principal Priority of Payments.

"**Class A Notes Principal Payment**" means the principal amount payable with respect to a Class A Note on each Payment Date as calculated by the Management Company as set out in the section "TERMS AND CONDITIONS OF THE NOTES - Condition 7 (*Redemption*)".

"**Class A Notes Subordinated Step-up Consideration**" means on each Payment Date following the First Optional Redemption Date, in respect of the Class A Notes, an amount equal to (i) the Principal Amount Outstanding of the Class A Notes multiplied by (ii) the Class A Subordinated Step-up Margin and (iii) calculated on the basis of the actual days elapsed in such period and a 360 day year.

"**Class A Principal Deficiency Ledger**" means on each Payment Date during the Normal Amortisation Period, with respect to the Class A Notes, the sub-ledger of the Principal Deficiency Ledger created and maintained by the Management Company, acting for and on behalf of the Issuer, pursuant to the Issuer Regulations.

"**Class A Subordinated Step-up Consideration Deficiency Ledger**" means, with respect to the Class A Notes, the sub-ledger of the Subordinated Step-up Consideration Deficiency Ledger created and maintained by the Management Company, acting for and on behalf of the Issuer, pursuant to the Issuer Regulations.

"**Class A Subordinated Step-up Margin**" means 0.70 per cent. per annum.

"**Class B Noteholder**" means any holder of any Class B Note.

"**Class B Notes**" means the EUR 24,800,000 Class B Asset Backed Floating Rate Notes due 27 November 2062.

"**Class B Notes Amortisation Amount**" means:

(a) as long as any Class A Note remains outstanding, zero.

(b) after redemption of the Class A Notes in full, in respect of any Payment Date, the lower of:

  (i) an amount equal to the aggregate Principal Amount Outstanding of the Class B Notes on the preceding Payment Date (or in case of the first Payment Date, the Closing Date); and

  (ii) the Note Amortisation Amount on such Payment Date.

"**Class B Notes Deferred Interest**" means, in relation to a Payment Date, the difference between (x) the Class B Notes Interest Amount due and payable on the relevant Payment Date and (y) the amount of interests actually paid in relation to a Class B Note with respect to such Class B Notes Interest Amount.

"**Class B Notes Initial Principal Amount**" means EUR 24,800,000.

"**Class B Notes Interest Amount**" means on each Payment Date and with respect to each Class B Note:

(a) the amount of interest payable to the Class B Noteholders on each Payment Date as calculated by the Management Company as follows: the product (rounding the resultant figure to the lower cent) of (x) the Class B Notes Interest Rate, (y) the Principal Amount Outstanding of a Class B Note as of the preceding Payment Date, and (z) the actual number of days in the relevant Interest Period divided by 360) (see "TERMS AND CONDITIONS OF THE NOTES – Condition 6 (*Interest*)"); and

(b) any Class B Notes Deferred Interest (if any),

*provided always* that the Issuer shall always pay the amount referred to in item (b) in priority to the amount referred to in item (a).

"**Class B Notes Interest Rate**" means, with respect to the Class B Notes, an annual interest rate equal to the aggregate of the Euribor Reference Rate plus the Relevant Margin, subject to a minimum interest rate of 0.00 per cent. per annum.

"**Class B Notes Principal Amount Outstanding**" means, on any date, the principal amount outstanding of the Class B Notes after giving effect to the payment of amount due under item (3) of the Principal Priority of Payments.

"**Class B Notes Principal Payment**" means the principal amount payable with respect to a Class B Note on each Payment Date as calculated by the Management Company as set out in the section "TERMS AND CONDITIONS OF THE NOTES - Condition 7 (*Redemption*)".

"**Class B Notes Subordinated Step-up Consideration**" means on each Payment Date following the First Optional Redemption Date, in respect of the Class B Notes, an amount equal to (i) the Principal Amount Outstanding of the Class B Notes multiplied by (ii) the Class B Subordinated Step-up Margin and (iii) calculated on the basis of the actual days elapsed in such period and a 360 day year.

"**Class B Principal Deficiency Ledger**" means on each Payment Date during the Normal Amortisation Period, with respect to the Class B Notes, the sub-ledger of the Principal Deficiency Ledger created and maintained by the Management Company, acting for and on behalf of the Issuer, pursuant to the Issuer Regulations.

"**Class B Subordinated Step-up Consideration Deficiency Ledger**" means, with respect to the Class B Notes, the sub-ledger of the Subordinated Step-up Consideration Deficiency Ledger created and maintained by the Management Company, acting for and on behalf of the Issuer, pursuant to the Issuer Regulations.

"**Class B Subordinated Step-up Margin**" means 0.475 per cent. per annum.

"**Class C Noteholder**" means CIFD.

"**Class C Notes**" means the EUR 35,600,000 Class C Asset Backed Fixed Rate Notes due 27 November 2062.

"**Class C Notes Amortisation Amount**" means:

(a) as long as any Class B Note remains outstanding, zero.

(b) after redemption of the Class B Notes in full, in respect of any Payment Date, the lower of:

  (i) an amount equal to the aggregate Principal Amount Outstanding of the Class C Notes on the preceding Payment Date (or in case of the First Payment Date, the Closing Date); and

  (ii) the Note Amortisation Amount on such Payment Date.

"**Class C Notes Deferred Interest**" means, in relation to a Payment Date, the difference between (x) the Class C Notes Interest Amount due and payable on the relevant Payment Date and (y) the amount of interests actually paid in relation to a Class C Note with respect to such Class C Notes Interest Amount.

"**Class C Notes Initial Principal Amount**" means EUR 35,600,000.

"**Class C Notes Interest Amount**" means on each Payment Date and with respect to each Class C Note:

(a) the amount of interest payable to the Class C Noteholders on each Payment Date as calculated by the Management Company as follows: the product (rounding the resultant figure to the lower cent) of (x) the Class C Notes Interest Rate, (y) the Principal Amount Outstanding of a Class C Note as of the preceding Payment Date, and (z) the actual number of days in the relevant Interest Period divided by 365) (see "TERMS AND CONDITIONS OF THE NOTES – Condition 6 (*Interest*)"); and

(b) any Class C Notes Deferred Interest (if any),

*provided always* that the Issuer shall always pay the amount referred to in item (b) in priority to the amount referred to in item (a).

"**Class C Notes Interest Rate**" means, with respect to the Class C Notes, an annual interest rate equal to 2.50 per cent.

"**Class C Notes Principal Amount Outstanding**" means, on any date, the principal amount outstanding of the Class C Notes after giving effect to the payment of amount due under item (4) of the Principal Priority of Payments.

"**Class C Notes Principal Payment**" means the principal amount payable with respect to a Class C Note on each Payment Date as calculated by the Management Company as set out in the section "TERMS AND CONDITIONS OF THE NOTES - Condition 7 (*Redemption*)".

"**Class C Notes Purchaser**" means CIFD.

"**Class C Notes and Residual Units Subscription Agreement**" means the subscription agreement in respect of the Class C Notes and the Residual Units dated the Signing Date and entered into between the Management Company, the Custodian, the Class C Notes Purchaser and the Residual Units Purchaser.

"**Class C Principal Deficiency Ledger**" means on each Payment Date during the Normal Amortisation Period, with respect to the Class C Notes, the sub-ledger of the Principal Deficiency Ledger created and maintained by the Management Company, acting for and on behalf of the Issuer, pursuant to the Issuer Regulations.

"**Clean-Up Call Event**" means the event which shall occur if the aggregate Portfolio Principal Outstanding Balance held by the Issuer falls below ten per cent (10%) of the Initial Portfolio Principal Outstanding Balance at the Closing Date.

"**Clean-up Call Event Notice**" means a written notice which is delivered by the Seller to the Issuer, the Management Company, the Custodian, the Paying Agent and the Noteholders in accordance with Condition 13 (*Notice to the Noteholders*) upon the occurrence of a Clean-up Call Event to inform the Management Company that it is envisaging to exercise its Clean-up Call Option on a Payment Date falling no less than twenty (20) Business Days and no more than sixty (60) Business Days after receipt of such notification.

"**Clean-up Call Option**" means the right (but not the obligation) which may be exercised by the Seller upon the occurrence of a Clean-up Call Event.

"**Clearstream**" means Clearstream Banking, *société anonyme*.

"**Closing Date**" means 4 November 2019.

"**Collection Period**" means each calendar month, provided that the first Collection Period shall commence on the Initial Cut-off Date and shall end on the last calendar day of the calendar month in which the Closing Date is falling.

"**Conditions**" means the terms and conditions of each Class of Notes.

"**Commingling Reserve Account**" means the bank account opened in the name of the Issuer in the books of the Account Bank or any substitute commingling reserve account opened pursuant to the Account Bank Agreement or any substitute account bank agreement, to be credited by the Servicer with the Commingling Reserve Required Amount.

"**Commingling Reserve Deposit**" means the cash deposit made by the Servicer for the benefit of the Issuer and credited on the Commingling Reserve Account subject to and pursuant to the terms of the Commingling Reserve Deposit Agreement.

"**Commingling Reserve Deposit Agreement**" means the commingling reserve deposit agreement dated the Signing Date and entered into between the Management Company, the Custodian and the Servicer.

"**Commingling Reserve Release Amount**" means on any Calculation Date, the amount equal to the excess of current balance of the Commingling Reserve Account over the applicable Commingling Reserve Required Amount.

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

(a) on the Closing Date and for so long as any of events referred to in item (b) below has not occurred: EUR 0;

(b) if:

(i) the Specially Dedicated Account Bank is rated below the Account Bank Required Ratings or if the Specially Dedicated Account Bank is subject to any proceeding governed by Book VI of the French Commercial Code and if the Specially Dedicated Account Bank has not been replaced with a new specially dedicated account bank having at least the Account Bank Required Ratings within thirty (30) calendar days after the downgrade of the ratings of the Specially Dedicated Account Bank below the Account Bank Required Ratings (in case of a downgrade by Moody's) or within fourteen (14) calendar days after such downgrade (in case of a downgrade by Fitch);

(ii) the appointment of the Specially Dedicated Account Bank has been terminated in accordance with the terms of the Specially Dedicated Account Agreement and no replacement specially dedicated account bank has been appointed by the Servicer (in cooperation with the Management Company) within thirty (30) calendar days after the downgrade of the ratings of the Specially Dedicated Account Bank below the Account Bank Required Ratings (in case of a downgrade by Moody's) or within fourteen (14) calendar days after such downgrade (in case of a downgrade by Fitch); or

(iii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Servicer are rated below BBB by Fitch and the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Servicer are rated below F2 by Fitch,

an amount equal to:

(x) the aggregate of Scheduled Collections agreed for the calendar month following the Cut-Off Date immediately preceding such Payment Date; and

(y) the aggregate of the Principal Outstanding Balance of the Purchased Home Loan Receivables on such Payment Date (after the giving effect to the applicable Priority of Payments) multiplied by the Monthly Prepayment Rate;

(c) when all Listed Notes have been redeemed, zero.

"**Consumer Credit Legislation**" means the applicable French laws and regulations governing the Home Loan Agreements.

"**Contractual Documents**" means the Home Loan Agreements and any other documents relating to the Home Loan Receivables and to the Ancillary Rights.

"**CRA3**" means Regulation (EU) No 462/2013 of the European Parliament and of the Council of 31 May 2013 amending the CRA Regulation.

"**CRA Regulation**" means 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 CRA3.

"**CRD IV**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

"**CRR**" or "**Capital Requirements Regulations**" means 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 and amended by Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017.

"**Custodian**" means BNP PARIBAS Securities Services in its capacity as custodian of the Assets of the Issuer under the Issuer Regulations.

"**Cut-Off Date**" means, in relation to the Closing Date, the Initial Cut-Off Date (which shall correspond to the last *date d'arrêté mensuel* preceding the Closing Date i.e. 31 October 2019) and in relation to any

Payment Date, the last calendar day of the preceding calendar month. The first Cut-Off Date following the Initial Cut-Off Date will be 30 November 2019.

"**Data Protection Agency Agreement**" means the data protection agency agreement dated the Signing Date and made between the Management Company, the Custodian, the Data Protection Agent, the Seller and the Servicer.

"**Data Protection Agent**" means BNP PARIBAS Securities Services in its capacity as data protection agent pursuant to the Data Protection Agency Agreement.

"**Data Protection Requirements**" means the French Data Protection Law and the General Data Protection Regulation.

"**Decryption Key**" means the key required to decrypt the information contained in any Encrypted Data File subject to and pursuant to the terms of the Data Protection Agency Agreement.

"**Deemed Collections**" means, if, in relation to any Purchased Home Loan Receivables, any amount corresponding to a reduction or cancellation, in whole or in part, of the principal or interest amount of such Purchased Home Loan Receivables has arisen due to the occurrence of the following events:

(a) any set-off (whether such set-off is imposed by operation of law, by contract or by a competent court) duly and validly exercised by the relevant Eligible Borrower;

(b) any interest rate becoming and being negative on the relevant Purchased Home Loan Receivables; or

(c) any amicable restructuring or agreed variations to the contractual terms of the Home Loan Agreements.

"**Default Amount**" means, on any Calculation Date and with respect to any Purchased Home Loan Receivable which has become a Defaulted Purchased Home Loan Receivable during the preceding Collection Period, the Principal Outstanding Balance of such Defaulted Purchased Home Loan Receivable on such Calculation Date.

"**Defaulted Purchased Home Loan Receivable**" means any Purchased Home Loan Receivable:

(i) in respect of which more than six monthly instalments remain unpaid past their due date; or

(ii) in respect of which a restructuring petition filed by the debtor has been declared admissible (*déclarée recevable*) by the relevant overindebtedness commission and the Seller has been notified of such admission; or

(iii) which has been declared defaulted by the Servicer pursuant to its Servicing Procedures.

"**Defaulting Party**" means any defaulting party within the meaning of the Hedge Agreements.

"**Deferred Purchase Price**" means the amount paid by the Issuer on each Payment Date to the Seller pursuant to item (18) of the Interest Priority of Payments or item (13) of the Accelerated Priority of Payments.

"**Delinquent Purchased Home Loan Receivable**" means any Purchased Home Loan Receivable in respect of which one (1) or more Instalments remain unpaid past their due date, which is not a Defaulted Purchased Home Loan Receivable.

"**EBA**" means the European Banking Authority.

"**EBA STS Guidelines Non-ABCP Securitisations**" means EBA's Final Report Guidelines on the STS criteria for non-ABCP securitisation (EBA/GL/2018/09) of 12 December 2018.

"**ECB**" means the European Central Bank.

"**ECB Impact**" means the European Central Bank's deposit facility rate for Eurozone provided by the European Central Bank which banks may use to make overnight deposits with the Eurosystem.

"**EDW**" means European DataWarehouse.

"**EDW Website**" means, as long as no securitisation repository has been registered in accordance with Article 10 (*Registration of a securitisation repository*) of the Securitisation Regulation, the website of EDW (or any other website as selected by the Management Company which fulfils the requirements set out in Article 7(2) of the Securitisation Regulation.

"**Electronic Consent**" means, with respect to any Written Resolution and pursuant to Article L. 228-46-1 of the French Commercial Code, any such Written Resolution which is approved by way of electronic communication.

"**Eligible Borrower**" means a Borrower who entered into a Home Loan Agreement with any of the Originating Bank.

"**Eligible Receivable**" means any Home Loan Receivable which complies with the Eligibility Criteria on the Initial Cut-off Date.

"**Eligibility Criteria**" means the following eligibility criteria:

***(1) Eligibility Criteria in respect of the Home Loan Agreements:***

On the Initial Cut-Off Date each Home Loan Agreement complies with the following eligibility criteria (the "**Home Loan Agreement Eligibility Criteria**"):

(a) No Home Loan Agreement was marketed and underwritten on the premise that the Borrower or, where applicable, intermediaries were made aware that the information provided might not be verified by the relevant Originating Bank.

(b) No Home Loan Agreement is a bridge loan (*crédit relais*) the purpose of which is to bridge the financing of the purchase of the underlying property.

(c) The Home Loan Agreement was entered into on its origination date for the purpose of financing either (i) the acquisition of the underlying property (ii) the acquisition and works on the property (renovation, extension or refurbishment), (iii) the construction of the underlying property or (iv) the refinancing of the underlying property.

(d) No Home Loan Agreement does relate to a property still under construction (*bien en construction*) or not completed (*bien non achevé*).

(e) Each Home Loan Agreement was granted to a Borrower for the purpose of financing residential properties located in France.

(f) Each Home Loan Agreement constitutes legal, valid, binding and enforceable contractual obligations with full recourse to the relevant Borrower in accordance with their respective terms 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 Agreement without prejudice to item (h) below.

(g) No Home Loan Agreement contains any unfair contract terms (*clauses abusives*) as defined by articles L.212-1 paragraphs 4 and 5 and articles R.212-1 and R.212-2 of the French Consumer Code to the extent applicable at the time of origination which would result in (i) the assignment of the corresponding Home Loan Receivable by the Seller to the Issuer as contemplated under the Home Loan Receivables Transfer Agreement becoming invalid or unlawful or (ii) depriving the Issuer of its rights to receive principal or interest under such Home Loan Receivable in accordance with the terms of such Home Loan Agreement after

the assignment of such Home Loan Receivable by the Seller to the Issuer.

(h) Each Home Loan Agreement was originated by an Originating Bank pursuant to (i) its usual procedures in respect of the underwriting of home loans as prevailing at the time of origination, (ii) within the scope of its normal or usual credit activity as prevailing at the time of origination pursuant to underwriting standards that are no less stringent than those that such Originating Bank applied at the time of origination to similar home loan receivables that are not securitised and (iii) has been managed in accordance with its customary servicing procedure as applicable from time to time.

(i) Each Home Loan Agreement is governed by French law and is subject to the competence of French courts.

(j) Each Home Loan Agreement was granted in relation to the main residence of the Borrower.

***(2) Eligibility Criteria in respect each Home Loan Receivable:***

On the Initial Cut-Off Date, each Home Loan Receivable complies with the following eligibility criteria (the "**Home Loan Receivable Eligibility Criteria**"):

(a) Each Home Loan Receivable exists and derives from a Home Loan Agreement which complies with the Home Loan Agreement Eligibility Criteria set out in section "Eligibility Criteria in respect of the Home Loan Agreements" above and is held over an Eligible Borrower as defined in section "Eligibility Criteria of the Borrowers".

(b) Each Home Loan Receivable is denominated in Euro.

(c) Each Home Loan Receivable bears interest either:

(i) at a fixed rate which shall be equal to zero (0) in case of "Interest-Free Loan" ("*prêt à taux zéro*") or (ii) greater than zero (0) per cent.; or

(ii) at a floating rate based on three-month Euribor, six-month Euribor, twelve-month Euribor or three year *Bons du Trésor à intérêts Annuels* (BTAN).

(d) Each Home Loan Receivable has been fully disbursed.

(e) The aggregate Principal Outstanding Balance of all Home Loan Receivables, which purpose is to finance the same property, is not less than EUR 1,000 and not more than EUR 1,500,000.

(f) Each Home Loan Agreement was executed between 23 February 1998 and 12 November 2013.

(g) Each Home Loan Receivable has a scheduled final maturity date which does not fall after 10 June 2053.

(h) On the Initial Cut-Off Date, after the scheduled final maturity date, payments by each Borrower under a floating-rate Home Loan Agreement may be extended until the full repayment of the corresponding Home Loan Receivable to the extent of a maximum extended repayment period specified in each Home Loan Agreement (the "**Extended Repayment Period**"). The length of the Extended Repayment Period will not exceed seven (7) years and the maximum extended final maturity date is 10 June 2060.

(i) Each Home Loan Receivable is fully secured by a Home Loan Eligible Security i.e. the amount of the Home Loan Eligible Security covers the outstanding amount (*capital restant dû*) as determined on the Initial Cut-Off Date of each Home Loan Receivable.

(j) No Home Loan Receivable is a Delinquent Purchased Home Loan Receivable or a Defaulted Purchased Home Loan Receivable.

(k) On the Initial Cut-Off Date, no Home Loan Receivable has already been subject to any

amicable recovery procedure at least twelve (12) months before the Cut-Off Date.

(l) On the Initial Cut-Off Date, no Home Loan Receivable has been accelerated or declared entirely due and payable before its maturity date (*non échue ou déchue de son terme*).

(m) On the Initial Cut-Off Date, no Home Loan Receivable is subject to a request for a partial or a total prepayment by the relevant Eligible Borrower.

(n) On the Initial Cut-Off Date, the aggregate Principal Outstanding Balance of the Home Loan Receivables in respect of any single Borrower does not exceed of two per cent. (2%) of the Initial Portfolio Principal Outstanding Balance.

(o) On the Initial Cut-Off Date, each Home Loan Receivable is paid by automatic debit order on a bank account (or a postal bank account) authorised by the relevant Borrower at the signing date of the relevant Home Loan Agreement.

(p) Each Home Loan Receivable and the Ancillary Rights has not been assigned, subrogated or delegated, nor is subject, either totally or partially, to any seizure or opposition, lien, pledge, attachment claim, set-off claims or encumbrance of whatever type which would constitute an impediment to the purported assignment to the Issuer.

(q) Each Home Loan Receivable is payable in monthly Instalments and has an amortisation profile (i.e. no bullet home loans and no interest-only loans).

(r) Each Home Loan Receivable is individualised and identified for ownership purposes in the information systems of the Seller at any time, at the latest before the Initial Cut-Off Date, in such manner as to give the Management Company at any moment as of such Closing Date, the means to individualise and identify such Home Loan Receivable and the amounts received in connection with such Home Loan Receivable can be identified and segregated from the amounts pertaining to other receivables owned by the Seller and from the amounts pertaining to the other receivables, on the day of receipt of the relevant amounts.

(s) Each Home Loan Receivable has given rise to the effective and full payment of at least one (1) Instalment by the corresponding Borrower before the Initial Cut-off Date.

(t) Each Home Loan Receivable will give rise to the payment of at least one (1) Instalment by the corresponding Eligible Borrower after the Closing Date.

(u) The current loan-to-value of each Home Loan Receivable does not exceed one hundred per cent. (100%).

(v) No Home Loan Receivable is subject to withholding or deduction for or on account of tax.

(w) Each Home Loan Receivable and the associated Ancillary Rights are freely transferable.

(x) No Home Loan Receivable includes transferable securities as defined in Article 4(1), point (44) of Directive 2014/65/EU of the European Parliament and of the Council, any securitisation position or any derivative.

***(3) Eligibility Criteria in respect of Borrowers:***

On the Initial Cut-Off Date, no Eligible Borrower is an employee of the CIF Group.

***(4) Home Loan Portfolio Eligibility Criteria:***

On the Initial Cut-Off Date the portfolio of Home Loan Receivables complies with the following eligibility criteria (the "**Home Loan Portfolio Eligibility Criteria**"):

(a) the aggregate Principal Outstanding Balance of the Home Loan Receivables which are "Interest-Free Loan" is not greater than 9.00 per cent. of the aggregate Portfolio Principal Outstanding Balance;

(b) the aggregate Principal Outstanding Balance of the Home Loan Receivables owed by Borrowers that were unemployed or student at the time of origination is not greater than 1.00 per cent. of the aggregate Portfolio Principal Outstanding Balance; and

(c) the aggregate Principal Outstanding Balance of the Home Loan Receivables which derive from Specialised Home Loan Agreements is not greater than 25.00 per cent. of the aggregate Portfolio Principal Outstanding Balance;

(d) on the Initial Cut-Off Date, the aggregate Principal Outstanding Balance of the Home Loan Receivables that are subject to a defense of payment (*contestation de paiement*) from the Borrower is not greater than 0.50 per cent. of the Initial Portfolio Principal Outstanding Balance.

"**Encrypted Data Default Events**" means any of the following events:

(a) the Servicer has failed to timely deliver any Encrypted Data File and any Decryption Key in accordance with the Data Protection Agency Agreement;

(b) the data contained in the Encrypted Data File is not capable of being decrypted;

(c) the Encrypted Data File is empty; or

(d) there are any manifest errors in the information in such Encrypted Data File.

"**Encrypted Data File**" means any electronically readable data tape containing encrypted information relating to the personal data in respect of each Borrower for each Purchased Home Loan Receivable.

"**ESMA**" means the European Securities and Markets Authority.

"**EURIBOR**" means European Interbank Offered Rate, the Euro-zone interbank rate applicable in the Euro-zone (i) calculated by the European Money Markets Institute by reference to the interbank rates determined by the credit institutions appointed for this purpose by the Banking Federation of the European Union, (ii) published by the European Central Bank in respect of the applicable rate for each Interest Period. The EURIBOR Reference Rate is published by Reuters service as the EURIBOR01 Page (the "**Screen Rate**") (or (i) such other page as may replace Reuters service as the EURIBOR01 Page for the purpose of displaying such information or (ii) if that service ceases to display such information, such page as displays such information on such equivalent service) at or about 11:00 a.m. (Paris time).

"**EURIBOR Reference Rate**" means, with respect to the Listed Notes, Euribor for three (3) month euro deposits. The EURIBOR Reference Rate applicable to the Listed Notes is determined two (2) TARGET Business Days prior to any Payment Date.

"**Euroclear**" means Euroclear France.

"**Eurozone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25th March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7th February 1992) and by the Treaty on European Union and the Treaty of Amsterdam (signed in Amsterdam on 2 October 1997).

"**Extraordinary Resolution**" means, in respect of the Noteholders or any Class or Classes of Listed Noteholders, a resolution passed at a General Meeting duly convened and held in accordance with the Issuer Regulations or a Written Resolution passed by a majority consisting not less than seventy-five (75) per cent. of votes.

An Extraordinary Resolution will be passed by each Class of Listed Noteholders:

(a) to approve any Basic Terms Modification;

(b) to approve any alteration of the provisions of the Conditions of the Notes or any Transaction Document which shall be proposed by the Management Company and are expressly required to be

submitted to the Listed Noteholders in accordance with the provisions of the Conditions of the Notes or any Transaction Document;

(c) to authorise the Management Company or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;

(d) to give any other authorisation or approval which under the Issuer Regulations or the Listed Notes is required to be given by Extraordinary Resolution;

(e) with respect to the Listed Noteholders of each Class of Notes, instruct the Management Company to dispose all (but not part) of the Purchased Home Loan Receivables upon the occurrence of a Note Tax Event;

(f) to appoint any persons as a committee to represent the interests of the Listed Noteholders and to convey upon such committee any powers which the Listed Noteholders could themselves exercise by Extraordinary Resolution,

*provided, however*, that no Extraordinary Resolution of the Listed Noteholders of any Class shall be effective unless (i) the Management Company is of the opinion that it will not be materially prejudicial to the interests of the Most Senior Class or (ii) (to the extent that the Management Company is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Noteholders of the Most Senior Class.

"**Final Class B Notes Payment Date**" means, during the Normal Amortisation Period, the Payment Date on which the Principal Amount Outstanding of the Class B Notes is zero.

"**Final Maturity Date**" means 27 November 2062 (or the next Business Day).

"**Financial Income**" means the positive or negative amount corresponding to any fees, interests, or other remuneration on the placement of the sums standing to the Issuer Bank Accounts less any indemnities paid with this respect pursuant to the Account Bank Agreement.

"**First Optional Redemption Date**" or "**FORD**" means the Payment Date of November 2024.

"**First Payment Date**" means 27 February 2020.

"**Fitch**" means FitchRatings.

"**French Civil Code**" means the French *Code civil*.

"**French Commercial Code**" means the French *Code de commerce*.

"**French Construction and Housing Code**" means the French *Code de la construction et de l'habitation*.

"**French Consumer Code**" means the French *Code de la consommation*.

"**French Data Protection Law**" means 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*) and, as from 25 May 2018, Regulation (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.

"**French General Tax Code**" means the French *Code général des impôts*.

"**French Monetary and Financial Code**" means the French *Code monétaire et financier*.

"**General Account**" means the bank account opened in the name of the Issuer in the books of the Account Bank, or any substitute general account opened pursuant to the Account Bank Agreement or any substitute account bank agreement.

"**General Data Protection Regulation"** means the General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016).

"**General Meeting**" means a meeting of the Listed Noteholders or of any one or more Classes of Listed Noteholders and, except where the context otherwise requires, includes a meeting resumed following an adjournment.

"**Hedge Agreements**" means the two hedge agreements (FBF 2013) dated the Signing Date entered into between the Management Company and each of the Hedge Counterparties, each such Hedge Agreement comprising the 2013 Master Agreement (FBF), a schedule, a collateral annex and a written confirmation.

"**Hedge Counterparties**" means BNP PARIBAS and Crédit Agricole Corporate and Investment Bank.

"**Hedge Counterparty Termination Amount**" means, with respect to the relevant Hedge Agreement, on any date, the early termination payment, due and payable by the relevant Hedge Counterparty to the Issuer in accordance with the relevant Hedge Agreement.

"**Hedge Net Amount**" means, with respect to each Hedge Agreement, the sum of:

(a) the positive difference of (i) any hedge fixed leg amount to be paid by the Issuer to the Hedge Counterparty under the relevant Hedge Agreement and (ii) any floating leg amount to be paid by the Hedge Counterparty (or any guarantor) to the Issuer under the relevant Hedge Agreement, so that the relevant party will only pay to the other party the net swap amount (if positive) resulting from such netting; and

(b) any Hedge Net Amount Arrears (if any),

*provided that* the Issuer shall always pay the amount referred to in item (b) in priority to the amount referred to in item (a).

For the avoidance of doubt, any (a) Hedge Counterparty Termination Amount or Hedge Senior Termination Payments or Hedge Subordinated Termination Payments or (b) collateral transferred by the Hedge Counterparty prior to the occurrence of an early termination date under the relevant Hedge Agreement shall not be included in the calculation of any Hedge Net Amount.

"**Hedge Net Amount Arrears**" means any Hedge Net Amount which remains unpaid on any Payment Date.

"**Hedge Senior Termination Payments**" means, in relation to each Hedge Agreement, the sum of:

(a) the amount due by the Issuer to the relevant Hedge Counterparty in the event of an early termination of the relevant Hedge Agreement other than as a result of the occurrence of an "*Event of Default*" or a "*Change of Circumstances*" where the Hedge Counterparty is the "*Defaulting Party*" or the sole "*Affected Party*", as applicable (in each case as these terms "*Event of Default*", "*Change of Circumstances*", "*Defaulting Party*" or "*Affected Party*" are defined in the relevant Hedge Agreement); and

(b) any Hedge Senior Termination Payments Arrears (if any),

*provided that* the Issuer shall always pay the amount referred to in item (b) in priority to the amount referred to in item (a).

"**Hedge Senior Termination Payments Arrears**" means any Hedge Senior Termination Payments which remains unpaid on any Payment Date.

"**Hedge Subordinated Termination Payments**" means, in relation to each Hedge Agreement, the sum of:

(a) any amount due by the Issuer to the relevant Hedge Counterparty in connection with an early termination of the relevant Hedge Agreement where such termination results from the occurrence of (a) an "*Event of Default*" in respect of which the Hedge Counterparty is the "*Defaulting Party*" or (b) a "*Change of Circumstance*" where the Hedge Counterparty is the sole "*Affected Party*" (in each case as these terms "*Event of Default*", "*Change of Circumstances*", "*Defaulting Party*" or "*Affected Party*" are defined in the relevant Hedge Agreement); and

(b) any Hedge Subordinated Termination Payments Arrears (if any),

*provided that* the Issuer shall always pay the amount referred to in item (b) in priority to the amount referred to in item (a).

"**Hedge Subordinated Termination Payments Arrears**" means any Hedge Subordinated Termination Payments which remains unpaid on any Payment Date.

"**Home Loan Agreement**" means any home loan agreement which is governed by the standard provisions of the French Consumer Code and which was granted by any of the Originating Banks to Borrowers. The Home Loan Agreements will comprise Standard Home Loan Agreements and Specialised Home Loan Agreements.

"**Home Loan Eligible Security**" means:

(a) a first ranking, valid, effective and duly registered mortgage (*hypothèque conventionnelle*) or a first ranking, valid, effective and duly published legal privilege (*privilège de prêteur de deniers de premier rang*) over the underlying property or any junior and consecutive ranking mortgage or legal privilege (*privilège de prêteur de deniers*) to the extent that the loans secured by the same mortgage or privilege but ranking senior to it, including the most senior, are also transferred to the Issuer; or

(b) a valid, effective and enforceable home loan guarantee (*cautionnement*) issued by any of the Loan Guarantors; or

(c) a combination of (a) and (b).

"**Home Loan Receivable**" means any and all receivables (*créances*) (whether in principal, interest, costs, taxes or otherwise) arising from Home Loan Agreements initially executed between an Originating Bank and a Borrower pursuant to a Home Loan Agreement, and, when assigned and transferred to the Issuer by the Seller, the "**Purchased Home Loan Receivables**".

"**Home Loan Receivables Transfer Agreement**" means the home loan receivables transfer agreement dated the Signing Date and made between the Management Company, the Custodian and the Seller.

"**Initial Cut-Off Date**" means 30 September 2019 (which shall correspond to the last *date d'arrêté mensuel* preceding the Closing Date).

"**Initial Portfolio Principal Outstanding Balance**" means, at the Closing Date, EUR 710,403,622.

"**Initial Principal Amount**" means, with respect to each Class of Notes, the principal amount of such Class of Notes on the Issue Date.

"**Instalment**" means, with respect to each Home Loan Agreement, each payment of principal and interest (and/or insurance premium as the case may be) thereunder due and payable by the relevant Borrower on the relevant Instalment Due Date.

"**Instalment Due Date**" means, with respect to any Purchased Home Loan Receivable, the date on which the relevant Instalment is due and payable by the relevant Borrower under the relevant Home Loan Agreement.

"**Insurance Company**" means any insurance company which has granted, to the benefit of an Originating Bank or of the Seller, an Insurance Policy in connection with any Home Loan Agreement.

"**Insurance Policy**" means any policy of insurance which secures the payment of the corresponding Home Loan Receivables in the event of death or incapacity of the relevant principal Borrower.

"**Insurance Premiums**" means the insurance premiums owed by the Borrowers under the Insurance Policy related to the Home Loan Receivables.

"**Interest Period**" means any period between any Payment Date (including) and the next succeeding Payment Date (excluding). The first Interest Period shall start on the Closing Date and shall end (but excluding) the First Payment Date.

"**Interest Priority of Payments**" means the priority of payments for the application of Available Interest Distribution Amount prior to the service of a Note Acceleration Notice (see "OPERATION OF THE ISSUER – Priority of Payments – Priority of Payments during the Normal Amortisation Period").

"**Interest Rate**" means:

(a) with respect to the Class A Notes, the aggregate of the Euribor Reference Rate and the Relevant Margin subject to a minimum interest rate of 0.00 per cent. per annum;

(b) with respect to the Class B Notes, the aggregate of the Euribor Reference Rate and the Relevant Margin subject to a minimum interest rate of 0.00 per cent. per annum;

(c) with respect to the Class C Notes, 2.50 per cent. per annum.

"**Interest Rate Determination Date**" means, with respect to each Class of Listed Notes and in respect of an Interest Period, the date falling two TARGET Business Days prior to the first day of that Interest Period.

"**Issuer**" means "HARMONY FRENCH HOME LOANS FCT 2019-1" a *fonds commun de titrisation* (securitisation fund) established jointly by EuroTitrisation, in its capacity as Management Company, and BNP PARIBAS Securities Services, in its capacity as Custodian. The Issuer is governed by (i) Article L. 214-167 to Article L. 214-186 and Article R. 214-217 to Article R. 214-235 of the French Monetary and Financial Code and (ii) the Issuer Regulations.

"**Issuer Available Cash**" means the monies standing from time to time to the credit of the Issuer Bank Accounts.

"**Issuer Bank Accounts**" means any and all of:

(a) the General Account;

(b) the Liquidity Reserve Account;

(c) the Commingling Reserve Account; and

(d) the two Swap Collateral Accounts,

*provided* that any securities account opened in the book of the Account Bank shall be deemed to form part of the Issuer Bank Accounts.

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

(a) the default by the Issuer in the payment of any interest and/or principal on the Most Senior Class of Notes when the same becomes due and payable and such default continues for a period of five (5) Business Days, excluding the payment of any Subordinated Step-up Consideration; or

(b) the Issuer defaults in the payment of principal on any Class of Notes on the Final Maturity Date.

"**Issuer Liquidation Date**" means the date, as determined by the Management Company, on which the Issuer will be liquidated following the occurrence of an Issuer Liquidation Event or a Note Tax Event.

"**Issuer Liquidation Events**" means any of the following events:

(a) the liquidation of the Issuer is in the interest of the holders of the Notes and the holder of the Residual Units; 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) a Clean-up Call Event has occurred.

"**Issuer Liquidation Surplus**" means any monies standing to the credit of the Issuer Bank Accounts after the liquidation of the Issuer.

"**Issuer Operating Creditors**" means the Management Company, the Custodian, the Servicer, the Account Bank, the Paying Agent, the Data Protection Agent, the Registrar, the Statutory Auditor of the Issuer.

"**Issuer Operating Expenses**" means on any Payment Date:

(a) the aggregate of:

(i) the expenses and fees payable by the Issuer to each of the Issuer Operating Creditors in accordance with the provisions of the relevant Transaction Documents;

(ii) the fees of the Statutory Auditor of the Issuer, the fees (*redevance*) payable to the AMF, the annual fees payable to the INSEE, the fees payable to Euronext Paris S.A and the fees payable to EDW or the Securitisation Repository;

(iii) the expenses incurred in connection with any General Meetings of any Class of Listed Noteholders; and

(b) the Issuer Operating Expenses Arrears recorded on any preceding Payment Date and remaining unpaid,

*provided always* that the Issuer shall always pay the amount referred to in item (b) in priority to the amount referred to in item (a).

"**Issuer Operating Expenses Arrears**" means the difference between (a) the amount of Issuer Operating Expenses due and payable on any Payment Date and (b) the amount of Issuer Operating Expenses which has been paid on such Payment Date.

"**Issuer Regulations**" means the Issuer's regulations dated the Signing Date and made between the Management Company and the Custodian and relating to the establishment, operation and liquidation of the Issuer.

"**Joint Arrangers**" means BNP PARIBAS and Crédit Agricole Corporate and Investment Bank.

"**Joint Lead Managers**" means BNP PARIBAS and Crédit Agricole Corporate and Investment Bank.

"**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 as amended by Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018.

"**Liquidity Reserve Account**" means the bank account opened in the name of the Issuer in the books of the Account Bank, or any substitute liquidity reserve account opened pursuant to the Account Bank Agreement or any substitute account bank agreement, to be credited by the Liquidity Reserve Provider with the Liquidity Reserve Required Amount.

"**Liquidity Reserve Deposit**" means, on any date, the then current credit balance of the Liquidity Reserve Account.

"**Liquidity Reserve Deposit Agreement**" means the liquidity reserve deposit agreement dated the Signing Date and made between the Management Company, the Custodian and the Liquidity Reserve Provider. The Liquidity Reserve Deposit Agreement governs the establishment by the Liquidity Reserve Provider in favour of the Issuer, the use by the Issuer and the restitution by the Issuer to the Liquidity Reserve Provider of the Liquidity Reserve Deposit.

"**Liquidity Reserve Provider**" means CIFD.

"**Liquidity Reserve Release Amount**" means, on any Payment Date during the Normal Amortisation Period, the difference between (i) the Liquidity Reserve Required Amount as at the preceding Payment Date and (ii) the Liquidity Reserve Required Amount on such Payment Date.

"**Liquidity Reserve Required Amount**" means:

(a) on the Closing Date, 1.00 per cent. of the Initial Portfolio Principal Outstanding Balance; and

(b) up to and including the Final Class B Notes Payment Date an amount equal to the higher of:

(i) 1.00 per cent. of the Portfolio Principal Outstanding Balance; and

(ii) 0.10 per cent. of the Initial Portfolio Principal Outstanding Balance;

(c) after the Final Class B Notes Payment Date or during the Accelerated Amortisation Period or on the Final Maturity Date: zero.

"**Loan Guarantors**" means any of (i) CNP Caution, (ii) Compagnie Européenne de Garanties et Cautions or (iii) Société d'Assurance des Crédits des Caisses d'Epargne de France, (iv) the *Fonds de Garantie de l'Accession Sociale à la Propriété* or (v) MNCAP.

"**Listed Noteholders**" means any holders of Listed Notes.

"**Listed Notes**" means the Class A Notes and the Class B Notes.

"**Listed Notes Subscription Agreement**" means the subscription agreement for the Listed Notes dated the Signing Date and made between the Management Company, the Custodian, the Seller and the Joint Lead Managers.

"**Listing Agent**" means BNP PARIBAS Securities Services pursuant to the Paying Agency Agreement.

"**Management Company**" means EuroTitrisation, a *société anonyme* incorporated under the laws of France, licensed by the *Autorité des Marchés Financiers* as a *société de gestion de portefeuille*, whose registered office is located at 12 rue James Watt, 93200 Saint-Denis, France.

"**Management Reports**" means:

(a) the Semi-Annual Management Reports; and

(b) the Annual Management Reports.

"**Master Definitions Agreement**" means the master definitions agreement dated the Signing Date and made between the Transaction Parties.

"**MiFID II**" means the Directive 2014/65/EU of the Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

"**Modified Following Business Day Convention**" means the business day convention under which, where a relevant date falls on a day which is not a Business Day, that date will be adjusted so that it falls on the first following day that is a Business Day, unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

"**Monthly Prepayment Rate**" means, in respect of a Collection Period, the highest monthly prepayment rate over the preceding 12-month period (as provided by CIFD on its total portfolio or as calculated on the portfolio of Purchased Home Loan Receivables, depending on whichever is available) multiplied by 125 per cent.

"**Moody's**" means Moody's Investors Service Limited.

"**Most Senior Class**" means on any Payment Date and after giving effect to all payments in accordance with the applicable Priority of Payments:

(a) on the Closing Date and for so long the Class A Notes have not been redeemed in full, the Class A Notes;

(b) if no Class A Notes are then outstanding and for so long the Class B Notes have not been redeemed in full, the Class B Notes; and

(c) if no Class B Notes are then outstanding and for so long the Class C Notes have not been redeemed in full, the Class C Notes.

"**Non-Compliant Purchased Home Loan Receivable**" means any Purchased Home Loan Receivable in respect of which a breach of the Receivables Warranties is not remedied or not capable of remedy and has or would have an adverse effect on the relevant Purchased Home Loan Receivable.

"**Normal Amortisation Period**" means the period which shall:

(a) commence on the Closing Date; and

(b) end on the earlier of:

(i) the date on which the Notes or the Residual Units are all redeemed in full; or

(ii) the Final Maturity Date; or

(iii) the Payment Date following the occurrence of an Accelerated Amortisation Event; or

(iv) the Issuer Liquidation Date.

"**Normal Priority of Payments**" means the Interest Priority of Payments and the Principal Priority of Payments.

"**Noteholders**" means the holders of any of the Classes of Notes from time to time.

"**Note Acceleration Notice**" means a written notice delivered by the Management Company (or if so directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class) following the occurrence of an Issuer Event of Default.

"**Note Tax Event**" means, if, by reason of a change in French tax law or regulation (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on the next Payment Date, the Issuer or the Paying Agent would be required to deduct or withhold from any payment of principal or interest on any Class of 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 Republic of France or any other tax authority outside the Republic of France to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

"**Note Tax Event Notice**" means a written notice which is delivered by the Management Company (acting for and on behalf of the Issuer) to the Custodian, the Paying Agent and the Noteholders in accordance with Condition 13 (*Notice to the Noteholders*) upon the occurrence and continuation of a Note Tax Event *provided that* a Note Tax Event Notice shall only take effect if delivered not more than sixty (60) calendar days' nor less than two (2) Business Days' prior to the Information Date immediately preceding the Payment Date immediately following the delivery of such notice.

"**Notes**" means the Class A Notes, the Class B Notes and the Class C Notes.

"**Notes Amortisation Amount**" means, prior to the occurrence of an Accelerated Amortisation Event, and in respect of any Payment Date, an amount equal to the positive difference of:

(a) the sum of:

(i) the aggregate of the Principal Amount Outstanding of all Classes of Notes on the Payment Date immediately preceding such Payment Date (or in case of the First Payment Date, the Closing Date); and

(ii) the Principal Application Amount on such Payment Date; and

(b) the aggregate Principal Outstanding Balance of the Performing Purchased Home Loan Receivables at the end of the Collection Period immediately preceding such Payment Date.

"**Notes Interest Amount**" means with respect to any particular Class of Notes:

(a) the Class A Notes Interest Amount;

(b) the Class B Notes Interest Amount; and

(c) the Class C Notes Interest Amount.

"**Notes Principal Amount Outstanding**" means with respect to any particular Class of Notes:

(a) the Class A Notes Principal Amount Outstanding;

(b) the Class B Notes Principal Amount Outstanding; and

(c) the Class C Notes Principal Amount Outstanding.

"**Notes Principal Payment**" means with respect to any Note of a particular Class during the Normal Amortisation Period:

(a) the Class A Notes Principal Payment;

(b) the Class B Notes Principal Payment; and

(c) the Class C Notes Principal Payment.

"**Notice of Control**" means a notice to be sent by the Management Company (through electronic mail) to the Specially Dedicated Account Bank with a copy to the Servicer and the Custodian.

"**Notice of Release**" means a notice to be sent by the Management Company (through electronic mail) to the Specially Dedicated Account Bank with a copy to the Servicer and the Custodian.

"**Notice Effective Date**" means, with respect to the delivery of a Notice of Control or a Notice of Release, as applicable, the day and cut-off hour on which a Notice of Control or a Notice of Release, as applicable, delivered by the Management Company to the Specially Dedicated Account Bank, is to be effective for the Specially Dedicated Account Bank, which shall be:

(a) on the date on which such Notice of Control or Notice of Release, as applicable, from the Management Company is received by the Specially Dedicated Account Bank; or

(b) on the Business Day following the day on which such Notice of Control or Notice of Release, as applicable, from the Management Company is received.

"**Optional Redemption Date**" means any Payment Date from (and including) the First Optional Redemption Date up to (and excluding) the Final Maturity Date.

"**Orderly Resolution Plan**" means, with respect to the CIF Group, the orderly resolution plan approved on 27 November 2013 by the European Commission in its public decision (*Aides d'État n° SA.37029 (2013/N) - France Aide à la liquidation ordonnée du Crédit Immobilier de France*).

"**Ordinary Resolution**" means, in respect of the Listed Noteholders or any Class or Classes of Listed Noteholders, a resolution passed at a General Meeting duly convened and held in accordance with the Issuer Regulations or a Written Resolution passed by a majority consisting of more than fifty (50) per cent. of the votes.

"**Originating Banks**" means the several regional banks (*Sociétés de Financement Régional* and *Banque de Patrimoine Immobilier*) which formed the CIF Group and which have been absorbed by CIFD in the context of the orderly resolution of the CIF Group.

"**Paying Agency Agreement**" means the paying agency agreement dated the Signing Date and made between the Management Company, the Custodian, the Paying Agent, the Listing Agent and the Registrar.

"**Paying Agent**" means BNP PARIBAS Securities Services in its capacity as paying agent appointed by the Management Company and the Custodian in order to pay any interest amounts and principal amounts due to the Noteholders under the terms of the Paying Agency Agreement.

"**Payment Date**" means the 27th calendar day of February, May, August and November each year), or if such day is not a Business Day, the immediately following Business Day provided that such Business Day falls in the same month, if not, the immediately preceding Business Day *provided* that the first Payment Date (the "**First Payment Date**") will fall on 27 February 2020.

"**Performing Purchased Home Loan Receivable**" means any outstanding Purchased Home Loan Receivable which is not a Defaulted Purchased Home Loan Receivable.

"**Portfolio Principal Outstanding Balance**" means on any date the aggregate Principal Outstanding Balance of all Purchased Home Loan Receivables.

"**Pre-Acquisition Interest**" means, on the Closing Date and in respect of the Purchased Home Loan Receivables, interests that have accrued but were not yet due for payment (*intérêts courus non échus*) with respect to the Home Loan Receivables before and until such Initial Cut-Off Date but that will be paid as part of the Instalments to be received under the Purchased Home Loan Receivables after such Initial Cut-Off Date.

"**Prepayment**" means any payment, in whole or in part (including any prepayment penalties), made by a Borrower in respect of any Home Loan Receivable subject to the application of the provisions of the Consumer Credit Legislation and the applicable provisions of the Home Loan Agreement.

"**PRIIPs Regulation**" means Regulation (EU) No 1286/2014 of the European Parliament and the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products.

"**Principal Amount Outstanding**" means, on any Payment Date and in respect to each Note, an amount equal to the Initial Principal Amount of such Notes (€100,000) less the aggregate amount of all payments of principal paid in respect of such Notes prior to such date and on such Payment Date. The principal payments shall be calculated by the Management Company in accordance with the amortisation formula applicable during (i) the Normal Amortisation Period and (ii) the Accelerated Amortisation Period, as set forth in Condition 7 (*Redemption*) of the Notes.

"**Principal Application Amount**" means the application of Available Principal Distribution Amount in accordance with item (1) of the Principal Priority of Payments.

"**Principal Deficiency Ledger**" means, during the Normal Amortisation Period and with respect to any Payment Date, a principal deficiency ledger comprising three sub-ledgers known as the "Class A Principal Deficiency Ledger", the "Class B Principal Deficiency Ledger" and the "Class C Principal Deficiency Ledger", respectively, which shall be established by the Management Company, acting for and on behalf of the Issuer, in order to record on any Payment Date (a) the Default Amounts and (b) the Principal Application Amount. Each sub-ledger of the Principal Deficiency Ledger constitutes records of the Issuer with respect to certain principal deficiency amount and do not constitute sub-accounts of any of the Issuer Bank Accounts.

"**Principal Outstanding Balance**" means, on any date and with respect to each Purchased Home Loan Receivable, the principal outstanding amount of such Purchased Home Loan Receivable as calculated on the basis of the applicable amortisation schedule, *provided always* that the applicable amortisation schedule in respect of such Purchased Home Loan Receivable shall not be affected by amounts due but unpaid until such date when such Purchased Home Loan Receivable becomes a Defaulted Purchased Home Loan Receivable.

"**Principal Priority of Payments**" means the priority of payments for the application of Available Principal Distribution Amount prior to the service of a Note Acceleration Notice as set out in the Issuer Regulations (see "OPERATION OF THE ISSUER – Priority of Payments – Priority of Payments during the Normal Amortisation Period").

"**Priority of Payments**" means:

(a) during the Normal Amortisation Period:

(i) the Interest Priority of Payments; and

(ii) the Principal Priority of Payments; and

(b) during the Accelerated Amortisation Period, the Accelerated Priority of Payments.

"**Purchase Price**" means the Initial Portfolio Principal Outstanding Balance in relation to the Purchased Home Loan Receivables on the Closing Date.

"**Purchased Home Loan Receivables**" means the Home Loan Receivables purchased by the Issuer from the Seller on the Closing Date subject to and pursuant to the Home Loan Receivables Transfer Agreement.

"**Rating Agencies**" means Fitch and Moody's or, where the context requires, any of them or any of their successors. If at any time Fitch or Moody's is replaced as a Rating Agency, then references to its rating categories in the Transaction Documents shall be deemed instead to be references to the equivalent rating categories of the entity which replaces it as a Rating Agency.

"**Rating Agency Confirmation**" means a confirmation in writing by the relevant Rating Agencies that the then current ratings of the Listed Notes will not be downgraded, qualified or withdrawn as a result of the relevant event or matter, provided that, if: (a) a confirmation or affirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and (b) a written request for such confirmation affirmation or response is delivered to that Rating Agency by any of the Management Company, the Servicer, Hedge Counterparties (in respect of a Rating Agency Confirmation requested pursuant to the provisions of a Hedge Agreement only) (each a "**Requesting Party**") and one or more of the Rating Agencies (each a "**Non-Responsive Rating Agency**") indicates that it does not consider such confirmation, affirmation or response necessary in the circumstances, the Requesting Party shall be entitled to disregard the requirement for a confirmation or affirmation of rating or other response by each Non-Responsive Rating Agency which provides such indication and proceed on the basis of the confirmations or affirmations of rating or other responses received by each other Rating Agency or, if all the Rating Agencies indicate that they do not consider such confirmation, affirmation or response necessary in the circumstances, on the basis that such confirmation or affirmation of rating or other response by a Rating Agency is not required in the particular circumstances of the request. If a Rating Agency does not respond to a written request for a confirmation or affirmation of rating such non-response shall not be interpreted to mean that such Rating Agency has given any deemed confirmation or affirmation of rating or other response in respect of such action or step or any deemed indication that it does not consider such confirmation, affirmation or response necessary in the circumstances, provided that in the event of a non-response from all Rating Agencies, the Requesting Party will be entitled to proceed on the basis that such confirmation or affirmation of rating or other response by a Rating Agency is not required in the particular circumstances of the request. However, nothing herein shall in any way affect the right of a Rating Agency to downgrade or withdraw its then current ratings of each Class of Listed Notes in a manner as it sees fit.

"**Receivables Warranties**" means:

(a) the representations made and the warranties given by the Seller to the Issuer in respect of the compliance of the Home Loan Receivables with the Eligibility Criteria; and

(b) the additional representations and warranties given by the Seller to the Issuer with respect to or in relation to the Home Loan Receivables,

set out in the Home Loan Receivables Transfer Agreement.

"**Registrar**" means BNP PARIBAS Securities Services in its capacity as registrar under the Paying Agency Agreement and any successors for the time being of the Registrar.

"**Relevant Clearing Systems**" means each of (a) Euroclear France and (b) Clearstream Banking.

"**Relevant Margin**" means:

(a) 0.70 per cent. *per annum* in respect of the Class A Notes; and

(b) 0.95 per cent. *per annum* in respect of the Class B Notes.

"**Remedy Date**" means a date falling no later than on the Payment Date following the date on which a breach of Receivables Warranties was notified by a party to the other in accordance with the Home Loan Receivables Transfer Agreement or, if such notification was made after a Calculation Date, no later than on the second Payment Date following such Calculation Date.

"**Repurchase Date**" means the Payment Date falling during the calendar month following the calendar month during which the Seller has delivered a Seller Call Option Notice.

"**Repurchase Price**" means the repurchase price of the Purchased Home Loan Receivables upon the exercise by the Seller of the Seller Call Option or upon the occurrence of a Note Tax Event which shall be calculated by the Management Company as follows:

(a) in respect of the Purchased Home Loan Receivables which are not Defaulted Purchased Home Loan Receivables: an amount equal to the Principal Outstanding Balance of such Purchased Home Loan Receivables together with an amount equal to the Pre-Acquisition Interests relating thereto as at the relevant Cut-Off Date;

(b) in respect of Purchased Home Loan Receivables which are Defaulted Purchased Home Loan Receivables in an amount equal to:

  (i) one (1) euro if a debit balance of the Principal Deficiency Ledger has been recorded in respect of such Defaulted Purchased Home Loan Receivables but has been cured on or before the relevant Repurchase Date (after the giving effect to the applicable Priority of Payments on the relevant Payment Date); or

  (ii) the Principal Outstanding Balance of such Defaulted Purchased Home Loan Receivables together with an amount equal to the Pre-Acquisition Interests relating thereto as at the relevant Cut-Off Date, if a debit balance of the Principal Deficiency Ledger has been recorded in respect of such Defaulted Purchased Home Loan Receivable and remains outstanding on the relevant Repurchase Date (after the giving effect of the applicable Priority of Payments on the relevant Payment Date).

"**Rescission Amount**" means, in respect to a Non-Compliant Purchased Home Loan Receivable, an amount equal to the Purchase Price of such Non-Compliant Purchased Home Loan Receivable plus the amount of any Pre-Acquisition Interests in relation to such Non-Compliant Purchased Home Loan Receivable, less any collections received by the Issuer in relation to such Non-Compliant Purchased Home Loan Receivable.

"**Residual Unitholder**" means CIFD.

"**Residual Units**" means the residual units (*parts*) issued by the Issuer on the Closing Date and having a principal amount of EUR 1,812 each.

"**Residual Units Purchaser**" means CIFD.

"**Reporting Entity**" means EuroTitrisation, acting on behalf of CIFD.

"**Resolution**" means, in relation to any General Meeting in accordance with the required quorum and voting rules of any Class of Listed Noteholders, an Ordinary Resolution or an Extraordinary Resolution and/or a Written Resolution passed.

"**Risk Retention U.S. Persons**" means "U.S. persons" as defined in the U.S. Risk Retention Rules.

"**RTS Homogeneity**" means the Commission Delegated Regulation of 28 May 2019 supplementing the Securitisation Regulation with regard to regulatory technical standards on the homogeneity of the underlying exposures in securitisation.

"**RWA Limit**" means the limit to the risk weight assigned at the Initial Cut-Off Date under the "Standardised Approach" under the assumption of constant regulations to the aggregate Purchased Home Loan Receivables weighted by the exposure value.

"**Scheduled Collections**" means, in respect of a Collection Period and for the purpose of the calculation of the Commingling Reserve Required Amount, the Instalments in respect of the Purchased Home Loan Receivables due to be collected during such Collection Period.

"**Securitisation Regulation**" means 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.

"**Securitisation Repository**" means a securitisation repository registered under Article 10 (*Registration of a securitisation repository*) of the Securitisation Regulation and appointed by the Reporting Entity for the securitisation transaction as described in this Prospectus.

"**Securityholders**" means the Noteholders and the Residual Unitholder.

"**Seller**" means CIFD, in its capacity as seller of the Home Loan Receivables to the Issuer on the Closing under the terms of the Home Loan Receivables Transfer Agreement.

"**Seller Call Option**" means, on any Optional Redemption Date, the right (but not the obligation) of the Seller to repurchase all (but not part of) the Purchased Home Loan Receivables.

"**Seller Call Option Notice**" means a written notice which is delivered by the Seller to the Management Company no later than on a Servicer Report Date in respect of a Payment Date on which the Seller Call Option is intended to be exercised and the Repurchase Date shall be the Optional Redemption Date following such Servicer Report Date.

"**Seller's Receivables Warranties**" means the representations made and the warranties given by the Seller to the Issuer in respect of the transfer and sale of the Home Loan Receivables to the Issuer in accordance with the Home Loan Receivables Transfer Agreement.

"**Semi-Annual Management Report**" means the semi-annual management report of the Issuer published by the Management Company within three (3) months following the end of the first half-year period of each financial period pursuant to Article 425-15 of the AMF General Regulations.

"**Servicer**" means CIFD as servicer (or any authorised substitute) of the Purchased Home Loan Receivables under the Servicing Agreement.

"**Servicer Fees**" means the fees payable to the Servicer on each Payment Date. The Servicer Fees include the Administration and Management Fee and the Recovery Fee.

"**Servicer Termination Events**" means any of the following events:

1. Breach of obligations:

   Any breach by the Servicer of:

   (a) any of its material non-monetary obligations under the Servicing Agreement (other than the delivery of the Servicer Report to the Management Company referred to in (c) below) or under the Specially Dedicated Account Agreement or the Commingling Reserve Deposit Agreement and such breach is not remedied by the Servicer within:

      (i) ten (10) Business Days; or

      (ii) sixty (60) calendar days if the breach is due to force majeure,

      after the earlier of the date on which it is aware of such breach and/or receipt of notification in writing to the Servicer by the Management Company to remedy such breach; or

(b) any of its monetary obligations under the Servicing Agreement, the Specially Dedicated Account Agreement or the Commingling Reserve Deposit Agreement and such breach is not remedied by the Servicer within:

(i) five (5) Business Days; or

(ii) thirty (30) calendar days if the breach is due to force majeure;

after the earlier of the date on which it is aware of such breach and/or receipt of notification in writing to the Servicer by the Management Company to remedy such breach.

2. Breach of warranties, representations or undertakings:

Any breach by the Servicer of any relevant representation, warranty or undertaking made or given by the Servicer in the Servicing Agreement (other than the representations or warranties or undertakings made or given by the Servicer with respect to the renegotiation of any Purchased Home Loan Receivables) or in the Specially Dedicated Account Agreement or the Commingling Reserve Deposit Agreement is materially false or incorrect or has been breached and such breach results in a material adverse effect on the Issuer's ability to make payments in respect of the Notes and, where such materially false or incorrect representation or warranty or breached undertaking can be corrected or remedied by the Servicer, is not corrected or remedied by the Servicer within:

(i) ten (10) Business Days; or

(ii) sixty (60) calendar days if the breach is due to force majeure,

after the earlier of the date on which it is aware of such misrepresentation or such breach and/or receipt of notification in writing to the Servicer by the Management Company to remedy such false or incorrect representation or warranty or breached undertaking.

3. Failure to deliver the Servicer Report:

The Servicer has failed to deliver the Servicer Report to the Management Company on the relevant Servicer Report Date, and such failure is not cured within five (5) Business Days (except for force majeure and except if the breach is due to technical reasons) and, if such breach is due to force majeure or technical reasons, such breach is not remedied by the Servicer within thirty (30) calendar days after the relevant Servicer Report Date.

4. Insolvency Events, additional or new resolution measures:

(a) Insolvency events

The Servicer is:

(i) in a state of cessation of payments (*cessation des paiements*) within the meaning of Article L. 613-26 of the French Monetary and Financial Code; or

(ii) subject to any of the proceedings governed by Book VI of the French Commercial Code and an administrator or a liquidator is legally and validly appointed over the Servicer or relating to all of the Servicer's revenues and assets,

provided always that the opening of any judicial liquidation (*liquidation judiciaire*) or any safeguard procedure (*procédure de sauvegarde*) or any judicial recovery procedure (*procédure de redressement judiciaire*) against the Servicer shall have been subject to the approval (*avis conforme*) of the *Autorité de Contrôle Prudentiel et de Résolution* in accordance with Article L. 613-27 of the French Monetary and Financial Code; or

(b) Additional or new resolutions measures

The then applicable orderly resolution plan of the CIF Group is either cancelled or rescinded or amended and the Servicer is subject to additional or new resolution measures (*mesures de résolution*) decided by the *Autorité de Contrôle Prudentiel et de Résolution* in

accordance with the applicable provisions of the French Monetary and Financial Code which prevents the Servicer from continuing to perform its obligations under the Servicing Agreement, the Specially Dedicated Account Agreement or the Commingling Reserve Deposit Agreement and no replacement solution has been found by the parties, who undertake to negotiate on a bona fide basis, before the Payment Date following the entry into force of such resolution measure.

5. Change of control:

A change of control (within the meaning of Article L. 233-3 of the French Commercial Code) with respect to the Servicer or any merger with a third party of CIF Group or any demerger of the Servicer (the resulting entity of such merger or demerger being the "**New Entity**"), which prevents the Servicer from continuing to perform its obligations under the Servicing Agreement, the Specially Dedicated Account Agreement or the Commingling Reserve Deposit Agreement.

6. Illegality:

It is or becomes unlawful for the Servicer to perform or comply with any or all of its material obligations under the Servicing Agreement or the Specially Dedicated Account Agreement or the Commingling Reserve Deposit Agreement or any or all of its material obligations under the Servicing Agreement or the Specially Dedicated Account Agreement or the Commingling Reserve Deposit Agreement are not, or cease to be, legal, valid and binding.

"**Servicing Agreement**" means the servicing agreement dated the Signing Date and made between the Management Company, the Custodian and the Servicer.

"**Servicing Procedures**" means the customary and usual management and servicing procedures usually applied from time to time by the Servicer for managing, collecting and servicing the Purchased Home Loan Receivables and any other home loan receivables not assigned to the Issuer. The Servicing Procedures include remedies and actions relating to delinquency and default of the Borrowers, debt restructuring, debt forgiveness, forbearance, losses, charge offs, recoveries and other asset performance remedies.

"**Servicer Report**" means the computer file established by the Servicer with respect to each Collection Period with respect to the Purchased Home Loan Receivables.

"**Servicer Report Date**" means the date falling seven (7) Business Days following a Cut-Off Date.

"**Signing Date**" means, with respect to all Transaction Documents (save the Transfer Document which will be dated the Closing Date), 30 October 2019.

"**Single Resolution Board**" means the single resolution board established in accordance with the SRM Regulation in the context of the Single Resolution Mechanism.

"**Single Resolution Mechanism**" means the single resolution mechanism established by the SRM Regulation.

"**Specialised Home Loan Agreement**" means a Home Loan Agreement which is governed by the standard provisions of the French Consumer Code and which was granted by any of the Originating Banks in compliance with the applicable provisions of the French Construction and Housing Code. The Specialised Home Loan Agreements comprise the following categories:

(a) "**Interest-Free Loan**" ("*prêt à taux zéro*") means:

(i) "*prêt à taux zéro du ministère du logement*" governed by articles R. 317-1 et seq. of the French Construction and Housing Code and by ministerial order dated 2 October 1995 relating to the conditions for granting the advance aided by the government for the acquisition of a principal residence in accession to ownership (*arrêté du 2 octobre 1995 relatif aux conditions d'octroi de l'avance aidée par l'Etat pour l'acquisition d'une résidence principale en accession à la propriété*);

(ii) "new interest-free loan" ("*nouveau prêt à taux zéro*") governed, inter alia, by articles R. 318-1 et seq. of the French Construction and Housing Code and by ministerial order dated 31 January 2005 relating to the conditions for the application of provisions relating to interest-free refundable advances for the acquisition or the construction of housings for accession to ownership (*arrêté du 31 janvier 2005 relatif aux conditions d'application de dispositions concernant les avances remboursables sans intérêt pour l'acquisition ou la construction de logements en accession à la propriété*); and

(iii) "interest-free loan +" ("*prêt à taux zéro +*") governed, inter alia, by articles L. 31-10-1 et seq. and R. 31-10-1 et seq. of the French Construction and Housing Code and by ministerial order dated 30 December 2010 relating to the conditions for the application of provisions relating to interest-free loans granted in order to fund the first accession to ownership (*arrêté du 30 décembre 2010 relatif aux conditions d'application de dispositions concernant les prêts ne portant pas intérêts consentis pour financer la primo-accession à la propriété*); and

(b) "social accession loan" ("*prêts à l'accession sociale*") governed, inter alia, by articles L.31261, R. 331-63 to R. 331-76 and R. 331-76-6 and R. 331-76-7 of the French Construction and Housing Code and by ministerial order dated 4 October 2001 relating to the conditions for granting regulated loans (*arrêté du 4 octobre 2001 relatif aux conditions d'octroi des prêts conventionnés*) and subsequent provisions;

(c) "ownership accession loan" ("*prêts à l'accession à la propriété*"); and

(d) "0% interest loan funding energy-efficiency improvements" ("*prêt à 0% finançant la rénovation énergétique*") governed, inter alia, by articles R. 319-1 *et seq*. of the French Construction and Housing Code and by ministerial order dated 30 March 2009 relating to conditions for the application of provisions relating to interest-free refundable advances for the financing of renovation work in order to improve the energy-efficiency of existing housing (*arrêté du 30 mars 2009 relatif aux conditions d'application de dispositions concernant les avances remboursables sans intérêt destinées au financement de travaux de renovation afin d'améliorer la performance énergétique des logements anciens*);

(e) "social housing loan" ("*prêt locatif social*") governed, inter alia, by articles R.331-17 et seq. of the French Construction and Housing Code; and

(f) "intermediary housing loan" ("*prêt au logement intermédiaire*") governed, inter alia, by articles R. 391-1 et seq. of the French Construction and Housing Code and by ministerial order dated 6 March 2001 n° 2001-208 relating to the provisions concerning the granting of loans for the construction or improvement of intermediary rental housing (*décret n°2001-208 du 6 mars 2001 relatif aux dispositions concernant l'attribution des prêts pour la réalisation ou l'amélioration des logements locatifs intermédiaires*).

"**Specially Dedicated Account**" means the bank account open in the name of the Servicer and held with the Specially Dedicated Account Bank for the exclusive benefit of the Issuer on which the Available Monthly Collections will be credited on each relevant Business Day by the Servicer pursuant to the terms of the Specially Dedicated Account Agreement.

"**Specially Dedicated Account Agreement**" means the specially dedicated account agreement dated the Signing Date and made between the Management Company, the Custodian, the Servicer and the Specially Dedicated Account Bank.

"**Specially Dedicated Account Bank**" means BRED Banque Populaire under the Specially Dedicated Account Agreement.

"**SRM Regulation**" means Regulation (EU) No 806/2014 of the European Parliament and of the Council dated 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.

"**SSPE**" means securitisation special purpose entity within the meaning of Article 2(2) of the Securitisation Regulation.

"**Standard Home Loan Agreement**" means a Home Loan Agreement which was granted by any of the Originating Banks and which is governed by the standard provisions of the French Consumer Code (*dispositions régissant l'octroi de crédits immobiliers*) and which is not a Specialised Home Loan Agreement.

"**STS-securitisation**" means a simple, transparent and standardised securitisation established and structured in accordance with the requirements of the Securitisation Regulation.

"**STS Verification**" means a report from PCS which verifies compliance of the securitisation transaction described in this Prospectus with the criteria stemming from Articles 18, 19, 20, 21 and 22 of the Securitisation Regulation.

"**Statutory Auditor**" means PricewaterhouseCoopers Audit.

"**Subordinated Step-up Consideration**" means:

(a) with respect to the Class A Notes, the Class A Notes Subordination Step-up Consideration; and

(b) with respect to the Class B Notes, the Class B Notes Subordination Step-up Consideration.

"**Subordinated Step-up Consideration Deficiency Ledger**" means, on each Payment Date following the First Optional Redemption Date during the Normal Amortisation Period, a deficiency ledger relating to the Listed Notes and comprising of two sub-ledgers for each such Class of Listed Notes. known as the "Class A Subordinated Step-up Consideration Deficiency Ledger" and the "Class B Subordinated Step-up Consideration Deficiency Ledger", respectively, which shall be established by the Management Company, acting for and on behalf of the Issuer.

"**Subordinated Step-up Margin**" means:

(a) in respect of the Class A Notes, 0.70 per cent. per annum; and

(b) in respect of the Class B Notes, 0.475 per cent. per annum.

"**Substitute Home Loan Receivable**" means any Home Loan Receivable which may replace a Purchased Home Loan Receivables in accordance with the terms of the Home Loan Receivables Transfer Agreement in case of a breach by the Seller of the Receivables Warranties.

"**Substitute Servicer**" means any substitute servicer to be appointed by the Management Company upon termination of the appointment of the Servicer in accordance with the terms of the Servicing Agreement.

"**Swap Collateral**" means the eligible swap collateral to be credited by any of the Hedge Counterparties, from time to time, pursuant and subject to the terms of the relevant Hedge Agreement.

"**Swap Collateral Accounts**" means the two bank accounts opened in the name of the Issuer in the books of the Account Bank with respect to BNP PARIBAS and Crédit Agricole Corporate and Investment Bank, respectively, or any substitute swap collateral accounts opened pursuant to the Account Bank Agreement or any substitute account bank agreement, to be credited with the Swap Collateral, from time to time, by any of the Hedge Counterparties pursuant and subject to the terms of the Hedge Agreements and "**Swap Collateral Account**" means any one of them.

"**TARGET Business Day**" means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET2) is open.

"**TARGET System**" means the *Trans-European Automated Real-Time Gross Settlement Express Transfer* (TARGET2) System.

"**Transaction Documents**" means:

(a) the Issuer Regulations (which include the Conditions of the Notes and the Priority of Payments);

(b) the Home Loan Receivables Transfer Agreement;

(c) the Transfer Document (*acte de cession de créances*);

(d) the Servicing Agreement;

(e) the Specially Dedicated Account Agreement;

(f) the Liquidity Reserve Deposit Agreement;

(g) the Commingling Reserve Deposit Agreement;

(h) the Data Protection Agency Agreement;

(i) the Hedge Agreements;

(j) the Account Bank Agreement;

(k) the Paying Agency Agreement;

(l) the Listed Notes Subscription Agreement;

(m) the Class C Notes and Residual Units Subscription Agreement; and

(n) the Master Definitions Agreement.

"**Transaction Parties**" means:

(a) the Management Company;

(b) the Custodian;

(c) the Seller;

(d) the Servicer;

(e) the Liquidity Reserve Provider;

(f) the Account Bank;

(g) the Specially Dedicated Account Bank;

(h) the Hedge Counterparties;

(i) the Data Protection Agent;

(j) the Paying Agent;

(k) the Registrar;

(l) the Listing Agent; and

(m) the Class C Notes Purchaser and the Residual Units Purchaser.

"**Transfer Document**" means the "deed of transfer" (*acte de cession de créances*) made between the Management Company and the Seller, satisfying the requirements of Article L. 214-169 V 2° and Article D. 214-227 of the French Monetary and Financial Code and in connection with the transfer of the Home Loan Receivables by the Seller to the Issuer on the Closing Date.

"**U.S. Risk Retention Rules**" means 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, adopted under the requirements of Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

"**Written Resolution**" means a resolution in writing signed or approved by or on behalf of the relevant Class of Listed Noteholders of not less than the required majority in relation to an Ordinary Resolution or an Extraordinary Resolution. References to a Written Resolution include, unless the context otherwise requires, a resolution approved by Electronic Consent (as defined in Condition 11(e)(B) (*Meetings of Listed Noteholders*) in accordance with Article L. 228-46-1 of the French Commercial Code.

**ISSUER**
**"HARMONY FRENCH HOME LOANS FCT 2019-1"**
A French *Fonds Commun de Titrisation* regulated by
*Articles L. 214-167 to L. 214-186 and Articles R. 214-217 to R. 214-235*
*of the French Monetary and Financial Code*

**MANAGEMENT COMPANY**
**EuroTitrisation**
12 rue James Watt
93200 Saint-Denis
France

**CUSTODIAN**
**BNP PARIBAS Securities Services**
3 rue d'Antin
75002 Paris
France

**SELLER AND SERVICER**
**Crédit Immobilier de France Développement**
26 rue de Madrid
75008 Paris
France

**JOINT ARRANGERS, JOINT LEAD MANAGERS**
**AND HEDGE COUNTERPARTIES**

**Crédit Agricole Corporate and Investment Bank**
12, Place des Etats-Unis
92547 Montrouge Cedex
France

**BNP PARIBAS**
10 Harewood Avenue
London NW1 6AA
United Kingdom

**ACCOUNT BANK, PAYING AGENT AND LISTING AGENT**
**BNP PARIBAS Securities Services**
3 rue d'Antin
75002 Paris
France

**STATUTORY AUDITOR OF THE ISSUER**
**PricewaterhouseCoopers Audit**
63 rue de Villiers
92208 Neuilly-sur-Seine
France

**LEGAL ADVISERS TO CIFD**
**Jones Day**
2 rue Saint-Florentin
75001 Paris
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**LEGAL ADVISERS TO THE JOINT ARRANGERS,**
**THE JOINT LEAD MANAGERS AND THE HEDGE COUNTERPARTIES**
**White & Case LLP**
19 Place Vendôme
75001 Paris
France

# EUR 710,403,624 ASSET BACKED SECURITIES

# HARMONY FRENCH HOME LOANS FCT 2019-1

**FONDS COMMUN DE TITRISATION**

**EuroTitrisation**

**Management Company**

**BNP PARIBAS Securities Services**

**Custodian**

**Crédit Immobilier de France Développement**

**Seller and Servicer**

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**EUR 650,000,000 Class A Asset Backed Floating Rate Notes due 27 November 2062**
**EUR 24,800,000 Class B Asset Backed Floating Rate Notes due 27 November 2062**
**EUR 35,600,000 Class C Asset Backed Fixed Rate Notes due 27 November 2062**
**EUR 3,624 Asset Backed Residual Units due 27 November 2062**

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**PROSPECTUS**

**29 October 2019**

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**Joint Arrangers and Joint Lead Managers**

BNP PARIBAS

CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK

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**Prospective investors, subscribers and holders of the Listed Notes should review the information set forth in this Prospectus. No dealer, salesperson or other individual has been authorised to give any information or to make any representations not contained in or consistent with this Prospectus in connection with the issue or offering of the Listed Notes and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of BNP PARIBAS, Crédit Agricole Corporate and Investment Bank, CIFD, EuroTitrisation and BNP PARIBAS Securities Services. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.**

**Application has been made to Euronext Paris for the Listed Notes to be listed and admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EC, appearing on the list of regulated markets issued by the European Securities and Markets Authority.**