

IMPORTANT NOTICE

YOU MUST READ THE FOLLOWING BEFORE CONTINUING

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY TO ANY U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED) OR IN OR INTO THE UNITED STATES OR IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO RELEASE, PUBLISH OR DISTRIBUTE THE ATTACHED PRELIMINARY PROSPECTUS

The following disclaimer applies to the preliminary prospectus following this page (the "Preliminary Prospectus"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Preliminary Prospectus. In accessing the Preliminary Prospectus, you agree to be bound by the following terms and conditions, including any modifications made to them at any time, each time you receive any information from us as a result of such access.

Your attention is drawn to the text appearing in red on the cover page of the Preliminary Prospectus, the wording on the inside cover page of the Preliminary Prospectus and the section of the Preliminary Prospectus entitled "Subscription and Sale".

Advertisement. The final prospectus, when published, will be available on (i) the website of the Issuer (www.creditlogement.fr) and (ii) the website of the Luxembourg Stock Exchange (www.bourse.lu).

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION IN WHICH IT IS UNLAWFUL TO DO SO. THE SECURITIES REFERRED TO IN THE PRELIMINARY PROSPECTUS (THE "NOTES") HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN THE SECURITIES ACT) UNLESS REGISTERED UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PRELIMINARY 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 PERSON IN THE UNITED STATES OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. FOR A DESCRIPTION OF THESE AND FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF NOTES, SEE THE SECTION OF THE PRELIMINARY PROSPECTUS ENTITLED "SUBSCRIPTION AND SALE".

Confirmation of your Representation: In order to be eligible to view the Preliminary Prospectus or make an investment decision with respect to the Notes, you must be outside the United States. By accepting the e-mail and accessing the Preliminary Prospectus, you shall be deemed to have represented to us that (i) you and any customers you represent are not located in the United States; (ii) the electronic mail (or e-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, any State of the United States or the District of Columbia; and (iii) you consent to delivery of such Preliminary Prospectus by electronic transmission.

You are reminded that access to the Preliminary Prospectus has been made available to you on the basis that you are a person into whose possession the Preliminary Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Preliminary Prospectus to any other person. The materials relating to the offering of the Notes 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 of the Notes be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering of the Notes shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

The terms of the issue of the Notes described in the Preliminary Prospectus are not yet final and are subject to updating, further detailed negotiation, amendment, verification and completion.

Application has been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market (the "**Euro MTF Market**"). The Euro MTF Market is not a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments, as amended.

Investors should not subscribe for any Notes referred to herein except on the basis of the information contained in the final prospectus (the "**Prospectus**"). Under no circumstances shall the Preliminary Prospectus or this notice constitute or form part of any offer to sell or the invitation or solicitation of an offer to buy nor shall there be any sale of the Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful. The following preliminary prospectus or its distribution may under no circumstance constitute an offer within the meaning of Article 1114 of the French *Code civil*.

Recipients of the Preliminary Prospectus who intend to subscribe for or purchase the Notes are reminded that any subscription or purchase may only be made on the basis of the information contained in the Prospectus.

The attached Preliminary Prospectus may be distributed in France only to qualified investors (*investisseurs qualifiés*) (with the exception of individuals), as defined in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**") and any applicable French laws and related regulations in France.

The communication of the attached Preliminary Prospectus and any other documents or materials relating to the Notes is not being made by, and the attached Preliminary Prospectus and such documents and/or materials have not been approved by, an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**"). Accordingly, the attached Preliminary Prospectus and such documents and/or materials are not being distributed to, and must not be passed to, persons in the United Kingdom save in circumstances where section 21(1) of FSMA does not apply. The communication of the attached Preliminary Prospectus and such documents and/or materials is only being made to those persons in the United Kingdom who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); (ii) high net worth companies, and other persons to whom it

may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**relevant persons**"); or (iii) persons falling within Article 43 of the Order. The Preliminary Prospectus is directed only to relevant persons and must not be acted on, or relied on, by persons who are not relevant persons.

The Preliminary Prospectus has been made available to you in an electronic form. You are reminded that documents made available or transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither BNP Paribas, Cr dit Agricole Corporate and Investment Bank and Soci t  G n rale (the "**Joint Lead Managers**"), nor any person who controls them, nor any director, officer, employee or agent of the Joint Lead Managers, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Preliminary Prospectus made available to you in electronic format and the hard copy version made available to you.

IMPORTANT – PRIIPs Regulation / PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The 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 (the "**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 Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – PRIIPs REGULATION / PROHIBITION OF SALES TO UK RETAIL INVESTORS – The 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 United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority ("**ESMA**") on 5 February 2018 has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the 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 Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION – In connection with Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). Any Notes will only be offered and sold in Singapore in compliance with the SFA.

HONG KONG – Any Notes will only be offered and sold in Hong Kong in compliance with the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

CANADA – The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor. If applicable, pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Joint Lead Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the offering of the Notes.



CRÉDIT LOGEMENT

€[•],000,000 [•] per cent. ordinary subordinated fixed rate resettable notes due 2034

Issue Price: [•] per cent.

This prospectus (the "**Prospectus**") does not constitute a prospectus for the purposes of the Regulation (EU) 2017/1129 of the European Parliament and of the Council dated 14 June 2017, as amended (the "**Prospectus Regulation**"). Accordingly, this Prospectus has not been and will not be submitted for approval to any competent authority within the meaning of the Prospectus Regulation and in particular the Luxembourg *Commission de Surveillance du Secteur Financier* or the French *Autorité des marchés financiers*.

Application has been made to the Luxembourg Stock Exchange, in its capacity as market operator of the Euro MTF Market (the "**Euro MTF Market**") under the rules and regulations of the Luxembourg Stock Exchange, to approve the final Prospectus pursuant to part IV of the Luxembourg law on prospectuses for securities dated 16 July 2019 as amended, supplemented and replaced from time to time. Application has been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market. The Euro MTF Market is not a regulated market for the purposes of 2014/65/EU on markets in financial instruments, as amended.

The €[•],000,000 [•] per cent. ordinary subordinated fixed rate resettable notes due 2034 (the "**Notes**") of Crédit Logement (the "**Issuer**") will be issued on [•] November 2021 (the "**Issue Date**").

So long as the Notes are Qualifying Subordinated Notes (as defined in the "*Terms and Conditions of the Notes – Status*"), their principal and interest constitute and will constitute direct, unconditional, unsecured and subordinated obligations (in accordance with paragraph 5° of Article L.613-30-3 I of the French *Code monétaire et financier* created by Ordinance No.2020-1636 dated 21 December 2020 relating to the resolution regime in the banking sector, implementing Article 48(7) of BRRD II under French law) of the Issuer and will rank (a) *pari passu* without any preference among themselves and (b) *pari passu* with any obligations or instruments of the Issuer that constitute Ordinarily Subordinated Obligations. Subject to applicable law, in the event of any judgement rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire* or *liquidation amiable*) of the Issuer, the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*) in respect of the Issuer or if the Issuer is liquidated for any other reason, the rights of the Noteholders to payment in respect of principal and interest thereon will be (i) subordinated to the full payment of (1) all unsubordinated creditors of the Issuer (2) any subordinated creditor of the Issuer ranking or expressed to rank senior to the Disqualified Subordinated Notes (3) any Disqualified Subordinated Notes issued by the Issuer and (4) Eligible Creditors of the Issuer; and (ii) paid in priority to all *prêts participatifs* granted to the Issuer, all *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées"* i.e. *engagements subordonnés de dernier rang*) (see "*Terms and Conditions of the Notes – Status*").

If the Notes are Disqualified Subordinated Notes (as defined in the "*Terms and Conditions of the Notes – Status*"), their principal and interest will constitute direct, unconditional, unsecured and subordinated obligations (in accordance with paragraph 5° of Article L.613-30-3 I of the French *Code monétaire et financier* created by Ordinance No.2020-1636 dated 21 December 2020 relating to the resolution regime in the banking sector, implementing Article 48(7) of BRRD II under French law) of the Issuer and will rank (a) *pari passu* without any preference among themselves and (b) *pari passu* with any and all instruments that have (or will have) such rank (including for the avoidance of doubt instruments issued on or after 28 December 2020 initially treated as "additional tier 1 capital" or "tier 2 capital" and which subsequently fully lost such treatment). Subject to applicable law, in the event of any judgement rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire* or *liquidation amiable*) of the Issuer, the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*) in respect of the Issuer or if the Issuer is liquidated for any other reason, the rights of the Noteholders to payment in respect of principal and interest thereon will be (i) subordinated to the full payment of all unsubordinated creditors of the Issuer and any subordinated creditor of the Issuer ranking or expressed to rank senior to the Disqualified Subordinated Notes and (ii) paid in priority to Eligible Creditors of the Issuer, Qualifying Subordinated Notes issued by the Issuer, all *prêts participatifs* granted to the Issuer, all *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées"* i.e. *engagements subordonnés de dernier rang*) (see "*Terms and Conditions of the Notes – Status*").

The Notes will bear interest on their principal amount (i) from, and including, [•] November 2021 (the "**Issue Date**") to, but excluding, [•] February 2029 (the "**Reset Date**") at the rate of [•] per cent. *per annum* payable annually in arrear on [•] February in each year, commencing on [•] February 2023, up to and including the Reset Date, provided that there will be a long first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment Date, amounting to €[•] per €100,000 Note and (ii) from and including the Reset Date to but excluding [•] February 2034 (the "**Maturity Date**"), at a rate which shall be equal to the Reset Rate plus the Margin (all as defined hereof), payable annually in arrear on [•] February in each year, commencing on [•] February 2030, up to and including the Maturity Date, all as set out in "*Terms and Conditions of the Notes – Interest*".

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on the Maturity Date. In addition, the Issuer may, at its option but subject to the satisfaction of some conditions which include the prior written approval of the Relevant Regulator (as defined in "*Terms and Conditions of the Notes*"), redeem all, but not some only, of the Notes at their principal amount (together with accrued interest) at any time from and including the First Call Date to and including the Reset Date, or upon the occurrence of a Capital Event or for taxation reasons (see "*Terms and Conditions of the Notes – Redemption and Purchase*").

The Notes will, upon issue, be inscribed in the books (*inscrites en compte*) of Euroclear France ("**Euroclear France**") which shall credit the accounts of the Account Holders (as defined in the "*Terms and Conditions of the Notes – Form, Denomination and Title*") including Clearstream Banking S.A. ("**Clearstream**") and Euroclear Bank SA/N.V. ("**Euroclear**"). The Notes have been accepted for clearance through Euroclear France, Clearstream and Euroclear.

The Notes are issued in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will at all times be represented in book entry form (*dématérialisé*) in compliance with articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The information contained in this Preliminary Prospectus is not complete and is subject to completion or amendment without notice. Under no circumstances shall this Preliminary Prospectus constitute an offer of, or an invitation or solicitation to subscribe or purchase, any of these securities in any jurisdiction in which such offer, invitation, solicitation, subscription or purchase would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. This Preliminary Prospectus constitutes an advertisement and does not comprise a "prospectus" for the purposes of Regulation (EU) 2017/1129 (as amended) or otherwise. The definitive terms of the transaction described herein will be described in the final version of the prospectus. Investors should not subscribe for any securities referred to herein except on the basis of the information contained in the final form of the prospectus.

The Notes are expected to be rated [A1] by Moody's France S.A.S ("**Moody's**") and [A] by DBRS Ratings GmbH ("**DBRS**"). Each of Moody's and DBRS is established in the European Union and is registered under Regulation (EC) No. 1060/2009 on credit ratings agencies, as amended (the "**CRA Regulation**"). Each of Moody's and DBRS is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) as of the date of this Prospectus. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. A revision, suspension, reduction or withdrawal of a rating may adversely affect the market price of the Notes.

Copies of this Prospectus (including Documents Incorporated by Reference) will be available without charge (i) on the website of the Luxembourg Stock Exchange (www.bourse.lu), (ii) on the website of the Issuer (www.creditlogement.fr) and (iii) on request at the principal office of the Issuer or of the Fiscal Agent during normal business hours so long as any of the Notes is outstanding.

See the "**Risk Factors**" section for a description of certain factors which should be considered by potential investors in connection with any investment in the Notes.

GLOBAL COORDINATOR AND STRUCTURING ADVISER

BNP PARIBAS

JOINT BOOKRUNNERS AND JOINT LEAD MANAGERS

BNP PARIBAS

CREDIT AGRICOLE CIB

**SOCIETE GENERALE
CORPORATE & INVESTMENT
BANKING**

This Prospectus does not constitute a prospectus for the purpose of the Prospectus Regulation and has been prepared for the purposes of giving information with regard to the Issuer and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, the rights attaching to the Notes and the reason for the issuance of the Notes and its impact on the Issuer.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference.

This Prospectus may only be used for the purposes for which it has been issued.

This Prospectus does not constitute an offer of, or an invitation or solicitation by or on behalf of the Issuer or the Managers (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions, including Belgium, Canada, Hong Kong, Singapore, the United States, the United Kingdom and the Republic of France, may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers and sales of Notes and distribution of this Prospectus, see "Subscription and Sale" below.

*The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and, subject to certain exceptions, 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 ("**Regulation S**")). By accessing the Prospectus, you represent that you are a non-U.S. person that is outside of the United States. This Prospectus is not for publication, release or distribution in the United States.*

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers. The delivery of this Prospectus at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The Managers have not separately verified the information contained in this Prospectus. None of the Managers makes any representation, warranty or undertaking, express or implied, or accept any responsibility or liability, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the issue and sale of the Notes.

Neither this Prospectus nor any other information supplied in connection with the Notes or their distribution is intended to provide the basis if any credit or other evaluation or should be considered as a recommendation by the Issuer or the Managers that any recipient of this Prospectus or any other information supplied in connection with the Notes or their distribution should purchase any of the Notes.

In making an investment decision regarding the Notes, prospective investors should rely on their own independent investigation and appraisal of the Issuer, its business and the terms of the offering, including the merits and risks involved. 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 Notes.

Potential purchasers and sellers of the Notes 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 jurisdiction where the Notes are transferred or other jurisdictions. Payments of interest and other amounts under the Notes may also be subject to taxation. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for the tax treatment of innovative financial notes such as the Notes. The tax impact on an individual Noteholder may differ from the situation for Noteholders generally. Potential investors are advised to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, disposal and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of the potential investor.

See the "Risk Factors" section for a description of certain factors which should be considered by potential investors in connection with any investment in the Notes.

In this Prospectus, unless otherwise specified or the context requires, references to "euro", "EUR" and "€" are to the single currency of the participating member states of the European Economic and Monetary Union.

In connection with this issue, BNP Paribas (the "Stabilisation Manager") (or any person acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment shall be conducted in accordance with applicable laws and rules.

IMPORTANT – PRIIPs REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS – *The 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 (the "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 Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

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MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – *Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority ("ESMA") on 5 February 2018 has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the 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 Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.*

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION – *In connection with Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). Any Notes will only be offered and sold in Singapore in compliance with the SFA.*

HONG KONG – Any Notes will only be offered and sold in Hong Kong in compliance with the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

CANADA – The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor. If applicable, pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the offering of the Notes.

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

- (i) have sufficient knowledge and experience (i) to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase, sale or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The Notes are complex financial instruments. Sophisticated institutional investors generally purchase complex financial instruments as part of a wider financial structure rather than as standalone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. Neither the Issuer nor the Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the 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.

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RISK FACTORS

The Issuer considers that the risk factors described below are important to make an investment decision in the Notes and/or may alter its ability to fulfil its obligations under the Notes towards investors.

The following describes the main risk factors relating to the Issuer and the Notes that the Issuer considers, as of the date hereof, material for an informed investment decision with respect to investing in the Notes. Investors could lose all or part of their investment. The risks described below are not the only risks the Issuer face and they do not describe all of the risks of an investment in the Notes. The inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations or on an investment in the Notes.

Prior to making an investment decision in the Notes, prospective investors should consider carefully all the information contained or incorporated by reference in this Prospectus, including the risk factors detailed below. In particular, prospective investors, subscribers and holders of Notes must make their own analysis and assessment of all the risks associated to the Notes and the risks related to the Issuer, its activities and financial position. They should also consult their own financial or legal advisors as to the risks entailed by an investment in the Notes and the suitability of such an investment in light of their particular circumstances.

The Notes are being offered to qualified investors only and are not suitable for retail investors. Investors should not purchase the Notes in the primary or secondary markets unless they are professional investors.

RISK FACTORS RELATING TO THE ISSUER

Risks relating to the general economic situation

Due to the fact that the Issuer offers services to the general public, it is exposed to the general risk of a deterioration in its situation as a result of economic recessions, large-scale natural disasters, armed conflict, slowdown of the French, European or world economy, fluctuations in unemployment rates and the consumer credit trend and price competition in the market segments where the Issuer is active. Actual or potential such adverse changes have resulted and could result in particular from a deterioration in credit market conditions, regional or global recessions, fluctuations in commodity prices, increases or decreases in interest rates and inflation or deflation.

Adverse changes in market or economic conditions could create a challenging operating environment for financial institutions in the future. Such adverse changes could result, in particular, from high volatility in commodities prices (including oil), increases in interest rates, adverse geopolitical events (such as natural disasters, acts of terrorism and military conflicts), or a deterioration in credit market conditions. The Issuer faces a number of specific risks, with respect to adverse future market or economic conditions. Financial markets in France, in Europe and elsewhere may decline or experience increased volatility, which could lead to a decline in capital markets transactions, cash inflows and commissions. Adverse economic conditions could reduce demand for loans by borrowers or increase the rate of defaults by borrowers. These developments would adversely affect the Issuers net banking income. Revenues and profitability could also be depressed by market losses in the Issuer's securities portfolio or proprietary positions, all resulting from adverse market and/or economic developments.

In response to the financial crisis, governments and regulators have enacted legislation and taken measures to help stabilise the financial system and increase the flow of credit to the economy. These measures have included the purchase or guarantee of distressed or illiquid assets; government guarantees of debt issued by financial institutions; recapitalisation through the purchase of securities issues by financial institutions. The actual impact of these measures and related actions on the financial markets generally and on the Issuer specifically is uncertain.

Certain countries in Europe currently have large sovereign debts and/or fiscal deficits and this has led to uncertainties in the markets as to whether or not the governments of those countries will be able to pay in full and on time the amounts due in respect of those debts. These concerns have led to significant

spikes in secondary market yields for sovereign debt of the affected countries and also to significant exchange rate volatility, especially with respect to the Euro. Further, the continued concern about the fiscal positions of the governments of the affected countries has also raised concerns regarding the exposures of banks to such countries, especially banks domiciled within Europe. These concerns may lead to such banks being unable to obtain funding in the interbank market or inter bank funding may become available only at elevated interest rates, which may cause such banks to suffer liquidity stress and potentially insolvency. If this were to happen, investors may suffer market value losses in respect of the Notes.

Regulatory, legal and tax risk

The Issuer is also exposed to the risk of regulatory changes. Regulatory risk is the risk of non-compliance or inability to comply fully with applicable regulations. Any general changes to regulatory requirements in particular with respect to prudential rules in relation to capital adequacy or financial reporting, could entail costs which may have a negative impact on profitability.

The Issuer's activity may be affected, even to a major extent, by measures or decisions in particular disciplinary, tax, administrative or judicial measures or decisions taken by the regulatory authorities, governments or courts. Such measures or decisions may also affect the reputation and impair the competitiveness of the Issuer.

The failure to manage the risks associated with changes in taxation rates or law, or misinterpretation of the law, could materially and adversely affect the Issuer's results of operations, financial condition and prospects.

The nature and impact on the Issuer and subordinated notes issued by it of futures changes in regulatory, legal and tax rules and regulatory action are unpredictable and are beyond the Issuer's control. Such changes could include but are not limited to, the following:

- general changes in regulatory requirements such as prudential rules relating to capital adequacy;
- changes in government or regulatory policy that may significantly influence investor decisions in particular in France;
- changes in rules and procedures relating to internal control;
- changes in pricing practices and in the competitive environment;
- any adverse change in the political environment creating instability or an uncertain legal situation capable of affecting the demand for the products and services offered by the Issuer; and
- exchange controls or nationalisation.

Changes in governmental policy and regulations, including:

- the monetary, interest rate and other policies of central banks and bank and other regulatory authorities, including the Luxembourg CSSF (*Commission de Surveillance du Secteur Financier*), the French financial markets authority (*Autorité des Marchés Financiers - AMF*), the French *Autorité de Contrôle Prudentiel et de Résolution (ACPR)*, the *Banque de France*, the European Central Bank and the central banks of other leading economies and markets where the Issuer operates;
- initiatives by national regulatory agencies or legislative bodies to revise practices, pricing or responsibilities of financial institutions serving their consumer markets;

- other unfavourable political or diplomatic developments producing social instability or legal uncertainty which in turn may affect demand for the Issuer's products and services;
- the costs, effects and outcomes of regulatory reviews, actions or litigation, including any additional compliance requirements;
- changes in legislation in the principal markets in which the Issuer operates, in particular the French property market, and the consequences thereof;
- the activity of the Issuer depends on the evolution of the French property market and the developments of the mortgage market in France; and
- a decrease of the mortgage cost.

Operational risk

Due to its size, its single-product business, the very small number of transactions deriving from its cash management activity and its governance choices, Crédit Logement has opted for the "standardized" method to cover operational risks.

Among those identified from the outset, the greatest risks remain those related to IT, hosting and the security of information systems, as well as the unavailability of premises or personnel.

Two specific committees regularly monitor these risks, and Executive Management receives reports on the monitoring of security indicators.

Crédit Logement has implemented a system for collecting and measuring operational risk events, mainly on a reporting basis, with quarterly monitoring. 17 risk events were reported in 2020 (compared with 35 in 2019), which were mainly related to the information system. These were classified as minor incidents, below the criticality threshold applied by the company.

Beyond a strictly financial and regulatory approach, Crédit Logement is taking advantage of this procedure to improve its processes and increase their reliability. In 2020, a vulnerability assessment was carried out in which a cyber-attack was simulated to test the effectiveness of security measures. No critical flaws were detected.

The host of the recovery site used in the Contingency and Business Continuity Plan (*PUPA – Plan d'Urgence et de Poursuite d'Activité*) handles the unavailability of premises and of the entire local network. A new IS infrastructure, rolled out in 2020, included two mirror sites with real time replication, so that either one may serve as a back-up site. This also means that depending on the scenarios to be covered, the sites at numbers 50 and 84D boulevard de Sébastopol may also serve as user fallback sites in addition to the fallback site integrated into the BCP.

In the event of a major incident, the objective is to ensure, within 24 hours of unavailability, the continued processing of guarantee applications and, in the following days, the continued processing of debt collection and account keeping.

These mechanisms are tested twice a year to verify that they are operational. Technical tests on the back-up platform are supplemented by tests carried out directly by users to ensure the correct functioning of "business line" applications, alongside remote staff log-in tests, validating a two-fold increase in available staffing capacities in the event of a large-scale event.

From the first day of the lockdown in March 2020, all members of staff who were able to work remotely had secure access to Crédit Logement's entire IT environment from their homes.

The continuity of services provided by contractors (particularly facilities management for the main site, extranet application hosting, etc.) is covered by a contractual warranty in the form of disaster recovery plans.

These disaster recovery plans rely on back-up sites that are geographically separate from the contractors' main sites and undergo annual technical tests verified by Crédit Logement.

The capital requirement for operational risk stood at €28 million as at 31 December 2020.

Liquidity risk management and the liquidity ratio

Crédit Logement's liquidity risk is very specific, since the residential loan guarantee business generates liquidity. A liquidity risk could therefore arise only from a mismatch between its cash investment policy and the requirements resulting from its surety role.

For the management of this liquidity risk, an extreme stress test was developed regarding the loss experience of the guarantee portfolio. This is applied as long as it remains sufficiently conservative relative to the latest known risk parameters. At the end of 2020, this extreme stress scenario included a deterioration of the risk parameters that would lead to a more than fivefold increase in expected losses on sound debt at the peak of the stress, and delays in recovering certain liquid assets.

Crédit Logement makes liquid investments but must ensure that its gap under extreme stress is still positive. However, since 2015, plots above three years may be negative up to a maximum of €100 million.

Crédit Logement's internal model for managing liquidity risk, which is based mainly on this extreme stress scenario and on several liquidity indicators in various timeframes (day, month, quarter), was approved in May 2011 by the *Autorité de contrôle prudentiel et de résolution* and, as required, showed a still-positive gap over the first three years as at 31 December 2020.

The 2020 public health crisis and lockdown measures did not have a notable impact on liquidity. During the first lockdown, Crédit Logement observed that cash inflows fell sharply but never stopped. Crédit Logement has applied three COVID-19 scenarios to the liquidity gap using distinct parameters, such as GDP and the unemployment rate. None of the three scenarios is as restrictive as the combined stress test corresponding to our internal liquidity model. This test assumed a complete halt in loan production, which did not occur, even during the first lockdown.

The emergency response plan in place to handle a liquidity crisis was tested in 2020 and the outcome of the test was satisfactory.

Overall interest rate risk management

Crédit Logement's objective is first to manage its liquidity risk and then to minimise its overall interest rate risk, made up in particular of a long-term resource, the mutual guarantee fund, and investments made under liquidity stress scenarios.

Its net interest margin, consisting exclusively of the margin on the management and investment of its regulatory capital, which includes the mutual guarantee fund in particular, is therefore sensitive above all to interest rate variations, earning a higher margin when rates are high, although low rates are more favourable to the business of guaranteeing property loans.

Crédit Logement measures and manages its interest rate risk with an overall rate gap, so that it can gauge the impact of an interest-rate stress scenario, both on its net interest margin and on the Net Present Value (NPV) of its balance sheet, assuming the straight-line amortization of book equity over a period of 10 years. In particular, the regulatory stress test of a 200bp change across the entire rate curve

is applied, on the basis of a floor rate equivalent to the ECB overnight deposit rate, and a limit has been set for the sensitivity of NPV to this stress. Other Basel-recommended scenarios relating to interest rate risk sensitivity have been simulated. The regulatory stress test involving a 200bp decline in the rate curve stands out as the most adverse scenario.

As at 31 December 2020, the sensitivity of NPV over 10 years in the event of a 200bp drop in interest rates corresponded to -2,6% of the share capital after taking into account the macro-hedging swap portfolio.

The Basel Committee on Banking Supervision issued standards for "Interest Rate Risk in the Banking Book" (IRRBB) in April 2016, which were incorporated into the European Banking Authority ("EBA") guidelines EBA/GL/2018/02. Crédit Logement, which falls into category 3 of the "Supervisory Review and Evaluation Process" (SREP), has been subject to these standards since 31 December 2019 and complies with all applicable limits relating to the EBA guidelines. The outlier test calculation at 31 December 2020 pointed to a maximum variation of 0.76% in total capital under an interest rate shock scenario of +200bp when the maximum loss in the economic value of equity was compared to 20% of total capital. With the early warning system, the maximum variation under the six interest rate shock scenarios was 1.60% when the maximum loss in the economic value of equity was compared to 15% of Tier 1 capital.

Following changes to the regulations, the outlier test and early warning system are the new supervision limits for interest rate risk management, and the sensitivity of the NPV has been retained as an operational limit.

Market risk, counterparty risk and other risks

At the end of 2020, Crédit Logement did not hold any instruments classified as isolated open positions or in a trading book. Crédit Logement is therefore not subjected to market risk.

Crédit Logement does not manage any means of payment for third parties and therefore has no counterparty risk in this respect.

There is only a counterparty risk in relation to financial futures (interest rate swaps all categorised under micro or macro hedging) for which Crédit Logement applies the regulatory initial maturity approach.

Other than this investment and the two subsidiaries described hereafter, Crédit Logement does not have any other shareholdings. Therefore, Crédit Logement has no "equities" risk.

Real estate market risk

The Issuer is also exposed notably to:

- illiquidity and downward price pressure in France and Euro zone real estate markets, particularly consumer-owned real estate markets;
- recessions and employment fluctuations; and
- consumer perception as to the continuing availability of credit, and price competition in the market segments served by the Issuer.

EU Resolution and Recovery Directive

Directive 2014/59/EU of the European Parliament and of the Council of the European Union of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**"), as amended by Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 ("**BRRD II**", and together with the Bank Recovery and Resolution Directive, "**BRRD**") is designed to provide 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.

While the implementation of the Bank Recovery and Resolution Directive into French law has been made by three texts of legislative nature:

- the banking law dated 26 July 2013 regarding the separation and the regulation of banking activities (*loi de séparation et de régulation des activités bancaires*) (as modified by the *ordonnance* dated 20 February 2014 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*)) (the "**Banking Law**") implementing partially the Bank Recovery and Resolution Directive in anticipation;
- the *Ordonnance* No. 2015-1024 dated 20 August 2015 (*Ordonnance n°2015-1024 du 20 août 2015 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (the "**Ordonnance**"), published in the Official Journal of the French Republic dated 21 August 2015, which has introduced various provisions amending (among others, crisis prevention and management measures applicable to credit institutions provided for in Articles L.613-48 *et seq.* of the French *Code monétaire et financier*) and supplementing the Banking Law to adapt French law to the Bank Recovery and Resolution Directive; and
- the ratification of the *Ordonnance* by law no. 2016-1691 dated 9 December 2016 (*Loi n° 2016-1691 du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*) which also incorporates provisions which clarify the implementation of the Bank Recovery and Resolution Directive.

BRRD II was transposed under French law by Ordinance n°2020-1636 of 20 December 2020 relating to the resolution regime in the banking sector and Decree n°2020-1703 of 24 December 2020 relating to the resolution regime in the banking sector and took effect from 28 December 2020.

BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe and (c) a resolution action is necessary in the public interest:

- **sale of business** – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms;
- **bridge institution** – which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control);
- **asset separation** – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and
- **bail-in** – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims to equity, which equity

could also be subject to any future cancellation, transfer or dilution by application of the bail-in tool (the "**bail-in tool**").

BRRD also provides the right for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances). If the Issuer is determined to be failing or likely to fail within the meaning of, and under the conditions set by BRRD, and the relevant resolution authority (expected to be the ACPR) applies any, or a combination, of the BRRD resolution tools referred to above (e.g. sale of business, creation of a bridge institution, asset separation or bail-in), any shortfall from the sale of the Issuer's assets may lead to a partial reduction in the outstanding amounts of certain claims of unsecured creditors of the Issuer (including the Notes), or, in a worst case scenario, a reduction to zero. The unsecured debt claims of the Issuer (including the Notes) might also be converted into equity or other instruments of ownership, in accordance with the hierarchy of claims in normal insolvency proceedings, which equity or other instruments could also be subject to any future cancellation, transfer or dilution (such reduction or cancellation being first on common equity tier one instruments, thereafter the reduction, cancellation or conversion being on additional tier one instruments issued before 28 December 2020 and additional tier one instruments issued after 28 December 2020 so long as they remain fully or partly qualified as such, then tier two instruments issued before 28 December 2020 and tier two instruments issued after 28 December 2020 so long as they remain fully or partly qualified as such (including the Notes, , as long as the Notes constitute fully or partly, tier two instruments for regulatory purposes) and other subordinated debts other than capital instruments, then other eligible liabilities. The relevant resolution authority may also seek to amend the terms (such as variation of the maturity) of any outstanding unsecured debt securities (including the Notes) as further described in Condition 15 (*Recognition of Bail-in and Loss Absorption*).

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. The exercise of any power under the BRRD or any suggestion of such exercise could materially adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. In addition, where the Issuer's financial condition deteriorates, the existence or the actual exercise of write-down/conversion powers by the relevant resolution authority (together with the existence or the actual exercise of the general bail-in tool and the other resolution measures) could cause the market price or value of the Notes to decline more rapidly than would be the case in the absence of such powers.

As far as the *sociétés de financement* are concerned, the Issuer qualifying as such under French law, they are not subject as such to the resolution measures and proceedings referred to above. However, Article L.613-34 II of the French *Code monétaire et financier* specifies that some *sociétés de financement* that represent a threat to the financial stability may be required, by the *collège de supervision* of the ACPR, after approval of the *collège de résolution*, to draw up and maintain a recovery plan (*plan préventif de rétablissement*), that will allow the *collège de résolution* of the ACPR to draw up a resolution plan (*plan préventif de résolution*) pursuant to, and in accordance with, Article L.613-38 of the French *Code monétaire et financier*. Both of these plans may provide for the implementation of one or several resolution tools referred to above. The Issuer, as a *société de financement* representing a specific risk for the financial stability according to the French supervisory authority, has been asked by the *collège de supervision* of the ACPR to draw up a recovery plan (*plan préventif de rétablissement*). The Issuer has filed such recovery plan with the ACPR in September 2020, which has been approved by the *collège de résolution* of the ACPR as competent supervisory authority.

RISK FACTORS RELATING TO THE NOTES

1. General Risks relating to the Notes

Modification and waiver

Noteholders will be grouped automatically for the defence of their common interests in a Masse, as defined in Condition 10 (*Representation of the Noteholders*) of the Terms and Conditions of the Notes, and Collective Decisions can be adopted.

Noteholders may through Collective Decisions, adopt any proposal of resolutions relating to the modification of the Terms and Conditions of the Notes, notably on any proposal, whether for arbitration or settlement, relating to rights in controversy or which were subject of judicial decisions, as more fully described in Condition 10 (*Representation of the Noteholders*). The Terms and Conditions of the Notes permit in certain cases defined majorities of Noteholders to bind all Noteholders including Noteholders who did not attend and vote at the relevant general meeting and Noteholders who voted in a manner contrary to the majority. Noteholders investing in the Notes may therefore be bound by collective decisions to which they have not participated or for which they expressed a view to the contrary. If a decision is adopted by a majority of Noteholders and such modifications were to impair or limit the rights of the Noteholders, this may have a negative impact on the market value of the Notes.

The actual yield of the Notes may be reduced by transaction costs

When the Notes are purchased or sold, several types of incidental costs are incurred in addition to the current price of the Notes (including transaction fees, commissions and any additional or follow-up costs in connection with the purchase, custody or sale of the Notes) which may significantly reduce or even exclude the potential profit of the Notes.

Exchange rate risks and exchange controls

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

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

This may result in a significant loss on any capital invested from the perspective of an investor whose domestic currency is not the Euro.

Liquidity risks and market value of the Notes

The development or continued liquidity of any secondary market for the Notes will be affected by a number of factors such as general economic conditions, political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes or the reference rate are traded, the financial condition and the creditworthiness of the Issuer, and the value of any applicable reference rate, as well as other factors such as the complexity and volatility of the

reference rate, the method of calculating the return to be paid in respect of such Notes, the outstanding amount of the Notes, any redemption features of the Notes and the level, direction and volatility of interest rates generally. Such factors also will affect the market value of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and in certain circumstances such investors could suffer loss of their entire investment.

No active secondary market

The Notes may be designed for specific investment objectives or strategies and therefore may have a more limited secondary market and experience more price volatility than conventional debt securities.

In addition, investors may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield. No investor should purchase Notes unless the investor understands and is able to bear the risk that the Notes will not be readily sellable, that the value of Notes will fluctuate over time and that such fluctuations will be significant.

The price at which a Noteholder will be able to sell the Notes prior to redemption by the Issuer may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The Issuer is entitled to buy the Notes, which shall then be cancelled or caused to be cancelled, and to issue further Notes which may or may not be assimilated to the Notes. Such transactions may favorably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

Potential Conflicts of Interest

Certain of the Managers, the Calculation Agent and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Managers, the Calculation Agent and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Managers or of the Calculation Agent, or their respective affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers, Calculation Agent and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of Notes. The Managers, the Calculation Agent and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In addition, one or more of the Managers are shareholders of the Issuer and the entry into the Subscription Agreement (as defined in section "*Subscription and Sale*" below) by such Managers has been authorised by a special resolution of the Board of Directors (*conseil d'administration*) of the Issuer in accordance with the provisions of the French *Code de commerce*.

Taxation

Potential purchasers and sellers of the Notes 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 jurisdiction 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 such 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, disposal and redemption of the Notes. Only this adviser is 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.

French Insolvency Law

The Issuer is a *société anonyme* with its corporate seat in France. In the event that the Issuer becomes insolvent, insolvency proceedings will be generally governed by the insolvency laws of France to the extent that, where applicable, the "centre of main interests" (as construed under Regulation (EU) 2015/848, as amended) of the Issuer is located in France.

The Directive (EU) 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 has been transposed into French law by the *Ordonnance* 2021-1193 dated 15 September 2021. Such *ordonnance*, applicable as from 1st October 2021, amends French insolvency laws notably with regard to the process of adoption of restructuring plans under insolvency proceedings. According to this *ordonnance*, "affected parties" (including notably creditors, and therefore the Noteholders) shall be treated in separate classes which reflect certain class formation criteria for the purpose of adopting a restructuring plan. Classes shall be formed in such a way that each class comprises claims or interests with rights that reflect a sufficient commonality of interest based on verifiable criteria. Noteholders will no longer deliberate on the proposed restructuring plan in a separate assembly, meaning that they will no longer benefit from a specific veto power on this plan. Instead, as any other affected parties, the Noteholders will be grouped into one or several classes (with potentially other types of creditors) and their dissenting vote may possibly be overridden (i) by a cram down inside their class if grouped with other creditors or (ii) by a cross-class cram down between classes.

Both the scopes of the Directive (EU) 2019/1023 and the *ordonnance* do not cover financial institutions, unless the competent authority chooses to make them applicable. In such a case, the application of French insolvency law to a *société de financement* as the Issuer is also subject to the prior permission of the *Autorité de contrôle prudentiel et de résolution* before the opening of any safeguard, judicial reorganisation or liquidation procedures. This limitation will affect the ability of the Noteholders to recover their investments in the Notes.

Should such proceedings be opened, the commencement of insolvency proceedings against the Issuer would have a material adverse effect on the market value of Notes issued by the Issuer. As a consequence, any decisions taken by a class of affected parties could negatively and significantly impact the Noteholders and cause them to lose all or part of their investment, should they not be able to recover all or part of the amounts due to them from the Issuer.

2. Risks relating to the structure of the Notes

The Notes are subordinated obligations and are junior to certain obligations

The Notes constitute subordinated obligations of the Issuer. So long as the Notes are Qualifying Subordinated Notes (as defined in the "*Terms and Conditions of the Notes – Status*"), their principal and interest constitute and will constitute direct, unconditional, unsecured and subordinated obligations (in accordance with paragraph 5° of Article L.613-30-3 I of the French *Code monétaire et financier* created by Ordinance No.2020-1636 dated 21 December 2020 relating to the resolution regime in the banking sector, implementing Article 48(7) of BRRD II under French law) of the Issuer and will rank (a) *pari passu* without any preference among themselves and (b) *pari passu* with any obligations or instruments of the Issuer that constitute Ordinarily Subordinated Obligations. Subject to applicable law, in the event of any judgement rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire* or *liquidation amiable*) of the Issuer, the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer subsequent to the opening of a judicial recovery procedure (*redressement*

judiciaire) in respect of the Issuer or if the Issuer is liquidated for any other reason, the rights of the Noteholders to payment in respect of principal and interest thereon will be (i) subordinated to the full payment of (1) all unsubordinated creditors of the Issuer (2) any subordinated creditor of the Issuer ranking or expressed to rank senior to the Disqualified Subordinated Notes (3) any Disqualified Subordinated Notes issued by the Issuer and (4) Eligible Creditors of the Issuer; and (ii) paid in priority to all *prêts participatifs* granted to the Issuer, all *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées" i.e. engagements subordonnés de dernier rang*) (see "*Terms and Conditions of the Notes - Status*").

If the Notes are Disqualified Subordinated Notes (as defined in the "*Terms and Conditions of the Notes – Status*"), their principal and interest will constitute direct, unconditional, unsecured and subordinated obligations (in accordance with paragraph 5° of Article L.613-30-3 I of the French *Code monétaire et financier* created by Ordinance No.2020-1636 dated 21 December 2020 relating to the resolution regime in the banking sector, implementing Article 48(7) of BRRD II under French law) of the Issuer and will rank (a) *pari passu* without any preference among themselves and (b) *pari passu* with any and all instruments that have (or will have) such rank (including for the avoidance of doubt instruments issued on or after 28 December 2020 initially treated as "additional tier 1 capital" or "tier 2 capital" and which subsequently fully lost such treatment). Subject to applicable law, in the event of any judgement rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire* or *liquidation amiable*) of the Issuer, the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*) in respect of the Issuer or if the Issuer is liquidated for any other reason, the rights of the Noteholders to payment in respect of principal and interest thereon will be (i) subordinated to the full payment of all unsubordinated creditors of the Issuer and any subordinated creditor of the Issuer ranking or expressed to rank senior to the Disqualified Subordinated Notes and (ii) paid in priority to Eligible Creditors of the Issuer, Qualifying Subordinated Notes issued by the Issuer, all *prêts participatifs* granted to the Issuer, all *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées" i.e. engagements subordonnés de dernier rang*) (see "*Terms and Conditions of the Notes - Status*").

Article 48(7) of BRRD II provides that Member States of the EEA shall ensure that all claims resulting from own funds instruments, as defined by the CRR (as defined in the Terms and Conditions of the Notes) (the "**Own Funds**") such as the Notes for so long as they qualify as Own Funds, have, in normal insolvency proceedings, a lower priority ranking than any claim that does not result from Own Funds. Article L.613-30-3 I of the French *Code monétaire et financier* as amended by Ordinance No.2020-1636 dated 21 December 2020 relating to the resolution regime in the banking sector has implemented Article 48(7) of BRRD II under French law. Consequently, should the principal and interest of subordinated notes issued by the Issuer on or after 28 December 2020 be fully excluded from Tier 2 Capital (as defined in the Terms and Conditions of the Notes), claims related to such subordinated notes shall have a higher priority ranking than the Notes. As a result, subordinated notes or other capital instruments (including instruments initially ranking lower than subordinated notes, such as additional tier 1 instruments) issued after 28 December 2020 will, if they are no longer recognized as capital instruments, change ranking so they will rank senior to the Notes.

As a consequence, if any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, in the event of the voluntary liquidation (*liquidation amiable*) of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of holders of the Notes will be subordinated to the payment in full of present and future unsubordinated creditors or other creditors whose claim ranks in priority to the Notes and any other present and future creditors whose claims rank senior to the Notes (including instruments initially ranking junior to the Notes such as additional tier 1 instruments – issued after 28 December 2020 which are no longer fully or partly recognised as Capital Instruments) and which have, consequently, changed ranking and, consequently, the risk of non-payment for the Notes which are recognized as capital instruments would be increased. In the event of incomplete payment of unsubordinated creditors or other creditors whose claim ranks in priority to the Notes on the liquidation of the Issuer, the obligations of the Issuer in connection with the Notes will be terminated by operation of law and noteholders will lose their investment in the Notes.

There are no events of default under the Notes

Because of the Tier 2 nature of the Notes, in contrast to most senior debt securities, the Terms and Conditions of the Notes do not provide for events of default allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of judicial proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it, therefore, investors may lose all or part of their investment. As a result, the value of the Notes or liquidity on the secondary market may be negatively affected.

No limitation on issuing or guaranteeing debt ranking senior or "pari passu" with the Notes and no negative pledge

There is no restriction on the amount of debt which the Issuer may issue or guarantee. The Issuer may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* or senior to the obligations under and in connection with the Notes. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including deferral of interest and, if the Issuer were liquidated (whether voluntarily or not), the Noteholders could suffer loss of their entire investment.

In addition, the Notes do not contain any "negative pledge" or similar clause, meaning that the Issuer may pledge its or their assets to secure other obligations without granting similar security in respect of the Notes.

Restrictions on redemption may delay the effective redemption date

The Notes may not be redeemed or purchased by the Issuer pursuant to any of the redemption and purchase provisions referred to in Condition 5 of the Terms and Conditions of the Notes unless the Conditions to redemption and purchase of the Notes set out in Condition 5(g) are satisfied. The satisfaction of the Conditions to redemption and purchase of the Notes may delay the date on which the Notes are effectively redeemed or purchased and such delay may have a material adverse effect on the value of the Notes.

Early redemption risk

Subject to the satisfaction of the Conditions to Redemption and Purchase set out in Condition 5(g), the Issuer may, at its option, redeem the Notes in whole, but not in part, at any time from and including the First Call Date (*i.e.* [•] November 2028) to and including the Reset Date (*i.e.* [•] February 2029).

The Issuer may also, at its option but subject to the satisfaction of the Conditions to Redemption and Purchase set out in Condition 5(g) which include, in particular, the prior written approval of the Relevant Regulator, redeem the Notes upon the occurrence of certain events, including a Special Tax Event, a Withholding Tax Event, a Tax Deductibility Event or a Capital Event, all as further described in "*Terms and Conditions of the Notes - Redemption and Purchase*".

Such redemption options will be exercised at the principal amount of the Notes together with interest accrued to the date of redemption.

The redemption of the Notes at the option of the Issuer may affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to the First Call Date.

The Issuer may also be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At the relevant time, Noteholders may not be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Notes. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Issuer is not required to redeem the Notes in the case of a Special Tax Event

There is uncertainty as to whether gross-up obligations in general, including those under the Terms and Conditions of the Notes, are enforceable under French law. If any payment obligations under the Notes, including the obligations to pay additional amounts under Condition 7, are held illegal or unenforceable under French law, the Issuer will have the right, but not the obligation, to redeem the Notes. Accordingly, if the Issuer does not redeem the Notes upon the occurrence of a Special Tax Event as defined in the Terms and Condition of the Notes, such Noteholders may receive less than the full amount due, and the market value of such Notes will be adversely affected.

Credit ratings may not reflect all risks

The Notes are expected to be rated [A1] by Moody's France S.A.S. ("**Moody's**") and [A] by DBRS Ratings GmbH ("**DBRS**"). The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. A revision, suspension or withdrawal or a rating may adversely affect the market price of the Notes. In particular, such suspension, revision or withdrawal of a credit rating may result from a change in the rating methodology or the assigning rating agency. In addition, rating agencies other than Moody's and DBRS could seek to rate the Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Notes by Moody's and DBRS, those unsolicited ratings could have an adverse effect on the value and the marketability of the Notes.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

Any decline in the credit ratings of the Issuer may affect the market value of the Notes

Moody's and DBRS have respectively assigned a Aa3 Stable and a AA Low Stable long-term senior, unsecured debt rating to the Issuer. Moody's and DBRS or any other rating agency may change its methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered or withdrawn, this may have a negative impact on the trading price of the Notes.

The Terms and Conditions of the Notes include a waiver of set-off rights

By subscribing or acquiring Notes, each Noteholder shall be deemed to have irrevocably waived any actual and potential right of or claim to deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Notes at any time (for the avoidance of doubt, both before and during any winding-up, liquidation or administration of the Issuer)

to the fullest extent permitted by applicable law. Subject to applicable law, no Noteholder who is indebted to the Issuer will be entitled to exercise any right of set-off or counterclaim against moneys owed to the Issuer in respect of such indebtedness.

As contemplated in Condition 12 (*Waiver of Set-Off*) of the Terms and Conditions of the Notes, no holder of any Note may at any time exercise or claim any set-off right against any right, claim, or liability the Issuer has or may have or acquire against such holder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort, whether or not relating to the Notes) and each such holder shall be deemed to have waived all set-off right to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities.

As a result, holders of the Notes will not at any time be entitled to set-off the Issuer's obligations under the Notes against obligations owed by them to the Issuer, and more generally to exercise or claim any set-off right.

Such impossibility to exercise any set-off right could have an adverse effect on the ability of Noteholders to receive payments by the Issuer of its debts under the Notes and Noteholders could receive a lower return on their investments in the Notes.

Interest rate risk

The Notes bear interest at a fixed rate of [•] per cent. *per annum* from (and including) the Issue Date, to (but excluding) the Reset Date, therefore investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Following the Reset Date, interest on the Notes shall be calculated (as defined in the Terms and Conditions of the Notes) on the basis of the mid-swap rate for Euro swap transactions with a maturity of five (5) years. The Reset Rate will be determined two (2) Business Days before the Reset Date and as such is not pre-defined at the date of issue of the Notes. The degree to which the mid swap rates for Euro swap transactions with a maturity of five (5) years may vary is uncertain. The Reset Rate may be different from the initial Rate of Interest and may adversely affect the yield of the Notes to maturity and result in a reduced market value of the Notes if an investor were to dispose of the Notes.

In addition, due to the varying interest income on the Notes, potential investors are not able to determine a definite yield of the Notes at the time they purchase the Notes and accordingly their return on investment cannot be compared with that of investments having longer fixed interest periods.

Reform and regulation of "benchmarks" may adversely affect the value of the Notes

Interest on the Notes before the Reset Date is calculated at a fixed rate. Following the Reset Date, interest on the Notes shall be calculated on the basis of the Reset Rate plus the applicable margin. The Reset Rate and the 6 month EURIBOR rate (on which the floating leg of the Reset Rate is based) constitute benchmarks for the purposes of Regulation (EU) 2016/1011, as amended (the "**Benchmarks Regulation**").

The Benchmark Regulation applies to "contributors", "administrators" and "users" of "benchmarks" in the EU, and will, among other things, (i) require 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" (or, if non EU based, to be subject to equivalent requirements) and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non EU based, deemed equivalent or recognised or endorsed).

Notwithstanding the provisions of Condition 4(e) (*Benchmark Discontinuation*) which seek to offset any adverse effects for the Noteholders, the Benchmarks Regulation could have an adverse effect on their market value and return if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the Reset Rate.

More broadly, any of the international, national or other proposals for reform or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". Any of the foregoing changes and their potential consequences, as a result of international, national or other reforms, or investigations, could have an adverse effect on the market value of, and return on, the Notes.

The Terms and Conditions of the Notes provide that the Reset Rate shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where the Reset Rate (as defined in the Terms and Conditions of the Notes) is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available. Where the Relevant Screen Page is not available (such non availability not being due to a Benchmark Event), and no successor or replacement for the Relevant Screen Page is available, the Terms and Conditions of the Notes provide for the Reset Rate to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent. If such quotations are not available, the Reset Rate shall be equal to the last Reset Rate available on the Relevant Screen Page.

Risks relating to a Benchmark Event

Pursuant to Condition 4(e) (*Benchmark Discontinuation*), in the event of a "Benchmark Event", the Issuer will (at its own cost) appoint an Independent Adviser (as defined in Condition 4(e) (*Benchmark Discontinuation*)). The Independent Adviser shall endeavour to determine a successor or replacement rate and, acting in a commercially reasonable manner, to make necessary changes (if any) to the Terms and Conditions of the Notes (including, without limitation, to the business day convention, the definition of Business Day, the Reset Rate Determination Date, the day count fraction, and any method for obtaining the Replacement Reset Rate, including any adjustment factor needed to make such Replacement Reset Rate comparable to the Reset Rate (including any Adjustment Spread)).

Such Replacement Reset Rate will (in the absence of manifest error) be final and binding, and no consent of the Noteholders shall be required in connection with effecting any replacement rate, any other related adjustments and/or amendments to the Terms and Conditions of the Notes (or any other document) which are made in order to effect such Replacement Reset Rate.

The Replacement Reset Rate may have no or very limited trading history and accordingly its general evolution and/or interaction with other relevant market forces or elements may be difficult to determine or measure. In addition, given the uncertainty concerning the availability of a successor or replacement rate and the involvement of the Independent Adviser, the fallback provisions may not operate as intended at the relevant time and the successor or replacement rate may perform differently from the Reset Rate. Any adjustment factor applied to the Notes may not adequately compensate such impact. This could in turn have a negative effect on the rate of interest on and trading value of the Notes.

Notwithstanding any other provision of Condition 4(e), no Replacement Reset Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any other related adjustments and/or amendments to the Terms and Conditions of the Notes be made, if and to the extent that (i), in the determination of the Issuer, the same could reasonably be expected to result in the Notes no being further

treated as Tier 2 Capital for regulatory purposes or (ii) the Issuer determines that the replacement of the Reset Rate with the Replacement Reset Rate or any other amendment to the Terms and Conditions of the Notes necessary to implement such replacement would result in the Relevant Regulator (as defined below) treating the Reset Date as the effective maturity date of the Notes, rather than the Maturity Date.

If the Issuer is unable to appoint an Independent Adviser prior to the IA Determination Cut-off Date or if the Independent Adviser is unable to or otherwise does not advise the Issuer a Replacement Reset Rate for the Reset Rate Determination Date, no Replacement Reset Rate or any other successor, replacement or alternative benchmark or screen rate will be adopted and the Reset Rate for the relevant Interest Period will be equal to the last Reset Rate available on the Relevant Screen Page. Investor in Notes may, in such circumstances, be materially affected and receive a lower interest as they would have expected if an Independent Adviser had been appointed or if such Independent Adviser had not failed to determine the Replacement Reset Rate.

INCORPORATION BY REFERENCE

This Prospectus shall be read and construed in conjunction with the following documents which have been previously published and that have been filed with the Luxembourg Stock Exchange and shall be incorporated by reference in, and form part of, this Prospectus (together, the "**Documents Incorporated by Reference**"):

- (a) the Issuer's 2020 annual report in the French language relating to its financial year ended on 31 December 2020 (the "**2020 Annual Report**"), and
- (b) the Issuer's 2019 annual report in the French language relating to its financial year ended on 31 December 2019 (the "**2019 Annual Report**"),

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

Copies of the Documents Incorporated by Reference are available without charge (i) on the website of the Luxembourg Stock Exchange (www.bourse.lu) (ii) on the website of the Issuer (www.creditlogement.fr) and (iii) on request at the principal office of the Issuer or of the Fiscal Agent during normal business hours so long as any of the Notes is outstanding.

Free English translations of the 2020 Annual Report and of the 2019 Annual Report are available on the website of the Issuer (www.creditlogement.fr). These documents are available for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are French language versions.

Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Prospectus (including, for the avoidance of doubt, any information on the websites which appear in the documents incorporated by reference) refers does not form part of this Prospectus.

The information incorporated by reference in this Prospectus shall be read in connection with the cross reference list below. Any information not listed in the following cross-reference lists but included in the Documents Incorporated by Reference in this Prospectus is given for information purposes only.

Cross-reference list

INFORMATION INCORPORATED BY REFERENCE	REFERENCE
FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
<u>Issuer's audited annual financial statements for the year ended 31 December 2019</u>	
- Balance sheet	2019 Annual Report page 37
- Profit and loss Account	2019 Annual Report page 38
- Notes	2019 Annual Report pages 44 to 70
- Auditor's report relating to the above	2019 Annual Report pages 39 to 43

<u>Issuer's audited annual financial statements for the year ended 31 December 2020</u>	
- Balance sheet	2020 Annual Report page 36
- Profit and loss Account	2020 Annual Report page 37
- Notes	2020 Annual Report pages 44 to 71
- Auditor's report relating to the above	2020 Annual Report pages 39 to 43

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes (each a "Condition", and together the "Conditions") will be as follows:

The issue of the €[•],000,000 [•] per cent. ordinary subordinated fixed rate resettable notes due 2034 (the "Notes") by Crédit Logement (the "Issuer") was decided by [•], [•] of the Issuer on [•] 2021, acting pursuant to a resolution of the *Conseil d'Administration* (Board of Directors) of the Issuer dated 7 October 2021.

The Issuer has entered into a fiscal agency agreement (the "Agency Agreement") dated [•] 2021 with BNP Paribas Securities Services as fiscal agent, principal paying agent and calculation agent. The fiscal agent and principal paying agent, the calculation agent and the paying agent for the time being are respectively referred to in these Conditions as the "Fiscal Agent", the "Principal Paying Agent", the "Calculation Agent" and the "Paying Agent" (which expression shall include the Principal Paying Agent and any future paying agent duly appointed by the Issuer in accordance with the Agency Agreement), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the "Agents". Copies of the Agency Agreement are available for inspection at the specified offices of the Paying Agent.

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

1. Form, Denomination and Title

The Notes are issued in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France ("**Euroclear France**") which shall credit the accounts of the Account Holders. For the purpose of these Conditions, "**Account Holders**" shall mean any authorised intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Clearstream Banking, S.A. ("**Clearstream**") and Euroclear Bank S.A./N.V. ("**Euroclear**").

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books, and only in the denomination of €100,000.

2. Status

The Notes are issued pursuant to the provisions of Article L.228-97 of the French *Code de commerce*. It is the intention of the Issuer that the proceeds of the issue of the Notes be treated for regulatory purposes as Tier 2 Capital. For so long as such Notes are treated for regulatory purposes as Tier 2 Capital (such Notes being hereafter referred to as "**Qualifying Subordinated Notes**"), Condition 2(a) below will apply in respect of the Notes. Should the Notes be fully excluded from Tier 2 Capital (such Notes being hereafter referred to as "**Disqualified Subordinated Notes**"), Condition 2(b) will automatically apply, replace and supersede Condition 2(a) with respect to the Notes, as from the date of such exclusion, without the need for any action from the Issuer and without consultation of the Noteholders.

(a) Status of Qualifying Subordinated Notes

So long as the Notes are Qualifying Subordinated Notes, their principal and interest constitute and will

constitute direct, unconditional, unsecured and subordinated obligations (in accordance with paragraph 5° of Article L.613-30-3 I of the French *Code monétaire et financier* created by Ordinance No.2020-1636 dated 21 December 2020 relating to the resolution regime in the banking sector implementing Article 48(7) of BRRD II under French law) of the Issuer and will rank (a) *pari passu* without any preference among themselves and (b) *pari passu* with any obligations or instruments of the Issuer that constitute Ordinarily Subordinated Obligations.

Subject to applicable law, in the event of any judgement rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire or liquidation amiable*) of the Issuer, the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*) in respect of the Issuer or if the Issuer is liquidated for any other reason, the rights of the Noteholders to payment in respect of principal and interest thereon will be:

- (i) subordinated to the full payment of:
 - (1) all unsubordinated creditors of the Issuer;
 - (2) any subordinated creditor of the Issuer ranking or expressed to rank senior to the Disqualified Subordinated Notes;
 - (3) any Disqualified Subordinated Notes issued by the Issuer; and
 - (4) Eligible Creditors of the Issuer; and
- (ii) paid in priority to all *prêts participatifs* granted to the Issuer, all *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées"* i.e. *engagements subordonnés de dernier rang*).

(b) Status of Disqualified Subordinated Notes

If the Notes are Disqualified Subordinated Notes, their principal and interest will constitute direct, unconditional, unsecured and subordinated obligations (in accordance with paragraph 5° of Article L.613-30-3 I of the French *Code monétaire et financier* created by Ordinance No.2020-1636 dated 21 December 2020 relating to the resolution regime in the banking sector, implementing Article 48(7) of BRRD II under French law) of the Issuer and will rank (a) *pari passu* without any preference among themselves and (b) *pari passu* with any and all instruments that have (or will have) such rank (including for the avoidance of doubt instruments issued on or after 28 December 2020 initially treated as "additional tier 1 capital" or "tier 2 capital" and which subsequently fully lost such treatment).

Subject to applicable law, in the event of any judgement rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire or liquidation amiable*) of the Issuer, the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*) in respect of the Issuer or if the Issuer is liquidated for any other reason, the rights of the Noteholders to payment in respect of principal and interest thereon will be:

- (i) subordinated to the full payment of all unsubordinated creditors of the Issuer and any subordinated creditor of the Issuer ranking or expressed to rank senior to the Disqualified Subordinated Notes; and
- (ii) paid in priority to Eligible Creditors of the Issuer, Qualifying Subordinated Notes issued by the Issuer, all *prêts participatifs* granted to the Issuer, all *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées"* i.e. *engagements subordonnés de dernier rang*).

In each case (a) and (b) contemplated in this Condition 2, in the event of incomplete payment of any unsubordinated creditors, or other creditors whose claim ranks senior to the Notes (in the context of

voluntary or judicial liquidation of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer) the obligations in connection with the Notes will be terminated. In case of voluntary or judicial liquidation of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer, the holders of the Notes shall be responsible for taking all steps necessary to preserve the rights they may have against the Issuer.

The potential impact on the investment in the event of resolution of the Issuer is detailed in Condition 15.

For the purposes of these Conditions:

"Eligible Creditors" means creditors holding subordinated claims (including subordinated securities issued pursuant to article L.228-97 of the French *Code de commerce*) that rank or are expressed to rank (i) senior to obligations or instruments of the Issuer that constitute Ordinarily Subordinated Obligations and (ii) junior to Disqualified Subordinated Notes.

"Noteholder" means any person from time to time whose name appears in the account of the relevant Account Holder as being entitled to any Note(s).

"Ordinarily Subordinated Obligations" means any subordinated obligations (including subordinated securities issued pursuant to article L.228-97 of the French *Code de commerce*) or other instruments issued by the Issuer (including, for the avoidance of doubt, any subordinated loan (*prêt subordonné*)) granted to the Issuer) which rank, or are expressed to rank, *pari passu* among themselves, and are direct, unconditional, unsecured and subordinated obligations of the Issuer but in priority to *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*engagements dits "super subordonnés"*, i.e. *engagements subordonnés de dernier rang*).

3. Negative Pledge

There is no negative pledge in respect of the Notes.

4. Interest

(a) Interest Payment Dates

The Notes will bear interest on their principal amount (such rate of interest, the **"Interest Rate"**):

- (i) from, and including, [•] November 2021 (the **"Issue Date"**) to, but excluding, [•] February 2029 (the **"Reset Date"**) at the rate of [•] per cent. *per annum* payable annually in arrear on each Interest Payment Date (as defined below) up to and including the Reset Date, provided that there will be a long first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment Date, amounting to €[•] per €100,000 Note; and
- (ii) from and including the Reset Date to but excluding [•] February 2034 (the **"Maturity Date"**), at a rate which shall be equal to the Reset Rate plus the Margin (all as defined below), payable annually in arrear on each Interest Payment Date from and including [•] February 2030;

provided, however, that if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant payment will be postponed to the next Business Day and no interest shall accrue nor be payable as a result of such postponement.

Promptly after the determination of the Reset Rate, the Calculation Agent shall determine the Interest Rate and calculate the relevant Interest Amount (as defined below).

The Calculation Agent will cause the relevant Interest Rate and the relevant Interest Amount (as defined below) payable per Note to be notified to the Issuer, the Fiscal Agent and the Principal Paying Agent

and, if required by the rules of any stock exchange on which the Notes are listed and/or admitted to trading from time to time, to such stock exchange, and to the Noteholders in accordance with Condition 11 without undue delay, but, in any case, not later than on the fifth (5th) Business Day after its determination.

For the purposes of these Conditions:

"5-year Mid-Swap Rate Quotations" means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which:

- (i) has a term of five (5) years commencing on the Reset Date;
- (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (iii) has a floating leg based on 6-month EURIBOR (calculated on an Actual/360 day count basis), provided that in the event that EURIBOR has been discontinued, the floating leg shall be based on such other successor benchmark rate as the financial industry shall have accepted as a successor or substitute rate for EURIBOR;

"Business Day" means a day (other than a Saturday or a Sunday) which is both (i) a day on which commercial banks and foreign exchanges settle payments and are open for business (including dealings in foreign exchanges and foreign currency deposits) in Paris and (ii) a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (known as TARGET 2) System or any successor thereto is operating;

"Interest Payment Date" means [•] February in each year from and including [•] February 2023;

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

"Margin" means [•] per cent. *per annum*;

"Reset Rate" means (i) the five (5) year mid swap rate for Euro swap transactions displayed on Bloomberg page ICAE1 (or such successor page or source as determined by the Calculation Agent (the **"Relevant Screen Page"**)) (or such other screen as may replace that screen on Bloomberg, or such other service as may be nominated by the person providing or sponsoring the information appearing there for the purposes of displaying comparable rates) at or around 11.00 a.m. (Paris time) on the Reset Rate Determination Date or (ii) if the correct five (5) year mid swap rate does not appear on the Relevant Screen Page, the five (5) year Euro mid swap rate shall instead be determined by the Calculation Agent as the arithmetic mean expressed as a percentage and rounded, if necessary, to the nearest 0.0001 per cent. (0.00005 per cent. being rounded upwards) of the 5-year Mid-Swap Rate Quotations provided by the principal office of each of four (4) major leading swap dealers in the Euro swap market at approximately 11.00 a.m. (Paris time) on the Reset Rate Determination Date. If at least three (3) quotations are provided, the Reset Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest) rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If only two quotations are provided, the Reset Rate will be the arithmetic mean of the quotations provided, as determined by the Calculation Agent. If no quotations are provided, the Reset Rate will be the last Reset Rate available on the Relevant Screen Page; and

"Reset Rate Determination Date" means the second (2^d) Business Day prior to the Reset Date.

(b) Calculation of the Interest Amount

The amount of interest (the "**Interest Amount**") payable on each Note on each Interest Payment Date shall be the product of the principal amount of such Note and the applicable Interest Rate, multiplied by the Actual/Actual (ICMA) day count fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

For the purposes of this Condition:

"**Actual/Actual (ICMA)**" means:

- (i) if interest is required to be calculated for a period that is equal to or shorter than the Interest Rate Accrual Period to which it applies, the number of calendar days in the relevant period divided by the number of calendar days in the Interest Rate Accrual Period in which the relevant period falls;
- (ii) if interest is required to be calculated for a period of more than one (1) year, the sum of (a) the number of calendar days of the relevant period falling in the Interest Rate Accrual Period in which it begins divided by the total number of calendar days in such Interest Rate Accrual Period and (b) the number of calendar days of the relevant period falling in the next Interest Rate Accrual Period divided by the total number of calendar days in such next Interest Rate Accrual Period (including the first such day but excluding the last); and

"**Interest Rate Accrual Period**" means the period from and including an Interest Payment Date (or the Issue Date as the case may be) to but excluding the next Interest Payment Date.

(c) Notifications, etc. to be binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 will (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Fiscal Agent and all Noteholders.

(d) Calculation Agent

The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Calculation Agent and appoint a substitute Calculation Agent provided that so long as any of the Notes remain outstanding, there shall at all times be a Calculation Agent for the purposes of the Notes having a specified office in a major European city or London. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Calculation Agent or failing duly to determine any rate of interest or Interest Amount for any Interest Period, the Issuer shall appoint the European or London office of another leading bank engaged in the Euro-zone or London interbank market to act in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed. The Calculation Agent shall act as an independent expert and not as agent for the Issuer or the Noteholders.

Notice of any change of Calculation Agent or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 11 and so long as the Notes are listed on a stock exchange and if the rules applicable to such stock exchange so require, to such stock exchange.

(e) Benchmark Discontinuation

If a Benchmark Event occurs in relation to the Reset Rate at any time when any Interest Rate (or any component part thereof) remains to be determined by reference to the Reset Rate, then the following provisions shall apply and prevail over the other fallbacks specified in the definition of "Reset Rate" in Condition 4(a) above.

If the Issuer (in consultation with the Calculation Agent) determines at any time prior to the Reset Rate Determination Date, that a Benchmark Event occurs in relation to the Reset Rate, the Issuer will as soon as reasonably practicable (and in any event no later than three (3) Business Days prior to the Reset Rate Determination Date (the "**IA Determination Cut-off Date**") appoint (at its own cost) an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise (the "**Independent Adviser**"), which, acting in a commercially reasonable manner and as an independent expert in the performance of its duties, will advise the Issuer as to whether a substitute or successor rate is available for purposes of determining the Reset Rate on the Reset Rate Determination Date that is substantially comparable to the Reset Rate. If the Independent Adviser determines that there is an industry accepted successor rate, the Independent Adviser will advise the Issuer accordingly.

For these purposes, a rate that is formally recommended by a relevant central bank, reserve bank, monetary authority, a group of the aforesaid central banks, monetary authority or supervisory authority, or any similar institution (including any committee or working group thereof) for the currency to which the Reset Rate relates or any supervisory authority which is responsible for supervising the administrator of the Reset Rate will be considered as an industry accepted successor rate. It is further specified that if there is two or more industry successor rates recommended by the above mentioned authority, institution or working groups, the Independent Adviser shall determine which of those successor rates is most appropriate, having regard to, *inter alia*, the particular features of the Notes and the nature of the Issuer. Following the foregoing advice, the Independent Adviser will determine a substitute or successor rate (such rate, the "**Replacement Reset Rate**"), for the purpose of determining the Reset Rate on the Reset Rate Determination Date.

Additionally, (i) the Independent Adviser will determine the changes (if any) to the Terms and Conditions of the Notes that are necessary to ensure the proper operation of such Replacement Reset Rate and/or any Adjustment Spread (including, without limitation, to the business day convention, the definition of Business Day, the Reset Rate Determination Date, the day count fraction, and any method for obtaining the Replacement Reset Rate, including any adjustment factor needed to make such Replacement Reset Rate comparable to the Reset Rate (including any Adjustment Spread)), in each case in a manner that is consistent with industry-accepted practices for such Replacement Reset Rate (ii) references to the Reset Rate in these Conditions will be deemed to be references to the Replacement Reset Rate, including any alternative method for determining such rate as described in (i) above and (iii) the Issuer will give notice as soon as reasonably practicable to the Noteholders (in accordance with Condition 11), the Representative and the Agents specifying the Replacement Reset Rate, as well as the details described in (i) above that it will have received from the Independent Adviser.

For the avoidance of doubt, and in connection with any such variation in accordance with this Condition 4(e), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

The determination of the Replacement Reset Rate and the other matters referred to above by the Independent Adviser will (in the absence of manifest error) be final and binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agent and the Noteholders, unless the Independent Adviser, acting in a commercially reasonable manner, considers at a later date, but prior to the Reset Rate Determination Date, that the Replacement Reset Rate is no longer substantially comparable to the Reset

Rate or does not constitute an industry accepted successor rate, in which case the Independent Adviser, or another Independent Adviser appointed by the Issuer, shall advise the Issuer on confirming the Replacement Reset Rate and/or determining a substitute Replacement Reset Rate in an identical manner as described in this Condition 4(e).

For the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4(e). No Noteholder consent shall be required in connection with effecting the Replacement Reset Rate or such other changes pursuant to this Condition 4(e).

Notwithstanding any other provision of this Condition 4(e), no Replacement Reset Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any other related adjustments and/or amendments to the Terms and Conditions of the Notes be made, if and to the extent that (i), in the determination of the Issuer, the same could reasonably be expected to result in the Notes no being further treated as Tier 2 Capital for regulatory purposes or (ii) the Issuer determines that the replacement of the Reset Rate with the Replacement Reset Rate or any other amendment to the Conditions necessary to implement such replacement would result in the Relevant Regulator (as defined below) treating the Reset Date as the effective maturity date of the Notes, rather than the Maturity Date.

Notwithstanding any other provision of this Condition 4(e), if the Issuer is unable to appoint an Independent Adviser prior to the IA Determination Cut-off Date or if the Independent Adviser is unable to or otherwise does not advise the Issuer a Replacement Reset Rate for the Reset Rate Determination Date, no Replacement Reset Rate or any other successor, replacement or alternative benchmark or screen rate will be adopted and the Reset Rate for the relevant Interest Period will be equal to the last Reset Rate available on the Relevant Screen Page.

By subscribing to (or acquiring) the Notes and solely in the context of a Benchmark Event which leads to the application of a Replacement Reset Rate or any adjustments and/or amendments to the Terms and Conditions of the Notes pursuant to this Condition 4(e), each Noteholder shall be deemed to have agreed and approved any such adjustments and/or amendments or such other necessary changes pursuant to this Condition 4(e).

For the purposes of this Condition:

"Adjustment Spread" means either a spread (which may be positive or negative), or the formula or the methodology for calculating a spread, in either case, which the Independent Adviser, acting in good faith and in a commercially reasonable manner, determines in accordance with customary market usage in the international debt capital market for such Replacement Reset Rate and which is required to be applied to the Replacement Reset Rate, to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reset Rate with the Replacement Reset Rate and is the spread, formula or methodology which:

- (i) in the case of a successor rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reset Rate with the successor rate by any Relevant Nominating Body; or
- (ii) if no such recommendation has been made, or in the case of a substitute rate, the Independent Adviser determines, is customarily applied to the relevant substitute or successor rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reset Rate; or
- (iii) if no such recommendation or option has been made (or made available), or if the Independent

Adviser determines that there is no such spread, formula or methodology in customary market usage, the Independent Adviser acting in good faith determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reset Rate, where such rate has been replaced by the substitute or successor rate (as the case may be).

"Benchmark Event" means:

- (i) the Reset Rate ceasing to exist or to be published; and/or
- (ii) the later of (a) the making of a public statement by the administrator of the Reset Rate that it will, on or before a specified date, cease publishing the Reset Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Reset Rate) and (b) the date falling six (6) months prior to the specified date referred to in (a) above; and/or
- (iii) the making of a public statement by the supervisor of the administrator of the Reset Rate that the Reset Rate has been permanently or indefinitely discontinued; and/or
- (iv) the later of (a) the making of a public statement by the supervisor of the administrator of the Reset Rate that the Reset Rate will, on or before a specified date, be permanently or indefinitely discontinued and (b) the date falling six (6) months prior to the specified date referred to in (a) above; and/or
- (v) the making of a public statement by the supervisor of the administrator of the Reset Rate that means the Reset Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six (6) months; and/or
- (vi) the making of a public statement by the supervisor of the administrator of the Reset Rate that the Reset Rate, in the opinion of the supervisor, is no longer representative of an underlying market or that its method of calculation has significantly changed; and/or
- (vii) it has or will, prior to the Reset Rate Determination Date, become unlawful for the Issuer, the party responsible for determining the Interest Rate (being the Calculation Agent), or any Paying Agent to calculate any payments due to be made to any Noteholder using the Reset Rate (including, without limitation, under the Benchmarks Regulation, if applicable); and/or
- (viii) that a decision to withdraw the authorisation or registration pursuant to Article 35 of the Benchmarks Regulation of any benchmark administrator previously authorised to publish such Reset Rate has been adopted.

"Benchmarks Regulation" means Regulation (EU) 2016/1011 of 8 June 2016, as amended or supplemented.

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of such

central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

5. Redemption and Purchase

(a) *Redemption at Maturity*

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on the Maturity Date. The Issuer shall not be able to redeem the Notes except in accordance with the following provisions of this Condition.

(b) *Optional redemption*

The Issuer may, subject to compliance with all relevant laws, regulations and directives and the provisions set out in Condition 5(g) and having given not more than sixty (60) nor less than thirty (30) calendar days' notice to the Fiscal Agent and Noteholders in accordance with Condition 11 (which notice shall be irrevocable), elect to redeem the Notes, in whole but not in part, at any time from and including [●] November 2028 (the "**First Call Date**") to and including the Reset Date, at their principal amount together with all interest accrued to the date set for redemption.

(c) *Redemption upon the occurrence of a Capital Event*

The Issuer may, subject to compliance with all relevant laws, regulations and directives and the provisions set out in Condition 5(g) and having given not more than sixty (60) nor less than thirty (30) calendar days' prior notice to the Fiscal Agent and Noteholders in accordance with Condition 11 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes at any time, in whole but not in part, at their principal amount, together with all interest accrued to the date fixed for redemption upon the occurrence of a Capital Event (as defined below).

For the purposes of these Conditions:

"**BRRD II**" means Directive 2014/59/EU of the European Parliament and of the Council of the European Union of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as published in the Official Journal of the European Union on 12 June 2014, as amended or replaced from time to time (including by the Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC) or such other directive as may come in effect in the place thereof;

"**Capital Event**" means, that by reason of a change (or a prospective change which the Relevant Regulator considers to be sufficiently certain) in the criteria for Tier 2 Capital or in the Relevant Rules, which was not reasonably foreseeable by the Issuer at the Issue Date of the Notes, the Notes cease to comply with such criteria or such Relevant Rules and are fully or partially excluded from the Tier 2 Capital of the Issuer, provided that such exclusion is not as a result of any applicable limits on the amount of Tier 2 Capital of the Issuer;

"**CRD IV**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time (including by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures), or such other directive as may come into effect in place thereof;

"**CRD IV Implementing Measures**" means any regulatory capital rules implementing CRD IV or CRR which may from time to time be introduced, including, but not limited to, delegated or implementing

acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Relevant Regulator, which are applicable to the Issuer and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer;

"**CRD IV Rules**" means any or any combination of the CRD IV, CRR and any CRD IV Implementing Measures;

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time (including by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, Regulation (EU) No 648/2012 and Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020 amending Regulations (EU) No 575/2013 and (EU) 2019/876 as regards certain adjustments in response to the COVID-19 pandemic), or such other directive as may come into effect in place thereof;

"**Relevant Regulator**" means the *Autorité de contrôle prudentiel et de résolution* (ACPR) and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer from time to time;

"**Relevant Rules**" means at any time the laws, regulations, requirements, guidelines and policies of the Relevant Regulator relating to capital adequacy applicable to the Issuer from time to time, including the applicable rules contained in or implementing the CRD IV Rules and/or the BRRD II, in each case as amended from time to time and as applied by the Relevant Regulator; and

"**Tier 2 Capital**" has the meaning given to it (or, if no longer used, any equivalent or successor term) in the Relevant Rules as applied and interpreted by the Relevant Regulator.

(d) Redemption for taxation reasons

- (i) If, by reason of a change or prospective change in any French law or regulation, or any change or prospective change in the official application or interpretation of such law or regulation, becoming effective or being announced after the Issue Date, the Issuer would, on the occasion of the next payment of interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified in Condition 7 (a "**Withholding Tax Event**") and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at its option and at any time, subject to Condition 5(g) below, subject to having given not more than sixty (60) nor less than thirty (30) calendar days' prior notice to the Fiscal Agent and the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all, but not some only, of the Notes at their principal amount, together with all interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of interest without withholding or deduction for French taxes.
- (ii) If the Issuer would on the next due date for payment of any interest amount in respect to the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 (a "**Special Tax Event**"), then the Issuer may forthwith give notice of such fact to the Fiscal Agent and the Issuer may, at its option and at any time, subject to Condition 5(g) below, and upon giving not more than sixty (60) nor less than thirty (30) calendar days' prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all, but not some only, of the Notes at their principal amount, together with all interest accrued to the date

fixed for redemption of which notice hereunder may be given, provided that the due date for redemption shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of interest payable in respect of the Notes or, if such date has passed, as soon as practicable thereafter.

- (iii) If, at any time, by reason of any change or prospective change in, or amendment to, the laws or regulations of France or any change or prospective change in the application or official interpretation of such laws or regulations, or any other change or prospective change in the tax treatment of the Notes, which change or prospective change or amendment becomes effective or is announced on or after the Issue Date of the Notes, any interest payment under the Notes was but is no longer (whether in whole or in part) tax deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes or the amount which was deductible by the Issuer on any interest payment under the Notes for French corporate income tax purposes, is reduced (a "**Tax Deductibility Event**"), the Issuer may, subject to Condition 5(g) below, at its option and at any time, subject to having given not more than sixty (60) nor less than thirty (30) calendar days' prior notice to the Fiscal Agent and the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their principal amount, together with all interest accrued to the date fixed for redemption, provided that the due date for redemption of the Notes of which notice hereunder may be given in respect of a Tax Deductibility Event shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being so tax deductible to the same extent as it was on the Issue Date.

(e) Purchase

The Issuer shall have the right to purchase Notes in the open market or otherwise (including by way of tender or exchange offers) at any price, subject at any time to compliance with the provisions set out in Condition 5(g) and the applicable laws and regulations.

In addition, if the Issuer purchases Notes for market making purposes, the total principal amount of the Notes so purchased shall not exceed the lower of:

- (i) ten (10) per cent. (or any other threshold as may be requested or required by the Relevant Regulator in accordance with the Relevant Rules from time to time) of the initial aggregate principal amount of the Notes (including any further notes issued pursuant to Condition 13, if any); or
- (ii) three (3) per cent. of the total outstanding Tier 2 Capital of the Issuer from time to time calculated in accordance with the Relevant Rules (or any other threshold as may be requested or required by the Relevant Regulator in accordance with the Relevant Rules).

The Notes so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations or cancelled in accordance with Condition 5(f) below.

(f) Cancellation

All Notes which are redeemed or purchased for cancellation by the Issuer must be cancelled by the Issuer in accordance with applicable laws and regulations. Any Notes so cancelled may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(g) Conditions to redemption and purchase prior to the Maturity Date

According to Articles 63(j), 77 and 78 of CRR (as may be amended, completed or replaced from time to time), the Notes may only be redeemed or purchased pursuant to Conditions 5(b), 5(c), 5(d) or 5(e), as the case may be, if all the following conditions are met:

- (i) the Relevant Regulator has given its prior written approval to such redemption or purchase (as applicable), to the extent that it is required by any applicable law, rule or regulation; and
- (ii) on or before such redemption or purchase of the Notes, the Issuer replaces such Notes with own funds instruments of an equal or higher quality on terms that are sustainable for the Issuer's income capacity, or the Issuer has demonstrated to the satisfaction of the Relevant Regulator that its own funds and eligible liabilities would, following such redemption or purchase, exceed the capital ratios required under the Relevant Rules by a margin that the Relevant Regulator may consider necessary on the basis set out in the Relevant Rules for it to determine the appropriate level of capital of an institution; and
- (iii) in the event any redemption in respect of the Notes is intended to take place prior to the fifth anniversary of the Issue Date or (if any further tranche(s) of the Notes are issued pursuant to Condition 13 and assimilated to form a single series with the Notes) the date falling five years after the issue date of the last tranche of the Notes:
 - (x) in the case of redemption due to the occurrence of a Capital Event, (i) the Relevant Regulator considers such change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Relevant Regulator that the Capital Event was not reasonably foreseeable at the Issue Date; or
 - (y) in the case of redemption due to the occurrence of a Withholding Tax Event, a Tax Deductibility Event or a Special Tax Event, the Issuer demonstrates to the satisfaction of the Relevant Regulator that such Withholding Tax Event, Tax Deductibility Event or Special Tax Event is material and was not reasonably foreseeable at the Issue Date; and
- (iv) the Issuer has delivered a certificate signed by one of its senior officers to the Fiscal Agent (with copies thereof being made available to the Noteholders at the Fiscal Agent's specified office during its normal business hours) not less than five (5) calendar days prior to the date set for redemption that the relevant Capital Event, Withholding Tax Event, Tax Deductibility Event or, as the case may be, Special Tax Event has occurred or will occur no more than ninety (90) calendar days following the date fixed for redemption, as the case may be.
- (v) on or before such purchase or redemption of the Notes, the Issuer replaces the Notes with own funds instruments of an equal or higher quality on terms that are sustainable for the Issuer's income capacity and the Relevant Regulator has permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
- (vi) the Notes are repurchased for market making purposes,

provided that if, at the time of such redemption or purchase (as applicable), the prevailing Relevant Rules permit the redemption or purchase (as applicable) only after compliance with one or more alternative or additional pre-conditions to those set out above, the Issuer shall, in the alternative or in addition to the foregoing (as required by the Relevant Rules), comply with such alternative and/or additional pre-condition(s).

6. Payments

(a) Method of Payment

Payments of principal, interest and other amounts in respect of the Notes will be made in euro, by credit or transfer to an account denominated in euro (or any other account to which euro may be credited or transferred). Such payments shall be made for the benefit of the Noteholders to the Account Holders (including Euroclear and Clearstream) and all payments made to such Account Holders in favour of Noteholders will be an effective discharge of the obligations of the Issuer and the Fiscal Agent, as the case may be, in respect of such payments.

Payments of principal, interest and other amounts in respect of the Notes will be made subject to any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions described in Condition 7. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(b) *Payments on Business Days*

If any due date for payment of principal, interest or other amounts in respect of any Note is not a Business Day, then the holder of such Note shall not be entitled to payment of the amount due until the next following Business Day and will not be entitled to any additional interest or other sums by virtue of such postponed payment.

(c) *Fiscal Agent, Paying Agent and Calculation Agent*

The initial specified offices of the initial Agents are as follows:

Fiscal Agent, Paying Agent and Calculation Agent

BNP PARIBAS SECURITIES SERVICES

9 rue du Débarcadère
93500 Pantin
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or Paying Agent or Calculation Agent and/or appoint another Fiscal Agent or Paying Agent or Calculation Agent or additional Paying Agents or approve any change in the office through which any such Agent acts, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' prior notice to the Noteholders in accordance with Condition 11, provided that there will at all times be a Fiscal Agent, a Paying Agent, a Calculation Agent having a specified office in a European city or London.

7. Taxation

- (a)** All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or other governmental charges of whatever nature imposed, levied or collected by or on behalf of France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
- (b)** If French law should require that any payment of principal, interest or other revenues in respect of any Note be subject to withholding or deduction with respect to any present or future taxes, duties, assessments or other governmental charges of whatever nature, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts on interest only (and not principal) as may be necessary in order that the Noteholders, after such withholding or deduction, receive the full amount they would have received had no such withholding or deduction been required; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note to a holder (or beneficial owner (*ayant droit*)) who is subject to such taxes, duties, assessments or other governmental charges, in respect of such Note by reason of his having some connection with France other than the mere holding of such Note.

Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition 7.

8. Prescription

Claims in respect of principal and interest under the Notes will become prescribed ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment.

9. No Events of Default

There are no events of default in respect of Notes and Noteholders are not entitled in any event to require Notes to be redeemed prior to their Maturity Date.

In the event of any judgement rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire or liquidation amiable*) of the Issuer, the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*) in respect of the Issuer or if the Issuer is liquidated for any other reason, the rights of the Noteholders to payment in respect of principal and interest thereon will be subordinated to the full payment of all unsubordinated creditors of the Issuer or other creditors whose claim ranks senior to the Notes and, subject to such payment in full, the Noteholders will be paid in priority to all *prêts participatifs* granted to the Issuer, all *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées" i.e. engagements subordonnés de dernier rang*). In the event of incomplete payment of any unsubordinated creditors, or other creditors whose claim ranks senior to the Notes (in the context of voluntary or judicial liquidation of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer) the obligations in connection with the Notes will be terminated.

10. Representation of the Noteholders

(a) The Masse

The Noteholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the "**Masse**") which will be governed by the provisions of articles L.228-46 et seq. of the French *Code de commerce* with the exception of Articles L.228-48, L.228-59, L.228-65 II., R.228-61, R.228-63, R.228-67, and R.228-69, R.228-79 and R.236-11 of the French *Code de commerce* and as supplemented by this Condition 10.

(b) Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the "Representative") and in part through collective decisions of the Noteholders (the "**Collective Decisions**").

(c) Representative

The Representative shall be:

Association de représentation des masses de titulaires de valeurs mobilières (ARM)

Centre Jacques Ferronnière
CS 30812
44308 Nantes cedex 3

The Representative will be entitled to a remuneration of €400 (VAT excluded) per year, payable on each Interest Payment Date with the first payment at the Issue date. Such remuneration will accrue from the day on which it assumes such duties. No additional remuneration is payable in relation to any subsequent notes which have been assimilated with the Notes in accordance with Condition 13.

The Representative will exercise its duty until death, liquidation, retirement, resignation or revocation of its appointment by a general assembly of Noteholders. Its appointment shall automatically cease on

the Maturity Date, or total redemption prior to the Maturity Date.

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

(d) Powers of the Representative

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders, with the capacity to delegate its powers.

(e) Collective Decisions

Collective Decisions are adopted either in a general meeting (the "**General Meeting**") or by unanimous consent following a written consultation (the "**Written Unanimous Decision**").

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in Collective Decisions 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 (2nd) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 10(j). The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Notes of such Series.

(f) General Meetings

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

General Meetings may deliberate validly on first convocation only if the Noteholders present or represented hold at least one-fifth (1/5) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a simple majority of votes held by the Noteholders attending such General Meeting or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 10(j) not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy or by correspondence.

Each Noteholder or representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

(g) *Written Unanimous Decision*

At the initiative of the Issuer or the Representative, Collective Decisions may also be taken by a Written Unanimous Decision.

Such Written Unanimous Decision shall be signed by or on behalf of all the Noteholders without having to comply with formalities and time limits referred to in Condition 10(f). Any such decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders. Such Written Unanimous Decision may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such Noteholders and shall be published in accordance with Condition 10(j).

(h) *Expenses*

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

(i) *Single Masse*

The Noteholders and the noteholders of any notes which have been assimilated with the Notes in accordance with Condition 13, shall, for the defence of their respective common interests, be grouped in a single Masse.

(j) *Notices to Noteholders*

Any notice to be given to Noteholders in accordance with this Condition 10 shall be given in accordance with Condition 11.

11. Notices

Any notice to the Noteholders shall be validly given by (i) delivery of the relevant notice to Euroclear France, Euroclear or Clearstream, (ii) publication on the website of the Issuer (www.creditlogement.fr), (iii) publication on the website of the Luxembourg Stock Exchange (www.bourse.lu) so long as the Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules of such market so require and (iv) as may be required by the mandatory rules of any exchange on which the Notes are from time to time listed and/or admitted to trading.

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.

12. Waiver of Set-Off

No Noteholder may at any time exercise or claim any Waived Set-Off Rights against any right, claim, or liability the Issuer has or may have or acquire against such Noteholder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort or any non-contractual obligations, in each case whether or not relating to the Notes) and each such Noteholder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities.

For the avoidance of doubt, nothing in this Condition 12 is intended to provide or shall be construed as acknowledging any right of deduction, set-off, netting, compensation, retention or counterclaim or that any such right is or would be available to any Noteholder but for this Condition 12.

For the purposes of this Condition 12, "**Waived Set-Off Rights**" means any and all rights of or claims of any Noteholder for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any such Note.

13. Further Issues

The Issuer may from time to time without the consent of the Noteholders issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects save for the amount and date of the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of any such assimilation, the Noteholders and the holders of any assimilated notes will, for the defence of their common interests, be grouped in a single *Masse* having legal personality.

The Issuer shall upon issue of any such further notes confirm in writing to the Relevant Regulator that they have been fully paid-up.

14. Governing Law and Jurisdiction

The Notes are governed by the laws of France.

Any action or proceedings against the Issuer arising out of or in connection with the Notes will be submitted to the exclusive jurisdiction of the competent courts within the jurisdiction of the *Cour d'Appel* of Paris.

15. Recognition of Bail-in and Loss Absorption

(a) Acknowledgement

By its acquisition of the Notes, each Noteholder (which, for the purposes of this Condition 15, includes any current or future holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees:

- (i) to be bound by the effect of the exercise of the Bail-in or Loss Absorption Power (as defined below) by the Relevant Resolution Authority (as defined below), which may include and result in any of the following, or some combination thereof:
 - (A) the reduction of all, or a portion, of the Amounts Due (as defined below);
 - (B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the Noteholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;
 - (C) the cancellation of the Notes; and/or;
 - (D) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period;
- (ii) that the terms of the Notes are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in or Loss Absorption Power by the Relevant Resolution Authority.

For these purposes, the "**Amounts Due**" are the amounts payable on redemption of a Note, and any accrued and unpaid interest on a Note that has not been previously cancelled or otherwise is no longer due.

(b) Bail-in or Loss Absorption Power

For these purposes, the "**Bail-in or Loss Absorption Power**" is:

- (i) any power existing from time to time under any laws, regulations, rules or requirements in effect in France, relating to the transposition of BRRD II, including without limitation pursuant to French decree-law No. 2015-1024 dated 20 August 2015 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (as amended from time to time) ratified by the Law n°2016-1691 of 9 December 2016 relating to transparency, the fight against corruption and the modernisation of economic life (*Loi no. 2016-1691 du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*) (as amended from time to time, this ordinance was ratified by the Law n°2016-1691 referred to below as the "**20 August 2015 Decree Law**");
- (ii) 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 (as amended from time to time, including by Regulation (EU) No 2019/877 dated 20 May 2019, the "**Single Resolution Mechanism Regulation**"); or
- (iii) otherwise arising under French law, and in each case the instructions, rules and standards created thereunder, pursuant to which the obligations of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced (in part or in whole), cancelled, suspended, transferred, varied or otherwise modified in any way, or securities of a Regulated Entity (or an affiliate of such Regulated Entity) can be converted into shares, other securities, or other obligations of such Regulated Entity or any other person, whether in connection with the implementation of a bail-in tool following placement in resolution or otherwise.

A reference to a "**Regulated Entity**" is to any entity referred to in Section I of Article L.613- 34 of the French *code monétaire et financier* as modified by the 20 August 2015 Decree Law, which notably includes certain credit institutions, investment firms, and certain of their parent or holding companies established in France, as well as certain financial institutions (*établissements financiers*).

A reference to the "**Relevant Resolution Authority**" is to the *Autorité de contrôle prudentiel et de résolution* and/or any other authority entitled to exercise or participate in the exercise of any Bail-in or Loss Absorption Power from time to time (including the Council of the European Union and the European Commission when acting pursuant to Article 18 of the Single Resolution Mechanism Regulation).

(c) Payment of Interest and Other Outstanding Amounts Due

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in France and the European Union applicable to the Issuer or other members of its group.

(d) No Event of Default

Neither a cancellation of the Notes, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Notes will be an event of default or otherwise constitute non-performance of a contractual

obligation, or entitle the Noteholder to any remedies (including equitable remedies) which are hereby expressly waived.

(e) Notice to Noteholders

Upon the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Notes, the Issuer will give notice to the Noteholders in accordance with Condition 11 as soon as practicable regarding such exercise of the Bail-in or Loss Absorption Power. The Issuer will also deliver a copy of such notice to the Fiscal Agent for information purposes, although the Fiscal Agent shall not be required to send such notice to Noteholders. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in or Loss Absorption Power nor the effects on the Notes described in Condition 15(a) above.

(f) Duties of the Principal Fiscal Agent

Upon the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority, the Issuer and each Noteholder (including each holder of a beneficial interest in the Notes) hereby agree that (a) the Fiscal Agent shall not be required to take any directions from Noteholders, and (b) the Agency Agreement shall impose no duties upon the Fiscal Agent whatsoever, in each case with respect to the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority.

Notwithstanding the foregoing, if, following the completion of the exercise of the Bail-In Power by the Relevant Resolution Authority, any Notes remain outstanding (for example, if the exercise of the Bail-In Power results in only a partial write-down of the principal of the Notes), then the Fiscal Agent's duties under the Agency Agreement shall remain applicable with respect to the Notes following such completion to the extent that the Issuer and the Fiscal Agent shall agree pursuant to an amendment to the Agency Agreement.

(g) Pro-rating

If the Relevant Resolution Authority exercises the Bail-in or Loss Absorption Power with respect to less than the total Amounts Due, unless the Fiscal Agent is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the Notes pursuant to the Bail-in or Loss Absorption Power will be made on a pro-rata basis.

(h) Conditions Exhaustive

The matters set forth in this Condition 15 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any holder of a Note.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for general corporate purposes which may include the refinancing of various debt instruments of the Issuer.

DESCRIPTION OF THE ISSUER

1. General

Crédit Logement is a limited liability company (*société anonyme*) incorporated under the laws of France having its registered office at 50, boulevard de Sébastopol, 75003 Paris, and is registered with the *Registre du Commerce et des Sociétés* (Trade and Companies Register) of Paris under number B302 493 275. It was established on 30 January 1975 for a duration of 99 years.

Crédit Logement is a financial institution (*société de financement*) governed by the applicable provisions of the French *Code monétaire et financier*. It is supervised by the French prudential supervisory and resolution authority (*Autorité de Contrôle Prudentiel et de Résolution – ACPR*). Pursuant to a decree (*Arrêté*) dated 23 December 2013 as amended, notably by decree (*Arrêté*) dated 24 April 2019, it is required to comply with provisions of the application of certain requirements of the Capital Requirements Directive no. 2013/36/EU dated 26 June 2013, as amended and implemented under French law ("**CRD IV**") and the Capital Requirements Regulation no. 575/2013 dated 26 June 2013, as amended and implemented under French law, including by ordinance (*Ordonnance*) No. 2020-1635 of 21 December 2021, ("**CRR**") implementing measures applicable to credit institutions.

Crédit Logement is monitored and rated Aa3 Stable/AA Low Stable by the rating agencies Moody's and DBRS.

The legal entity identifier of the Crédit Logement is 969500FYPDQY3Y12Z881.

2. Shareholding

As at 31 December 2020, Crédit Logement had a share capital of €1,259,850,270, divided into 17,997,861 ordinary shares of €70, each fully paid up.

The shareholders of Crédit Logement as at 31 December 2020 were as follows:

Crédit Agricole/Crédit Lyonnais including		32.50%
Crédit Agricole S.A	16.00%	
Crédit Lyonnais S.A	16.50%	
BNP Paribas S.A.		16.50%
Société Générale/Crédit du Nord including		16.50%
Société Générale S.A	13.50%	
Crédit du Nord S.A	3.00%	
C.N.C.E.P./CFF including		15.49%
C.N.C.E.P. S.A	8.50%	
Crédit Foncier de France S.A	6.99%	
Crédit Mutuel/CIC including		10.00%
Caisse Centrale de Crédit Mutuel SACV	5.00%	
Crédit Industriel et Commercial S.A	5.00%	
SF2 S.A – Groupe La Banque Postale		6.00%
HSBC France S.A		3.00%

Other Deposit Banks and Individuals		0.01%
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3. Business Activities

3.1 Crédit Logement's purpose and activity

Crédit Logement's main purpose is to guarantee the repayment of loans taken by individuals to purchase their property for residential use, in the form of a joint and several guarantee (*cautionnement solidaire*). Crédit Logement also ensures the recovery of these loans when they are in default. Its joint and several guarantee (*caution solidaire*) enables credit institutions to offer financings at attractive rates due to the absence of any mortgage registration (*enregistrement des hypothèques*) and to simplify administrative procedures both at the signing of the loan (where no registration is required at the mortgage registry (*bureau des hypothèques*) and at loan maturity (where the mechanism for release (*mainlevée*) is straightforward and no cost).

The guarantee system used by Crédit Logement is based on the principle of pooling risk (*mutualisation*): each borrower guaranteed by Crédit Logement contributes to a mutual guarantee fund (the *Fonds Mutuel de Garantie*) ("**FMG**") intended to substitute any borrower who defaults on loan repayments, partially for unpaid instalments and totally when an event of default has been declared. As of 31 December 2020, the FMG represents 6.4 billion (see point 3.1.3 below for further details).

Since the borrower is reimbursed with a large proportion (historically, more than 65%) of the contribution paid by him to the FMG at the signing of the loan, Crédit Logement's guarantee is ideally suited to market trends and, in particular, to the increasingly fast turnover of real estate assets. As an illustration of the growing success of this guarantee mechanism, the latest research available on the breakdown of the guarantee market in France for 2020 (source: the annual study from ACPR on residential loans), expressed in distributed loan amounts, indicates a market share of 63.8% for financial guarantees (bank guarantees and insurance company guarantees) compared to a 27.2% market share for physical (*i.e* mortgage) collateral.

3.1.1 Granting guarantees

(i) *Agreements with partner banks*

Crédit Logement has signed agreements with most French banks, mainly its shareholders, and other banks providing residential loans in France.

190 of these agreements are currently being used, allowing Crédit Logement to develop its activity with its partners.

(ii) *Credit risk analysis*

Crédit Logement has its own system of credit risk analysis. This process is carried out independently from its shareholders and partner banks in accordance with a number of precisely defined procedures and using risk analysis tools developed over many years.

In 2020, when a guarantee was requested from a partner bank, the loan information was automatically transmitted through electronic transmission.

When the file is loaded on to the computer system following its completion and the elimination of inconsistencies, it goes on to a two-stage analysis phase. These phases are:

1. an automated analysis by an Automatic Analysis System named DIAG. All new transactions are automatically scored and analyzed using guarantee analysis tools and then assigned to a risk category of the internal rating model;

2. a human assessment carried out by analysts of the Analysis and Decision Division (*Service Analyse et Décision* (SAD)) in circumstances where the Automatic Analysis System has not provided an automatic clearance.

The guarantee may be accepted automatically by DIAG. Applications not accepted by DIAG because they extend beyond its scope (even if its analysis is positive) are automatically transferred to SAD for a human analysis. It is important to note that automatic acceptance only applies to files with very favorable characteristics, particularly where the level of the borrower's indebtedness is low and the portion of the property to be financed is acceptable.

In 2020, DIAG automatically accept 54.3% all transactions received by Crédit Logement; the remainder and those not accepted are reviewed by SAD analysts. The vast majority of applications that are not automatically accepted by DIAG are rejected because they fall beyond its scope. The acceptance criteria take into account Crédit Logement's global exposure to the relevant borrower as well as other relevant qualitative criteria.

(iii) *The automatic analysis system: DIAG*

The Automatic Analysis System, named DIAG, is a fully automated approval system and was set up in 1994. It is regularly tested, in particular following the introduction of new loan criteria. The refinement of the Automatic Analysis System is the responsibility of the Risks Department.

In April 2005, a new automatic analysis process was set up to combine Crédit Logement's previous system and to set up a score, built on historical data, which became necessary with the Basel II implementation and which provides, for the application studied, a probability of default.

The score is also taken into consideration to define whether the customer solvency and the margin on the property will permit an automatic clearance of the guarantee application, or whether it will have to be studied by an analyst. In this latter case, the score and the regulatory quotation is provided to the analyst to help him in building his decision.

At the end of 2009, a new set of rules, called compensation, was introduced to allow DIAG to accept operations where very good data on one axis of analysis (for example the debtor indebtedness) compensate less positive data on another axis of analysis (for example the margin), taking into account the level of the score. The goal is to replicate human analyst thinking process, when studying an application, to define whether this application has to be accepted.

In August 2018, the version 1.3 of the DIAG has been deployed based on the operations put in place between 2010 and 2014. It is even more selective than the previous version.

Over time, Crédit Logement's refusal rate has remained relatively stable, at 18.3% for the year 2020 compared to an annual rate between 20.3% and 14.3% over the last 5 years. DIAG's methodology is the same for all its partner banks. This approach ensures homogeneous treatment of the origination of guarantees.

In each case, DIAG delivers its conclusion as to the solvency of the borrower and its assessment of the property. The solvency of the borrower depends upon:

- the position of the borrower (his/her indebtedness level after any appropriate weighting of income and outgoings, disposable income, history of outgoings and savings characteristics);
- his/her profile (age, profession, security of income, banking record, credit record, behaviour, etc.); and
- insurance (contract type, scope and apportionment).

The property assessment is the result of a calculation, which takes into account:

- the property to be financed (purpose and duration of the loan, borrower contribution, financial plan);
- the transaction type;
- legal features (marital status, property ownership, whether the property is to be held by non- trading real estate investment companies (*sociétés civiles immobilières* - "SCT"), etc.); and
- the borrowers' assets (margin, other assets, etc.).

Since April 2005, DIAG also delivers a score which provides, for the application studied, a probability of default.

Since the end of June 2005, a full "regulatory quotation" is provided, stating not only the probability of default (score) but as well the expected loss in case of default. Thus, each new application for guarantee is quoted, allowing Crédit Logement to compute its capital requirement under its internal rating based model, which has been approved by the ACPR at the beginning of 2007.

In 2020 and 2021, work has been carried out for the regulatory model to comply with EBA IRB repair rules. It is under review by ACPR to grant approval on this new model.

(iv) *Management of unpaid amounts and recovery process*

As a general principle, the partner institution must inform Crédit Logement of any fact brought to its attention, which would be the type of matter to affect the solvency of the borrower or to put the repayment of the loan at risk.

Following three unpaid installments, Crédit Logement will be called by the lender bank to indemnify himself for the total due and unpaid amount by drawing such an amount from the FMG (*appel en garantie*). Crédit Logement may decide not to indemnify the bank if the characteristics of the reference obligation are too different from the original characteristics transmitted by the bank, or if the management of the reference obligation by the bank has led to an increase in the potential loss on the reference obligation. This drawing (known as a temporary use of the FMG) is subject to obtaining the following contractual documents: signed loan offer, or signed loan contract making reference to the offer with acknowledgement of receipt, amortization table on which the claim is based, joint and several guarantees (if any) (*actes de cautionnement solidaires*) and supporting evidence of the risk from the arrangement of the loan (supporting evidence of earnings, of allocation of funds, of full ownership (*pleine propriété*)).

As from the *appel en garantie*, the lending institution subrogates Crédit Logement in its rights *vis-à-vis* the defaulting borrower to the extent of the indemnity amounts paid by Crédit Logement. At the same time, Crédit Logement is subject to a requirement to make use of all procedures, whether by private agreement or through the courts, for the recovery of installments due from the defaulting borrower.

The first stage of recovery is "out of court discovery" (*découverte amiable*), during which the recovery analyst will seek to contact the borrower, evaluate his/her financial situation and calculate his/her ability to recommence payment of his/her financial obligations and to repay the unpaid installments. After the establishment of an out-of-court discharge plan (*plan d'apurement amiable*), the return to normal file management will take place after full repayment of the unpaid sums.

If the unpaid installments are not repaid, the file passes to the litigation phase and the declaration of an event of default may be made by the lending institution against the borrower (*déchéance du terme*), either with the agreement of, or at the request of, Crédit Logement. As a consequence of an event of default, Crédit Logement must pay its partner bank all of the remaining installments due by the borrower. These payments are made by withdrawing sums from the FMG. Crédit Logement may take a

mortgage over it (usually through the courts for reasons of cost and speed) to secure the repayment of the defaulted loans.

Crédit Logement negotiates with the debtor in order to gain the maximum advantage from an out-of-court sale, which statistically allows the best level of recovery. The deadline agreed with the debtor for the sale of the property must not exceed 6 months following the date of the signature of the sale agreement (*mandat de vente*), a copy of which will have been sent to Crédit Logement by the debtor.

In case of a failure to sell, Crédit Logement initiates the process of property seizure (*saisie immobilière*) which, in half of the cases, results in the borrower changing his/her mind and agreeing to sell the property out-of-court; when this happens, execution procedures are not cancelled, but potentially suspended. In all other cases, the failure to agree an out-of-court sale inevitably leads to a court sale.

Once the sale is completed, Crédit Logement has the ability to pursue the borrower. After having exhausted all the judicial and extra-judicial pursuits, or after taking the decision not to pursue further, Crédit Logement writes off the outstanding unpaid amount due by the borrower.

Crédit Logement also develops a recovery activity for the account of third-parties on residential loans which have not been guaranteed by Crédit Logement.

3.1.2 Crédit Logement's exposure

Crédit Logement's exposure on its guarantee portfolio is as at 31 December 2020 as follows:

	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016
Default commitment rate	0,469%	0,517%	0,568%	0,627%	0,696%
Annual net FMG withdrawal rate	-0,002%	0,019%	0,025%	0,046%	0,068%
Debt write-off rate	0,015%	0,022%	0,019%	0,014%	0,007%

Default commitment rate = (doubtful debt outstanding + FMG withdrawal) / (guarantees outstanding + FMG withdrawal)

Annual net FMG withdrawal rate = (annual net FMG withdrawal rate for the period) / (outstanding at the beginning of the period + FMG withdrawal)

Debt write-off rate = (annual debt write-off) / (outstanding at the beginning of the period + FMG withdrawal)

Crédit Logement estimates that the number of guarantees under recovery over the five last years has evolved as follows:

- Number of guarantees under recovery:

	2020	2019	2018	2017	2016
Number of guarantees beginning in the year	19 803	20 205	21 029	21 775	21 067
New calls on our guarantees	7 338	8 394	8 263	9 321	9 876
Number of Guarantees cleared	8 388	8 796	9 087	10 079	9 169
Number of guarantees end of the year	18 753	19 803	20 205	21 029	21 775

- Doubtful outstanding and doubtful debts for the 5 last financial years (in € thousands):

	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016
Balance sheet – Doubtful debt	1,251,490	1,325,965	1,346,854	1,304,906	1,244,099
Off-Balance sheet – Doubtful outstanding	715,265	747,805	770,700	873,202	1,047,175
Total	1,966,755	2,073,770	2,117,554	2,178,108	2,291,274
Total outstandings	390,392,034	374,746,295	345,777,089	325,720,231	301,095,817
% Total doubtful/total outstandings	0.50%	0.55%	0.61%	0.68%	0.76%
French residential market - Doubtful rate (ACPR 2020)	1.06%	1.20%	1.24%	1.36%	1.42%

3.1.3 The Mutual Guarantee Fund (*Fonds Mutuel de Garantie* (FMG)) and the guarantee fees

When a loan is guaranteed by Crédit Logement, the borrower has to pay two amounts:

- A contribution to the Mutual Guarantee Fund (FMG); and
- A flat fee.

(i) *The Mutual Guarantee Fund*

When a loan is repaid, the borrower receives its initial contribution back less the apportionment due to the global delinquency of all loans outstanding in the portfolio of Crédit Logement.

All disbursements on defaulted loans guaranteed by Crédit Logement are paid from the FMG which also receives all recoveries on these loans.

FMG growth over the years in € billions:

2016:	4,9
2017:	5.3
2018:	5.7
2019:	6.1
2020:	6.4

Crédit Logement's shareholders and partners subscribe, on a half-yearly basis, to a commitment to reconstitute, if necessary and on a prorata of their guaranteed commitments, the FMG under the rules applying to contribution settled before the 1st January 2014.

In accordance with the decree of 23 December 2013 regarding the prudential regime applicable to financial institutions in France (*arrêté du 23 décembre 2013 relatif au régime prudentiel des sociétés de financement*), the FMG under the rules applying to contribution settled after the 1st January 2014 is considered as Core Equity Tier One (*fonds propres de base de catégorie 1*), and the FMG under the former rules is grandfathered.

(ii) *The Guarantee Fees*

There are two types of fees, the one received at the beginning of the guarantee, and the one received at the end of the guarantee, which is subtracted from the FMG restitution to the borrower. That latter type of fees may only be applied to "young" borrower, up to 36 years of age, and their level take into account the fact that they are only received at the end of the guarantee.

In both cases, only part of these fees is immediately taken away as income, the remaining part being spread over the life time of the guarantee. In 2020 the amount of fees received in the year at the beginning of the guarantee were equal to €127.2 million, while fees to be received amounted to €54.4 million fees.

Thus, the stock of fees received but not yet taken as income rose to €464.4million at the end of 2020, while the stock of fees to be received at the end of the guarantee amounted to €466.3 million at the end of 2020, out of which only €288.6 million were already taken as income.

3.2 **Crédit Logement and the property market**

The main developments in the business of Crédit Logement in 2020 were:

- Historically-low interest rates (interest rates averaged 1.20% in the fourth quarter and some 15-year loans below 1%) and longer loan terms
- Following the implementation of the HCSF's (French high council for financial stability), distortion in the structure of loan production with a decline in the proportion of borrowers with lower incomes and lower down payments
- Relatively strong decline in the loan production on the French market (-16.9%). Crédit Logement production relating to guarantees put in place during the year was down by 12.4% compared to 2019 at €69.9 billion.
- Decrease in the new home market (25% of the whole market)and growth for existing home market (72% of the whole market) but stabilization in the renovation market after the fall in 2019 (2.9%)
- Average loan duration at 229 months in 2020 vs. 226 months in 2019
- Minority part of floating rate loans 0.6% in 2020 in the annual study from ACPR on residential loans and in Crédit Logement production
- The one year default rate has been decreasing steadily since 2015 and is at 0.167% at 31 December 2020.

The table below indicates a substantial growth of productivity in recent years:

<i>Year</i>	<i>Amount of guarantees put in place, in € billions</i>	<i>Outstanding guarantee, in € billions</i>
2016	69.41	301.1
2017	84.38	325.72
2018	66.31	345.78
2019	79.80	374.75
2020	69.88	390.39

In 2020, according to the annual study from ACPR on residential loans, the amount of healthy loans outstanding rose to €1 110billion vs. €1 052 billion in 2019 which gave Crédit Logement a share of 35% in 2020 against 36% in 2019 (statistic on performing loans).

3.3 Treasury management

The "available treasury", mainly coming from the FMG, fees received and not yet posted as income to the Profit&Loss account and from subordinated notes issued, is placed according to the general principle defined by the Board. A Cash Management Committee, whose five members are experts from five shareholder banks, together with Crédit Logement management, defines the investments rules and limits and controls the treasury activity and results.

Globally, the overall risk from the treasury management is very limited with over 83% of final risk on core Eurozone credit institutions (senior preferred), mainly on French banks, and more than 15% on core Eurozone sovereign or quasi sovereign securities (excluding GIIPS). The breakdown of this overall risk being as follows, according to the second best rating between Moody’s, S&P, DBRS and Fitch ratings taken as at 31 December 2020:

LT rating	Overall risk (%)
AAA to AA-	55%
A+	38.4%
A	0%
A-	5.9 %
BBB+ to B-	0.7%

The other funds obtained from ordinary shares are replaced with French banks on term accounts, with interest rates being fixed every year based on the one year euro rate. Following the same pattern, subordinated loans granted by partner banks are replaced with French banks with a negative margin supported by Crédit Logement.

As at 31 December 2020, the outstanding notional amount of Interest Rates Swaps (IRS) was €5.49 billion, either micro coverage IRS to transform fixed rate notes purchased to floating rate, or macro coverage to manage Crédit Logement global rate position.

Crédit Logement has opted for the establishment of "FBF framework" contracts for collateralisation on derivatives signed with bank counterparties which provide for netting of exposure and the establishment of a regular margin call (cash deposit) which makes it possible to reduce the real exposure. Regular adjustments under the framework agreement are performed each day.

In 2013, since most of its investments are made with French banks and in the form of time deposits, Crédit Logement considered necessary to mitigate counterparty risk. Financial guarantee agreements were signed with the main bank partners. These specify the conditions under which partner banks, counterparties to the investments of Crédit Logement, must pledge to it eligible assets within the framework of article L.211-38 of the French *Code monétaire et financier*. These guarantees can be of several types such as cash deposits, eligible securities quoted in Euros, pledged loans to SME well ported by Bank of France etc. Regular adjustments to the collateral under the framework agreement are performed each quarter.

Since 2015, Crédit Logement began to divert its investments by purchasing sovereign or quasi sovereign core Euro zone securities included in a global portfolio which amounts to €1.3 billion as at 31 December 2020.

Crédit Logement's liquidity risk is very specific, since the residential loan guarantee business generates liquidity. A liquidity risk could therefore arise only from a mismatch between its cash investment policy and the requirements resulting from its business as a guarantor.

Crédit Logement's objective is also to minimize its overall interest rate risk, made up in particular of a long-term resource, the mutual guarantee fund and investments made under liquidity stress scenarios.

3.4 Financing

3.4.1 Undated deeply subordinated bond issue

€800 million undated deeply subordinated securities were issued on 16 March 2006 and can be taken in additional Tier 1 capital. However, as they do not meet all the criteria laid down in EU Regulation 575/2013 on prudential requirements for credit institutions and investment firms, they are subject to grandfathering.

On 28 November 2017, 9,475 securities were redeemed for €473,750,000. There are therefore 6,525 such securities outstanding in the amount of €326,250,000. As of 8 November 2021, the Issuer has provided the existing noteholders with a call notice to redeem all of the remaining notes as of 16 December 2021.

3.4.2 Dated subordinated bond issue

5,000 dated subordinated bonds were issued with a par value of 100,000 on 28 November 2017 in accordance with Article 63 EU Regulation 575/2013 and can be included in the Tier 2 capital base.

They are traded on Luxembourg's EURO MTF market. Interest is calculated annually in arrears on 28 November, at a fixed rate of 1.35% until 28 November 2024, and annually in arrears at the 5 year mid-swaps rate as of 28 November 2024 plus 90bp up to 2029.

3.4.3 Subordinated borrowings

Subordinated borrowings, granted to Crédit Logement by its banking partners, are held in the Tier 2 capital, and are of two types:

- Subordinated borrowings amended in 2014 with a twelve year term and that may be paid back after five years solely on the initiative of the borrower with prior approval from the ACPR. They meet all the criteria laid down in EU Regulation 575/2013 and are included in Tier 2 capital.
- Subordinated borrowings granted on 30 June 2019 and 30 December 2019 and that have a twelve-year term but may be paid back after five years on the sole initiative of the borrower with prior approval from the ACPR. They satisfy all the criteria laid down in Regulation (EU) No. 575/2013 as amended, and are included in Tier 2 capital.

4. Subsidiary

Crédit Logement has only one subsidiary wholly-owned by Crédit Logement named SNC and which is not consolidated, in agreement with its auditors because of its small size and very limited activity.

5. Management

The members of the Board of Directors as at 31 March 2021 are:

Name	Principal functions
Olivier BELORGEY Chairman	Head of Financial Operations at Crédit Agricole S.A. (Chief Financial Officer of Crédit Agricole Corporate and Investment Bank since 1 September 2017)
Yves MARTRECHAR Honorary Chairman	Head of Human Resources at BNP Paribas and member of the Executive Committee of the BNP Paribas Group
BNPPARIBAS represented by Gabrielle D'ARAILH	Head of Finance, France networks (BDDF)
HSBC FRANCE represented by Axelle MAGNIER	Head of Improvement and Customer Experience and Day to Day Banking
CREDIT FONCIER represented by Eric FILLIAT	Chief Executive Officer
LCL - LE CRÉDIT LYONNAIS represented by Grégory ERPHELIN	Head of Finance, Legal Affairs, Purchases, Loans Acceptance and Recovery
CAISSE CENTRALE DU CRÉDIT MUTUEL represented by Sophie OLIVIER	Head of Markets and Studies and Public Affairs, Confédération Nationale du Crédit Mutuel
BPCE represented by Sylvain PETIT	Head of Strategy
SF2- GROUPE LA BANQUE POSTALE represented by Delphine de CHAISEMARTIN	Head of Public Affairs and Corporate and Financial Communication
SOCIETE GENERALE represented by Marianne AUVRAY-MAGNIN	Head of Market Relations and Regulations
Paul ESPAGNO	Chief Financial Officer and Risk at Fédération Nationale du Crédit Agricole
Brigitte GEFFARD	Head of Loans Acceptance and Debt Collection at LCL
Nicolas DRAUX	Head of Retail Banking France at BNP Paribas
Martine LASSEGUES	Deputy Head of the Customer, Distribution, Marketing and French Retail Banking at Société Générale

All members of the Board of Directors have their business address at Crédit Logement's address.

Potential conflict of interest

As the members of the Board of Directors of Crédit Logement are among its main customers or competitors, a conflict of interests may arise between their duties with respect to the Issuer and their private interests or other duties. In order to prevent those types of conflicts, each member undertakes to recognize and anticipate the conflicts of interest that could arise. Each member must sign a certification which commits them to respect the EBA's rules on this subject.

6. Employees

Crédit Logement had 330 employees as of 31 December 2020.

7. Dividend distribution

Following the lift of the ban on dividend distributions decided by the European Central Bank (ECB) and adopted by the ACPR, taking effect as of 1st October 2021, the Board of Directors of Crédit Logement, at its meeting of 23 September 2021, decided to convene a shareholders' general meeting on 28 October 2021, to distribute part of the retained earnings (*report à nouveau*), in a proportion corresponding to the distributable income (*benefice distribuable*) for the year 2019, which had been treated as retained earnings (*report à nouveau*). On 28 October 2021 the shareholders' general meeting authorized the dividend distribution for an amount of €98.8 million, which will occur by the end of the year.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement dated [•] 2021 (the "**Subscription Agreement**"), BNP Paribas, Cr dit Agricole Corporate and Investment Bank and Soci t  G n rale (the "**Managers**") have agreed with the Issuer, subject to satisfaction of certain conditions, to jointly and severally procure subscription and payment for, and failing which to subscribe and pay for, Notes at a price equal to [•] per cent. of their total principal amount less an amount of commission agreed between the Issuer and the Managers. The Subscription Agreement entitles the Managers to terminate it in certain circumstances prior to payment being made to the Issuer. The Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

General Restrictions

Each Manager has agreed to observe all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Notes or have in its possession or distribute this Prospectus or any other offering material relating to the Notes.

No action has been or will be taken by the Issuer or the Managers that would, or is intended to, permit a non-exempt offer of the Notes or possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where any such action for that purpose is required. Accordingly, each of the Managers has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes or has not, directly or indirectly, distributed or published and will not, directly or indirectly, distribute or publish the Prospectus, any offering material or other document or information relating to the Notes in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

Prohibition of Sales to EEA Retail Investors

Each Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available the Notes to any retail investor in the EEA.

For the purposes of this provision the expression "retail investor" means a person who is one (or both) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II and/or (ii) a customer within the meaning of Directive 2016/97/EU as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

The expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes. This Prohibition of Sales to EEA Retail Investors' selling restriction is in addition to any other selling restrictions set out in this Prospectus.

France

Each of the Manager has represented and agreed that it has only offered or sold, and will only offer or sell, directly or indirectly, any Notes in France to qualified investors (*investisseurs qualifi s*) (with the exception of individuals), as defined in Article 2(e) of the Prospectus Regulation and Article L.411-2 1  of the French *Code mon taire et financier*, and has only distributed and will only distribute or cause to be distributed this Prospectus and any other offering material relating to the Notes to such qualified investors.

Belgium

Each of the Managers has represented and agreed that it has not offered, sold or otherwise made available, and will not sell, offer or otherwise make available, any Notes to "consumers"

(*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/ Wetboek van economisch recht*) dated 28 February 2013, as amended from time to time within the territory of Belgium.

Each of the Managers has represented and agreed that it undertakes to comply with applicable Belgian laws and regulations in force regarding the offer, the placement or the sale of the Notes and the distribution in Belgium of the Prospectus or any other offering material relating to the Notes.

Canada

Each of the Managers has represented and agreed that it has not offered or sold and will not offer or sell the Notes in Canada other than to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Singapore

Each of the Managers has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Managers has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

In connection with Section 309B(1)(c) of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the CMP Regulations 2018), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Hong Kong

Each of the Managers has represented and agreed that:

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

United States

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

Each of the Managers has agreed that it has not offered or sold, and will not offer or sell, the Notes (i) as part of their distribution at any time or (ii) otherwise until forty (40) days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor or dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

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

In addition, until forty (40) days after the later of the commencement of the offering and the issue date of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 any Notes in circumstances in which section 21 (1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to United Kingdom Retail Investors

Each Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom.

(a) For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

GENERAL INFORMATION

1. The Notes have been accepted for clearance through Euroclear France (66, rue de la Victoire, 75009 Paris, France), Clearstream (42, avenue JF Kennedy, 1855 Luxembourg, Luxembourg) and Euroclear Bank SA/N.V. (1 boulevard du Roi Albert II, B-1210 Brussels, Belgium) with the Common Code [•].

The International Securities Identification Number (ISIN) for the Notes is FR[•].

2. Application has been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market.

BNP Paribas Securities Services Luxembourg Branch (the "**Luxembourg Listing Agent**"), being part of a financial group providing client services with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg.

3. The issue of the Notes was authorised pursuant to a resolution of the *Conseil d'Administration* (Board of Directors) of the Issuer dated 7 October 2021 and a decision [•], [•] of the Issuer, dated [•] 2021.
4. Save as disclosed in the Prospectus, no person involved in the issue of the Notes has an interest material to the issue. One or more of the Managers are shareholders of the Issuer and the entry into the Subscription Agreement by such Managers has been authorised by a special resolution of the Board of Directors (*Conseil d'Administration*) of the Issuer in accordance with the provisions of the French *Code de commerce*.
5. The yield in respect of the Notes from the Issue Date to the Reset Date is [•] per cent. *per annum* and is calculated on the basis of the issue price of the Notes. It is not an indication of future yield.
6. Save as disclosed in the Prospectus, there has been no significant change in the financial or trading position of the Issuer since 31 December 2020.
7. Save as disclosed in the Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2020.
8. There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering at least the 12 months prior to the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.
9. For so long as any of the Notes are outstanding, copies of the following documents may be obtained free of charge during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the specified office of the Issuer or the Fiscal Agent:
 - a. this Prospectus (including any documents incorporated by reference);
 - b. the Agency Agreement;
 - c. the most recently published annual audited non-consolidated accounts of the Issuer; and
 - d. the *statuts* of the Issuer.

The Issuer does not publish any interim accounts. The most recently annual audited non-consolidated accounts published by the Issuer relate to the financial years ended on 31 December 2019 and 2020, and are incorporated by reference herein (see "*Incorporation by Reference*").

Copies of the Documents Incorporated by Reference are available without charge (i) on the website of the Luxembourg Stock Exchange (www.bourse.lu) (ii) on the website of the Issuer (www.creditlogement.fr) and (iii) on request at the principal office of the Issuer or of the Fiscal Agent during normal business hours so long as any of the Notes is outstanding.

10. The Issuer only publishes non-consolidated financial statements. Deloitte & Associés and Compagnie des Techniques Financières have audited and rendered unqualified audit reports on the non-consolidated financial statements of the Issuer for each of the financial years ended 31 December 2019 and 2020. Compagnie des Techniques Financières and Deloitte & Associés are registered as *Commissaires aux Comptes* (members of the *Compagnie Nationale des Commissaires aux Comptes*).
11. In connection with the issue of the Notes, BNP Paribas (the "**Stabilising Manager**") (or any person acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) calendar days after the Issue Date of the Notes and sixty (60) calendar days after the date of the allotment of the Notes. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or person acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.
12. This Prospectus contains or incorporates by reference objectives, forecasts or other forward-looking statements that may be identified by the use of words such as "anticipate," "believe," "expect," "estimate," "plan," "outlook," and "project" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Such objectives, forecasts or other forward-looking statements with respect to revenues, earnings, performance, strategies, prospects and other aspects of the businesses of the Issuer, as well as assumptions and analysis made by the Issuer in light of its perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate in the circumstances. By their nature, forward-looking statements involve known and unknown risks, uncertainties and assumptions that could cause actual results, performance and the timing of events to differ materially from those expressed or implied by the forward-looking statements.

These forward-looking statements speak only as of the date on which the statements were made, and no obligation has been undertaken to publicly update or revise any forward-looking statements made in this Prospectus or elsewhere as a result of new information, future events or otherwise, except as required by applicable laws and regulations. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. These forward-looking statements do not constitute profit forecasts or estimates under Commission Delegated Regulation (EU) 2019/980, as amended, supplementing the Prospectus Regulation.

13. The Legal Entity Identifier number of the Issuer is 969500FYPDQY3Y12Z881.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

The Issuer accepts responsibility for the information contained (or incorporated by reference) in this Prospectus. The Issuer, having taken all reasonable care to ensure that such is the case, confirms that the information contained (or incorporated by reference) in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

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Duly represented by [•]

([/] of the Issuer)

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