

## BASE PROSPECTUS



FRANCE

### **PSA BANQUE FRANCE** **€4,000,000,000** **Euro Medium Term Note Programme**

Under this €4,000,000,000 Euro Medium Term Note Programme (the **Programme**), PSA BANQUE FRANCE (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €4,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of the most material of these risks see "*Risk Factors*".**

This Base Prospectus has been approved as a base prospectus by the *Autorité des marchés financiers* (the AMF) in its capacity as competent authority in France under Regulation (EU) 2017/1129 (the Prospectus Regulation). The AMF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the AMF should not be considered as an endorsement of the Issuer or of the quality of the Notes.

Application may be made (i) to Euronext Paris S.A. for Notes issued under the Programme during a period of 12 months after the date of this Base Prospectus to be listed and admitted to trading on Euronext Paris S.A. and/or (ii) to the listing authority of any other member state of the European Economic Area (EEA) for Notes issued under the Programme to be admitted to trading on a Regulated Market (as defined below) in such member state. Euronext Paris S.A. is a regulated market (a Regulated Market) for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended (**MiFID II**).

This Base Prospectus is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**), with respect to Notes to be admitted to trading on Euronext Paris S.A. which will be filed with the AMF.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

Each Tranche of Notes with a maturity of more than 365 calendar days will initially be represented by a temporary global note (each a **Temporary Global Note**), unless the applicable Final Terms specify otherwise, and each Tranche with a maturity of 365 calendar days or less will initially be represented by a permanent global note (each a **Permanent Global Note** and together with the Temporary Global Notes, each a **Global Note**), unless the applicable Final Terms specify otherwise. Each Global Note will in the case of a Tranche intended to be cleared through Euroclear Bank SA/NV (**Euroclear**) or Clearstream Banking S.A. (**Clearstream**), on the issue date (x) if the Global Notes are stated in the applicable Final Terms to be issued in new global note (**NGN**) form, which are intended to be eligible collateral for Eurosystem monetary policy and the Global Notes will be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear and Clearstream; or (y) in the case of Global Notes which are not issued in NGN form (**Classic Global Notes** or **CGNs**), be deposited on the issue date to a common depository on behalf of Euroclear and Clearstream (the **Common Depository**). Interests in Temporary Global Notes will be exchangeable for interests in Permanent Global Notes or, if specified in the Final Terms, for definitive Notes (**Definitive Notes**) in bearer form. Such exchange will occur only after 40 calendar days from the later of the offering and the issue date upon certification as to non-U.S. beneficial ownership. Interests in Permanent Global Notes will be exchangeable for Definitive Notes if specified in the applicable Final Terms or in certain circumstances as more fully described in "*Form of the Notes*".

The Issuer has been rated A3 (stable outlook) by Moody's Investors Service Ltd (**Moody's**) as at 29 May 2019 and BBB+ (stable outlook) by S&P Global Ratings (**S&P**) as at 28 December 2018. The Programme has been rated A3 by Moody's and BBB+ by S&P in respect of Senior Preferred Notes only. Moody's and S&P are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). Notes (including Senior Non Preferred Notes) issued under the Programme may be unrated or rated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

This Base Prospectus, any supplement to this Base Prospectus and the Final Terms of any Notes listed and admitted to trading on Euronext Paris S.A. will be available on the website of the Issuer ([www.psa-banque-france.com](http://www.psa-banque-france.com)) and this Base Prospectus will be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)). Documents incorporated by reference in this Base Prospectus will be available on the website of the Issuer.

#### **Arranger**

**Société Générale Corporate & Investment Banking**

#### **Dealers**

<b>Banca IMI</b>	<b>Barclays</b>
<b>BofA Merrill Lynch</b>	<b>Commerzbank</b>
<b>Crédit Agricole CIB</b>	<b>HSBC</b>
<b>ING</b>	<b>NATIXIS</b>
<b>Santander Global Corporate Banking</b>	<b>Société Générale Corporate &amp; Investment Banking</b>
<b>UniCredit Bank</b>	

The date of this Base Prospectus is 19 December 2019.

## IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation. When used in this Base Prospectus, Prospectus Regulation means Regulation (EU) 2017/1129.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that those documents are incorporated and form part of this Base Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the AMF.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or the Issuer and its consolidated subsidiaries taken as a whole (the **PSA Banque France Group**). No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or the Issuer and the PSA Banque France Group.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

**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 (**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 (EU) 2016/97 (the **Insurance Distribution Directive**), 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 **PRIPs 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 PRIPs Regulation.

**MIFID II product governance / target market** – The Final Terms in respect of any Notes may include a legend entitled "MIFID II product governance" which will outline the target market assessment in respect of the Notes, taking into account the five categories in item 18 of the Guidelines published by ESMA on 5 February 2018, and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

### *Suitability of Investment*

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience 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 Base Prospectus or any applicable supplement;
- (ii) has 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 the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

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## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer(s) may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event and if appropriate, a new Base Prospectus or a supplement to the Base Prospectus, will be published.*

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980 (the **Delegated Regulation**).

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	PSA BANQUE FRANCE
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the risks associated with an investment in the Notes. All of these are set out under " <i>Risk Factors</i> ".
Description:	Euro Medium Term Note Programme
Arranger:	Société Générale
Dealers:	Banca IMI S.p.A., Banco Santander, S.A., Barclays Bank Ireland PLC, Barclays Bank PLC, BofA Securities Europe SA, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, ING Bank N.V., Merrill Lynch International, Natixis, Société Générale and UniCredit Bank AG  and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> ") including the following restrictions applicable at the date of this Base Prospectus.

### **Notes having a maturity of less than one year**

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (**FSMA**) unless they are issued to a limited class of professional investors and have a denomination of at least

£100,000 or its equivalent, see "*Subscription and Sale*".

Fiscal Agent and Paying Agent:	Société Générale Bank and Trust
Programme Size:	€4,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, notes may be denominated in euro, Sterling, U.S. dollars, Yen, Australian dollars, Czech Crown, Swiss Francs, Danish Krone, Norwegian Krone, Swedish Krona, Singapore dollars and any other currency agreed between the Issuer and the relevant Dealer(s).
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer form as described in " <i>Form of the Notes</i> ".
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: <ol style="list-style-type: none"><li>1. on the basis of the reference rate set out in the applicable Final Terms; or</li><li>2. on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series).</li></ol> Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s),

will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer(s).

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Unless otherwise stated in the applicable Final Terms the minimum interest rate shall be deemed to be zero.

In the event that Screen Rate Determination applies and a Benchmark Event occurs, such that any rate of interest (or any component part thereof) cannot be determined by reference to the original benchmark or screen rate (as applicable) specified in the applicable Final Terms, then the Issuer shall use its reasonable endeavours to appoint an Independent Advisor, which may determine a successor, replacement or alternative benchmark and/or screen rate to be applied to the Notes (with consequent amendment (with no requirement for Noteholder consent) to the terms of such Series of Notes and, potentially, the application of an adjustment spread (which could be positive or negative)). See Condition 4.2(h) (*Benchmark Discontinuation*) for further information.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer(s).

Furthermore, the Notes may be redeemable by the Issuer prior to maturity for tax reasons. Senior Non Preferred Notes may be redeemable by the Issuer prior to maturity upon the occurrence of a MREL Disqualification Event. See Condition 6 (*Redemption and Purchase*).

If so specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem the Notes, in whole or in part, at any time prior to their Maturity Date at the relevant Make-Whole Redemption Amount.

The Make-Whole Redemption Amount shall be calculated in accordance with Condition 6.5 (*Make-Whole Redemption by the Issuer (Make-Whole Call)*).

Notwithstanding any other provisions, the Issuer may early redeem the Senior Non Preferred Notes (and give notice thereof to Noteholders) only if it has obtained the prior consent of the Relevant Resolution Authority and/or Relevant Regulator (to the extent required at the relevant date by the Applicable Banking Regulations).

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.

Substitution and Variation of the Senior Non Preferred Notes:

If a MREL Disqualification Event has occurred and is continuing, the Issuer may, at its option, substitute or vary the terms of the relevant Series of Senior Non Preferred Notes without any requirement for the consent or approval of the Noteholders, so that they become or remain eligible to count towards fulfilment of the MREL Requirements of the Issuer and/or the PSA Banque France Group to at least the same extent as the Senior Non Preferred Notes prior to the relevant MREL Disqualification Event.

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions – Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

It will also be possible to issue in denominations of €100,000 (or currency equivalent) and integral multiples of €1,000 (or currency equivalent in excess thereof) up to and including €199,000 (or currency equivalent).

Taxation:

All payments of principal and interest in respect of the Notes or Coupons will be made without withholding or deduction for or on account of taxes or duties of whatever nature imposed or levied 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.

In the event that any such withholding or deduction is required by French law, the Issuer will, to the fullest extent then permitted by law, pay additional amounts to compensate for the amounts so withheld or deducted, subject to certain exceptions described in Condition 7 (*Taxation*).

Status of the Notes:

The Notes may be Senior Preferred Notes or Senior Non Preferred Notes.

1. If the Notes are **Senior Preferred Notes**, the Notes will be Senior Preferred Obligations and the Notes and (if applicable) the relative Coupons are direct, unconditional, unsecured and senior obligations of the Issuer and rank and will at all times rank:

- (a) *pari passu* among themselves and with other Senior Preferred Obligations;
- (b) senior to Senior Non Preferred Obligations; and
- (c) junior to present and future claims benefiting from other preferred exceptions.

Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer, the rights of Noteholders to payment under the Senior Preferred Notes rank:

- (a) junior to present and future claims benefiting from other preferred exceptions; and
- (b) senior to Senior Non Preferred Obligations.

2. If the Notes are **Senior Non Preferred Notes**, the Notes will be Senior Non Preferred Obligations and the Notes and (if applicable) the relative Coupons are direct, unconditional, unsecured and senior obligations of the Issuer and rank and will at all times rank:

- (a) *pari passu* among themselves and with other Senior Non Preferred Obligations;
- (b) senior to Eligible Creditors of the Issuer, Ordinarily Subordinated Obligations and any other present or future claims otherwise ranking junior to Senior Non Preferred Obligations; and
- (c) junior to present and future claims benefiting from preferred exceptions including Senior Preferred Obligations.

Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer, the rights of Noteholders to payment under the Senior Non Preferred Notes rank:

- (a) junior to Senior Preferred Obligations; and

- (b) senior to any Eligible Creditors of the Issuer, Ordinarily Subordinated Obligations and any other present or future claims otherwise ranking junior to Senior Non Preferred Obligations.

**Ordinarily Subordinated Obligations** means any subordinated obligations or other instruments issued by 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*).

**Senior Preferred Obligations** means any senior (*chirographaires*) obligations (including the Senior Preferred Notes) of, or other instruments issued by, the Issuer, which fall or are expressed to fall within the category of obligations described in article L. 613-30-3-I-3°. of the French *Code monétaire et financier*.

**Senior Non Preferred Obligations** means any senior (*chirographaires*) obligations (including the Senior Non Preferred Notes) of, or other instruments issued by, the Issuer, which fall or are expressed to fall within the category of obligations described in article L. 613-30-3-I-4°. of the French *Code monétaire et financier*.

Negative Pledge:

The terms of the Senior Preferred Notes contain a negative pledge provision as described under Condition 3 (*Negative Pledge*).

There is no negative pledge provision in relation to Senior Non Preferred Notes.

Events of Default:

The terms of the Senior Preferred Notes contain events of default including a cross default provision as described under Condition 9.1(c) (*Senior Preferred Notes*).

There are no events of default in relation to the Senior Non Preferred Notes as described under Condition 9.2 (*Senior Non Preferred Notes*).

Waiver of set-off:

In relation to Senior Non Preferred Notes, Noteholders waive any right of set-off, compensation and retention in relation to such Senior Non Preferred Notes, insofar as permitted by applicable law. As a result, holders of Senior Non Preferred 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.

Rating:	The Programme has been rated A3 by Moody's and BBB+ by S&P in respect of Senior Preferred Notes only. Series of Notes (including Senior Non Preferred Notes) issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing:	<p>This Base Prospectus has been approved as a base prospectus by the AMF. Application may also been made for Notes issued under the Programme to be admitted to trading on, and to be listed, on Euronext Paris S.A.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer(s) in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
Governing Law:	The Notes (except for Condition 2 ( <i>Status of the Notes</i> ) which is governed by French law) and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including the United Kingdom, France and Italy), Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see " <i>Subscription and Sale</i> ".
United States Selling Restrictions:	Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.

## RISK FACTORS

*In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due.*

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

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

### **FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME**

*The Issuer believes that the following factors are specific to it and/or the Notes and material for an informed investment decision with respect to investing in the Notes issued under the Programme as described below as they may affect the Issuer's ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive.*

*In each category below, the Issuer sets out the most material risk (in descending order of importance), in its assessment, taking into account the expected magnitude of their negative impact (including any relevant mitigation measures) and the probability of their occurrence.*

### **RISK FACTORS RELATING TO THE ISSUER**

The risk factors relating to the Issuer are set out below and are assessed in accordance with the three levels of severity: low risk, medium risk, high risk.

<b>Risks relating to the environment in which PSA Banque France Group operates and business development risks</b>	<b>Severity</b>
1. Risk relating to PSA Group's activity	High
2. Risk relating to the competitive environment	Medium
3. Legal, regulatory and tax risks	Medium

<b>Credit and counterparty risks</b>	<b>Severity</b>
4. Credit and concentration risks	Medium

5. Counterparty risk	Low
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<b>Financial risks</b>	<b>Severity</b>
6. Liquidity and funding risk	Medium
7. Risk relating to the refinancing cost	Medium
8. Structural interest rate risk	Low

<b>Operational and non-compliance risks</b>	<b>Severity</b>
9. Risks relating to information systems, cybersecurity and data protection and business continuity	Medium
10. Risks relating to frauds	Medium
11. Non-compliance risks	Medium
12. Reputational and image risk	Low

**Risks relating to the environment in which PSA Banque France Group operates and business development risks**

This risk category related to the environment, market conditions as well as legislative and regulatory framework applicable to PSA Banque France Group including related risks such as legal and non-compliance risks, relating to failure to comply with regulations and legislations governing PSA Banque France Group's banking activities that may arise in cases of non-compliance with legal and regulatory obligations.

- The results of operations and the financial position of PSA Banque France Group are dependent on the activity and the corporate strategy of PSA Group and rely mainly on the vehicle sales volumes achieved by Peugeot, Citroën and DS brands, as well as their marketing policies**

As a dedicated finance company of PSA Group in France, PSA Banque France Group's predominant business activity consists of financing the Peugeot, Citroën and DS brands vehicle sales, which accounts for almost 80% of its net banking revenues at the end of June 2019, the remainder being insurance and services. The PSA Banque France Group's business is reliant on the activity of PSA Group and, amongst other matters, its ability to sell vehicles (i.e. the sales volumes achieved by Peugeot, Citroën and DS, as well as their marketing policies, which may also include financing operations carried out with PSA Banque France Group).

Therefore, PSA Banque France Group may be affected by the same category of risks as those to which PSA Group is exposed (i.e. the global economic and geopolitical environment in France and abroad, its suppliers risks, industrial risks, risks relating to climate change, etc.). Any impairment of the activity of PSA Group in France due to these risks will have a corresponding material adverse effect on the PSA Banque France Group's level of activity, and thus on its results of operations and

financial position (for further details, please see the description of the risks to which PSA Group is exposed in its registration documents).

Specifically, the business of PSA Banque France Group relies to a significant extent on the ability of PSA Group to develop and launch new vehicles and to ensure the marketing of such vehicles. In this regard, the PSA Banque France Group prepares its business plan based on the PSA Group forecast. However, the decision to develop new vehicle models and to introduce them to the market is backed by marketing and profitability studies carried out several years prior to their actual launch. In the context of an increasingly responsive and competitive automotive market there is no assurance that the forecasts of PSA Group are necessarily accurate and as a consequence this would alter in the future the level of activity of the PSA Banque France Group.

The sales volumes achieved by the PSA Group's brands may be affected by a diversification and innovation of the PSA Group's vehicle mix, the competitiveness of the vehicle sale prices and level of customer demand for new and used vehicle sales and leases. In addition to such factors, vehicle sales volumes may be impacted by government policies designed to incentivize new vehicle purchases, particularly for the purchase of electric cars.

Finally, the activity of the PSA Banque France Group is dependent on customer demand for vehicle purchase financing.

In addition, PSA Group, through its wholly-owned subsidiary Banque PSA Finance, also effectively controls PSA Banque France Group's decisions, including development plans, marketing strategies, product offerings. Certain members of the board of directors of PSA Banque France Group are also executive officers of Banque PSA Finance, including its Chairman of the Board of Directors, who is also the Chief Executive Officer of Banque PSA Finance. Whilst being commercially integrated with PSA Group provides PSA Banque France Group with significant advantages, it is possible that the interests and strategies of PSA Group will at times diverge from its own.

As a consequence, the strategic, commercial and financial links between PSA Group and PSA Banque France Group, added to the fact that its business is concentrated within PSA Group, make the business of the PSA Banque France Group highly dependent on PSA Group. This indirectly exposes it to certain extraneous factors affecting PSA Group.

## **2. Increased competition in the businesses in which it operates could adversely affect PSA Banque France Group's results of operations and financial position**

PSA Banque France Group operates in the banking sector, in a highly competitive environment, particularly with respect to financing, whether in the form of loans or leases, granted to either retail or corporate customers. PSA Banque France Group's principal competitors are mainly other dedicated finance companies of car manufacturers, bank affiliates and, more recently, independent operators.

PSA Banque France Group is assuring old established partnership with dealers from the PSA Group's network, but there is no guarantee that those dealers will finance the acquisition of cars by the customers through PSA Banque France Group. If PSA Banque France Group fails to maintain such partnerships due to competition from other operators, it may affect its business volume and thus its results of operations.

In competition with well-established financial institutions, PSA Banque France Group believes that the price, together with the level and quality of service and strength of customer relationships are key competitive factors.

The PSA Banque France Group's competitors, some of whom are part of larger automotive groups, may intend to compete aggressively on the basis of pricing. If PSA Banque France Group does not remain within a reasonable competitive distance from its competitors, it may lose customers and/or business volume. Effectively, customers may seek to obtain funding from PSA Banque France Group's competitors upon similar or better terms than those offered. As a consequence, there is no assurance that PSA Banque France Group will maintain its penetration level in the market. This could have an adverse effect on its results of operations and financial position.

Implementing an objective to match competitors' downward pressure on pricing either to maintain or gain market share may adversely affect the PSA Banque France Group's margins and would affect its results of operations and financial position.

In addition, PSA Banque France Group also faces competition for products and services provided through the insurance, warranty and roadside assistance operations from independent service providers it offers which could affect its profitability.

As a consequence, increases in competitive pressures could have an adverse impact on the PSA Banque France Group's volume of financing, incomes and margins and thus on its results of operations and financial position.

- 3. PSA Banque France Group operates in a highly regulated environment and is subject to an extensive legislative, supervisory and regulatory framework in France. Ongoing legislative and regulatory changes could have a significant effect on the PSA Banque France Group's business, position and costs, as well as on the financial and economic environment in which it operates**

#### *General regulatory framework*

PSA Banque France Group is subject to extensive regulation and supervision in France. The rules applicable to the PSA Banque France Group as a bank seek principally to limit its risk exposure, preserve its stability and financial soundness and protect its clients, depositors, creditors and investors. Compliance with these regulations requires significant resources. Any lack of compliance with such legislative framework could lead to fines, in addition to damage to its reputation, forced suspension of its operations or the withdrawal of its operating licenses (including its banking license) which could significantly affect PSA Banque France Group's business and financial position.

This regulatory framework is characterized by its evolving nature and increasing complexity, which increases uncertainty about the future impacts on the PSA Banque France Group's business and profitability. Since the onset of the financial crisis, a variety of measures have been proposed, discussed and adopted by numerous national and international legislative and regulatory bodies, as well as other entities. Certain of these measures have already been implemented, while others are still under discussion. This evolving regulatory framework impacts the financial and economic environment in which PSA Banque France Group operates. It therefore remains difficult to accurately estimate the future effects or, in some cases, the likely consequences of these measures for PSA Banque France Group. Furthermore, PSA Banque France Group is obliged to comply with consumer credit regulation pursuant to the 2008 European Union Consumer Credit Directive. The Consumer Credit Directive and the French consumer protection legislation regulates matters such as advertising to consumers, information to borrowers regarding interest rates and loan conditions, pre-financing credit checks and the ability to cancel financing contracts and prepay loans.

## ***French and European laws and regulations***

### **Credit institution framework**

PSA Banque France Group applies the Basel III regulations, which relate to capital and liquidity requirements (see section 1.4.6 *Capital and capital requirement* of the 2019 Half-year report for further details) with the goal of promoting a more resilient banking sector in the event of a crisis, implemented in the European Union through the Capital Requirements Directive (**CRD**) package, comprising Directive 2013/36/EU (**CRD IV**) and the Capital Requirements Regulation No. 575/2013 (**CRR**) (including all implementing legislation in France, including Law no. 2013-672 dated 26 July 2013 relating to the separation and regulation of banking activities), the Bank Recovery and Resolution Directive 2014/59/EU (**BRRD**), as well as the relevant technical standards and guidelines from EU regulatory bodies (for example the European Banking Authority (**EBA**) and the European Securities and Markets Authority (**ESMA**)). These European texts are and will continue to be subject to modification to reflect changes to the Basel III framework.

These regulations provide for a global output floor: the banking Risk-Weighted Assets (**RWA**) calculated according to the bank's internal models will be subject to a floor corresponding to a percentage of the base RWA that would result from the application of the Standardised Approach method (credit, market and operational). The output floor level will then increase progressively from 50% in 2022 to 72.5% in 2027.

The timetable for effective applicability of these regulations to PSA Banque France Group is likely to change depending on the final transposition of the Basel Committee's regulations into European law. Despite the measures taken by PSA Banque France Group to adapt its activities to new regulations and thus reduce their adverse impact, the completion of the Basel III regulatory framework is likely to increase the capital requirements applicable to the PSA Banque France Group's activities and thus reduce return on equity.

In addition to changes in regulatory provisions, the ECB has undertaken important initiatives to strengthen internal models for calculating capital requirements and their comparability. This concerns the strategy for deploying internal models on entities currently using a standard approach, harmonizing the internal definition of default, the launch in 2017 of a three-year program to review internal models (to which PSA Banque France Group is not subject), and the valuation of illiquid assets on the balance sheet.

Furthermore, in April 2019 the European Union adopted a rule requiring banks to make a prudential deduction in equity on the basis of a possible inadequacy in their provisions covering Non-Performing Loans (**NPLs**). This coverage is assessed against reference levels established according to the seniority of the "default" classification of the outstanding amounts concerned. This rule applies to the PSA Banque France Group for new loans originated and classified as NPLs since 26 April 2019. In practice, such prudential deductions would not apply until 2021 but since 2019, PSA Banque France Group has initiated an assessment of the potential impact on the PSA Banque France Group's solvency of such rules.

Furthermore, on 27 June 2019, a series of legislative measures called the "banking package" was published in the Official Journal of the European Union, including, inter alia, the CRR2 and CRD5 texts. Member States have 18 months to transpose these texts into national law.

The existing regulatory framework as well as the future reforms, may have an impact on capital requirements, cost of funding and other activities that will have to adapt to these new constraints as well as on the way in which the operates its activities. Nevertheless, the extent of this impact remains uncertain at this stage.

### **General corporate framework**

The entry into force in 2018 of the European General Data Protection Regulation (**GDPR**) increases non-compliance risk due to the large volume of personal data that the PSA Banque France Group processes in the normal course of its businesses, particularly in retail banking (for further details please see "*Operational Risks*"). On 25 May 2018, Regulation (EU) 2016/279 of the European Parliament and of the Council of 27 April 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "General Data Protection Regulation" or "GDPR") became applicable in all Member States of the EU with direct effect.

Although a number of basic existing principles have remained the same, the GDPR has introduced extensive new obligations on data controllers and rights for data subjects, as well as new fines and penalties for a breach of requirements, including fines for systematic breaches of up to the higher of 4% of annual worldwide turnover or €20 million and fines of up to the higher of 2% of annual worldwide turnover or €10 million (whichever is highest) for other specified infringements.

The implementation of the GDPR has required substantial amendments to the PSA Banque France Group's procedures and policies. The changes have impacted, and could further adversely impact, PSA Banque France Group's conduct of business. Further, there is a risk that the measures may not be implemented correctly or that there may be partial non-compliance with the new procedures. In case of breach, PSA Banque France Group could face significant administrative and monetary sanctions as well as reputational damage. For further impact of failure to comply with such provision, please see "*Operational Risks*" below.

In addition, PSA Banque France Group is subject to complex tax rules. Changes in applicable tax rules, uncertainty regarding the interpretation of such changes or their impact on PSA Banque France Group may have a material adverse effect on the PSA Banque France Group's business, results and financial position.

The costs of complying with all these laws and regulations, as well as with any additional regulation, could affect the conduct of the PSA Banque France Group's business and negatively affect its results of operations and financial position.

### **Credit and counterparty risks**

As a credit institution, PSA Banque France Group is exposed to the creditworthiness and the risk of insolvency of its customers or dealers of PSA Group, as well as some financial counterparties.

Credit risk is the risk of losses arising from the inability of customers to meet their financial commitments (payment of credit or lease instalments). It also includes the counterparty risk related to financial transaction.

Credit risk impacts the consolidated financial statements of PSA Banque France Group with the loss arising from the failure of a customer to meet payment or other obligations. While PSA Banque France Group generally has the ability to recover and resell the financed vehicle following a customer default, the resale value of a recovered vehicle may not be sufficient to cover the full amount of the default loss. Furthermore, PSA Banque France Group does not have a residual value risk on vehicles, because of buy-back commitments from the car dealers or the manufacturer itself.

Counterparty risk represents the potential loss incurred by PSA Banque France Group in the event that one of its counterparties defaults in the future.

As of 30 June 2019, PSA Banque France Group's risk weighted assets subject to credit risk amounted to €8,827 million. The total customer loans and receivables stood at €12,599 million.

**4. PSA Banque France Group is exposed to the credit risk of its customers or dealers of PSA Group that may be further increased by concentration risk, especially with respect to large dealers or corporates. A late or insufficient provisioning of credit exposure, or any substantial increase in new provisions could adversely affect its results of operations and financial condition**

PSA Banque France Group is exposed to credit risk with respect to numerous customers in the ordinary course of its lending activities. PSA Banque France Group mainly finances two types of customers: retail and corporates resulting in two different typologies of credit risk following specific acceptance policies:

- For financing to individual customers and small and medium-sized businesses (considered as retail portfolio), loan applications are either automatically authorized or require additional assessment procedures, which are requested either by the risk expert systems or at the credit analyst's own initiative. Inputs are obtained from external credit databases or from internal data, such as customer payment histories (in the case of a financing renewal following a new vehicle purchase).

The PSA Banque France Group's risk weighted assets subject to this type of risk amounted to €4,049 million as of 30 June 2019.

- For corporate portfolios (consisting of corporations and public entities as well as the Peugeot, Citroën, and DS dealer network), all decisions are governed by strict delegation of authority rules on lending limits. The approval decisions can escalate up to the PSA Banque France Group's Credit Committees or shareholders' Credit Committees.

The PSA Banque France Group's risk weighted assets subject to this type of risk amounted to €4,246 million as of 30 June 2019.

In connection with its financing activities, PSA Banque France Group regularly establishes provisions for loan losses which are recorded in its profit and loss account under "cost of risk", as a prudential measure in order to moderate the volatility of its results for anticipating the occurrence of losses. For the retail segment, the provisioning method relies on the use of statistical models based on the analysis of loss and recovery historical data. For the corporate segment, the amount of loan loss provisions is based on the most accurate assessment to date of the debt recoverability. In both cases, provisions are recorded for sound and defaulted loans.

The cost of risk stood at €14 million as of June 30, 2019, representing 0.24% of the average net outstanding loans with an NPL ratio of 1.8%. Even though the current loss levels are low due to a particularly favourable economic cycle, historical series reflect higher loss levels and higher NPL ratios. Despite risk management techniques existing, it cannot be provided assurance that the NPL ratio will not increase in the future as a result of changes in consumer confidence, unemployment rates and housing indicators among other factors that often impact consumer spending behaviour.

Consequently, a significant increase in loan loss provisions, or the occurrence of loan losses in excess of its provisions, could therefore have a material adverse effect on PSA Banque France Group's cost of risk, results of operations and financial position.

The credit risk may be further increased by concentration risk to which PSA Banque France Group is exposed, most significantly to the Peugeot, Citroën and DS network of dealers and their associated activities:

- Concentration risk related to the granting of credit to corporates (dealers of PSA Group brands and large corporate fleets);
- The sectorial concentration risk of credit transactions in the corporate fleets.

At 30 June 2019, the outstanding loans of PSA Banque France Group to PSA Group stood at €215 million. The ten largest exposures of PSA Banque France Group (other than those to PSA Group), represented a total amount of €1,903 million with following breakdown by category:

- Banks: €144 million;
- Dealer network (with no financial ties to the PSA Group): €1,576 million;
- Corporate (excluding dealer network): €182 million.

The default of one or more significant counterparties of PSA Banque France Group could therefore result in losses, even when economic and market conditions are generally favourable, and may have a material adverse impact on the PSA Banque France Group's business, results of operations and financial position.

#### **5. PSA Banque France Group is exposed to a counterparty risk in its relations with other financial counterparties**

PSA Banque France Group engages in activities with other financial counterparties as an inherent and integral part of its business operations. These activities are related to treasury and cash management and derivatives positions, implying transactions with banks. It includes two components of different kinds with other banks: delivery risk and credit risk.

- Delivery risk concerns all market operations including a simultaneous flow of interest, security or other. The risk arises from the non-simultaneity of the transactions.
- Credit risk is defined as the total potential loss recorded by PSA Banque France Group on a transaction following the default of the counterparty before the final settlement of cash flows. Each transaction exposes PSA Banque France Group to credit risk in the event of default by counterparty and may have a material adverse impact on results of operations and financial position.

PSA Banque France Group has a limited number of financial counterparties (less than 10) and since EMIR regulation "plain vanilla" interest rate derivatives are centrally cleared through a Central Counterparty Clearing (CCP) system, using a clearing member, with the remaining risk being the replacement cost within the framework of market (derivatives).

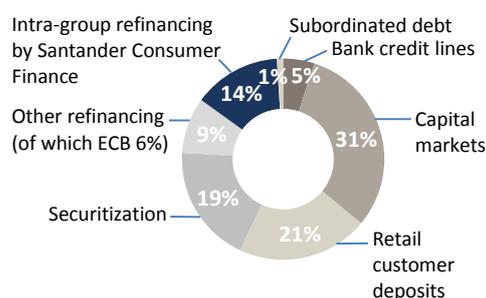
#### **Financial Risks**

Financial risks is the risk of not having the necessary resources to meet commitments (liquidity risk) as well as preventing PSA Banque France Group from financing the development of its activities (funding risk) in line with its commercial objectives and at a competitive refinancing cost and also the risks of losses arising from changes in market parameters (interest rates).

**6. PSA Banque France Group is exposed to the liquidity and funding risk that would materially adversely affect its liquidity position and the development of its business if access to its funding sources was disrupted**

The liquidity risk is reflecting the risk of PSA Banque France Group being unable to fulfil current or future foreseen or unforeseen cash or collateral requirements, over short-term and long-term horizons. This risk is inherent to the refinancing of the lending activity of PSA Banque France Group and can be heightened by different factors that it cannot control such as market wide phenomena (market dislocation, pressure on debt capital markets). In order to limit any over-reliance on a particular source of funding, PSA Banque France Group has developed a diversified funding structure depending on access to different sources of liquidity.

**SOURCES OF REFINANCING AT 30 JUNE 2019**



However, PSA Banque France Group cannot assure that it will be able to maintain the level of funding though debt security issuances in the event of pressure on or closure of the debt capital markets.

The retail deposits business is also a highly competitive, with intense competition in attracting and retaining deposits from many other traditional and online financial institutions. PSA Banque France Group has to attract new clients away from other existing and well established financial institutions. An inability to compete successfully in the retail savings sector could limit the diversification of funding sources of PSA Banque France Group (at the end of June 2019, deposits represent more than 20% of the funding mix) and adversely affect the development of its business. Any increase made to the rates offered on deposit products (savings accounts and term deposits) will affect profitability.

Securitization transactions initiated by PSA Banque France Group are non-recourse sales by CREDIPAR to securitization vehicles, and CREDIPAR retains part of the risk by holding at least 5% of the securities issued by these funds, as well as through other credit enhancement mechanisms, including liquidity reserves. Other than holding securities issued by securitization vehicles, the risks incurred by PSA Banque France Group are the following:

- An unexpected and exceptional downgrade in the quality of the assets sold;
- A sharp drop in the production of new financing having an impact on the ability to replenish securitization transactions with sufficient new additional receivables during the revolving period.

Above a certain level, these two risks may result in breaching triggers and possibly entering into an accelerated amortization, which could in turn produce a reputational risk and reduce the PSA Banque France Group's ability to issue on the Auto ABS market.

As part of their response to the financial crisis central banks have taken some extraordinary measures to increase liquidity in the financial markets. Since 2015, PSA Banque France Group has been participating in long-term refinancing operations (TLTRO) with a total volume of up to €1 billion. If such measures were not renewed or if they were significantly reduced, this could have an adverse effect on the PSA Banque France Group's ability to access liquidity and could also have an adverse impact on its funding cost.

The liquidity risk is assessed on the basis of internal indicators and regulatory ratios:

- The Liquidity Coverage Ratio (LCR) is a short-term liquidity ratio whose aim is to ensure that, in stress scenarios, banks could hold enough liquid assets to cover their net cash outflows for a 30 day period.
- The Net Stable Funding Ratio (NSFR) is a one-year structural liquidity ratio that compares funding needs with stable resources over a one-year period. A regulatory framework initially due to be issued in 2018 has been delayed with implementation being now scheduled in 2021.

With a monthly average liquid assets (HQLA) of €322 million, the average LCR stood at 120% over the first half of 2019, compared to the required regulatory level of 100%.

#### **AVERAGE LIQUIDITY COVERAGE RATIO (LCR) IN H1 2019**

(in million euros)

	<b>Weighted values (monthly average)</b>
<b>Total HQLA</b>	<b>322</b>
Total cash outflows	1,075
Total capped cash inflows	806
<b>Total net cash outflows</b>	<b>269</b>
<b>LCR</b>	<b>120%</b>

- 7. The PSA Banque France Group's access to certain forms of financing at a competitive refinancing cost may be adversely affected by a resurgence of financial crises, worsening of economic conditions or a downgrade of the credit rating of PSA Banque France Group, increasing credit spreads and this may have a material adverse effect on the PSA Banque France Group's cost of funds, results of operation and financial position**

In order to finance its activities at the best possible rates under normal conditions, PSA Banque France Group relies on a diversified funding structure depending on access to different sources of liquidity. If PSA Banque France Group is unable to access secured or unsecured debt markets or if it experiences unforeseen outflows such as material decreases in retail customer deposits, PSA Banque France Group will have to turn to more expensive funding sources, which would reduce the net interest margin and thereby impact its financial results.

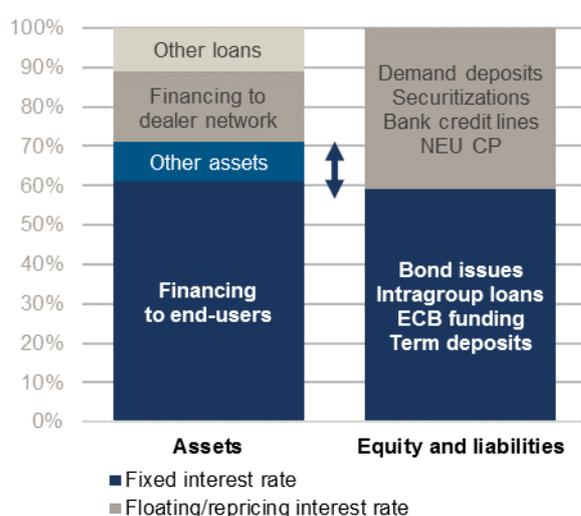
PSA Banque France Group is also exposed to the risk of an increase in credit spreads as medium- and long-term financing cost is directly linked to the level of credit spreads which can fluctuate depending on market conditions. These spreads can also be affected by a downgrade of the PSA Banque France Group credit ratings by Moody's Investors Service Ltd or S&P Global Ratings. Even if the credit rating of the PSA Banque France Group has been upgraded to BBB+ by S&P Global Ratings in December 2018 and to A3 by Moody's Investors Service Ltd in May 2019, a deterioration in the liquidity position, the loan portfolio over the long term, the capital management or the profitability could negatively impact such credit rating.

**8. PSA Banque France Group is exposed to interest rate risk that results from an adverse change in market interest rates or rates offered to retail customer deposits which negatively affect its results from operations and financial position**

Interest rate risk in PSA Banque France Group arises from mismatching of its assets and liabilities measured via the repricing gap comparing interest-earning assets versus interest-bearing liabilities.

Financing granted to customers are generally fixed rate loans or leases with a maximum original maturity of 72 months while dealer financing are not exceeding 12 months and therefore are renewed/repriced during the year. PSA Banque France Group is refinanced through fixed rate instruments (bonds, intragroup loans, ECB funding and term deposits) and floating rate funding sources (demand deposits, securitizations, NEU CP, bank credit lines).

**BALANCE SHEET COMPOSITION AT 30 JUNE 2019**



**INTEREST RATE GAP AT 30 JUNE 2019**

(in million euros)

	Total	< 1 month	1-3 months	3 months - 1 year	<= 2 years	<= 5 years	Over 5 years	Not Sensitive
Assets	14,222	3,218	2,300	2,551	2,726	2,600	35	733
Equity and liabilities	14,222	4,074	2,099	2,880	561	2,226	11	2,371
Off-balance sheet	0	60	1,147	-113	-847	-248	1	0
Repricing gap	0	-797	1,347	-441	1,317	186	25	-1,638

Two indicators are used to measure the structural interest rate risk of PSA Banque France Group and control interest rate risk positions within sensitivity limits in accordance with the defined risk appetite. Hedging measures consist of increase of the interest rate swap portfolio to cover exposure to the interest rate risk on the balance sheet.

- The Net Interest Margin (NIM) sensitivity to changes in interest rates, calculated on a static balance sheet considering repricing impact on new loan production.

- The Market Value of Equity (MVE) sensitivity, calculated as the sensitivity of PSA Banque France Group net present value of equity to variations in interest rates subject to a regulatory limits as a percentage of CET1 equity.

At the end of June 2019, in relation to the worst parallel scenario of +/- 100 bp; +/- 75 bp; +/- 50 bp and +/- 25 bp rate increase, the sensitivity of:

- the NIM stood at -€1.5 million.
- the MVE stood at -€7 million.

The monitoring of the interest rate risk with these indicators is prepared on the basis of certain model assumptions and interest rate risk hedging could not be always appropriate regarding the future interest rate development and could affect the PSA Banque France Group's results from operations and financial position.

### **Operational Risks**

Operational risks are the risk of loss resulting from a maladjustment or failure attributable to procedures, to personnel, internal systems, or to external events, such as frauds, including events having a low probability of occurrence but with substantial impact or reputational risk.

As of 30 June 2019, the PSA Banque France Group's risk weighted assets resulting from operational risk are €714 million using the standard approach methodology of Basel regulations.

## **9. PSA Banque France Group is exposed to the risks relating to its information systems to ensure its business continuity**

Information systems are essential to the business processes of PSA Banque France Group, from financing acceptance to servicing of all loans and receivables. The risk related to difficulties to maintain fully operational all information systems after a disruptive event resulting in material damages or not (natural disaster such as flood, cyber-attack,...) may adversely affect PSA Banque France Group to continue its capacity-lending activities despite activation of the disaster recovery plan.

PSA Banque France Group manages and holds confidential personal information relating to its customers in the conduct of its operations, as well as a large number of assets. Accordingly, its business depends on the ability to process a large number of transactions efficiently and accurately, and on its ability to rely on digital technologies, computer and email services, software and networks, as well as on the secure processing, storage and transmission of confidential sensitive personal data and other information using its computer systems and networks. The proper functioning of financial control, accounting or other data collection and processing systems is critical to the PSA Banque France Group's business and to its ability to compete effectively. Furthermore, PSA Banque France Group has entered into framework agreements with Banque PSA Finance to provide IT information systems and services.

Losses can result from inadequate personnel, inadequate or failed internal control processes and systems, or from external events that interrupt normal business operations. PSA Banque France Group also faces the risk that the design of the PSA Banque France Group's controls and procedures prove to be inadequate or are circumvented such that its data and/or client records are incomplete, not recoverable or not securely stored. Although PSA Banque France Group works with its clients, service providers, counterparties and other third parties to develop secure data and information processing, storage and transmission capabilities to prevent against information security risk.

Thus, any IT security breach could expose PSA Banque France Group, apart from legal proceedings to confidential information disclosure or alteration with a reputational impact which would affect the faith of its customers and would affect its profitability.

**10. PSA Banque France Group is exposed to the risks of frauds, mainly related to the external frauds that could cause losses as a result of unpaid credit or lease instalments**

As a credit institution granting loans and leases to customers, PSA Banque France Group is exposed to a risk of fraud. This risk may result from inadequate or failed internal processes, people and systems, but mainly from customers applying for financing.

The credit granting process of PSA Banque France Group heavily relies on documents provided by prospective customers, such as evidence of earnings with bank account details for direct debit, articles of association (for corporate customers), identity documents. A risk will occur where a customer has provided false documentation when entering into financing contract using someone else's identity. This has been recently increased by the rise of organized criminality and the development of false documentation techniques (for either individual or professional). PSA Banque France Group may not be in a position to detect such frauds, which could result in non-payment of its receivables as the fraudsters cannot be found and lead to economic losses.

**11. The PSA Banque France Group is exposed to non-compliance risk with the risk of paying damages or fines as a result of legal, arbitration or regulatory proceedings that could negatively affect its results of operations and financial position**

PSA Banque France Group is also exposed to legal and non-compliance risk with the risk of paying damages or fines as a result of legal, arbitration or regulatory proceedings that could negatively affect its results of operations and financial position. Non-compliance risk is defined as the risk of legal, administrative or disciplinary sanction, significant financial loss, or damage to reputation arising from failure to comply with the provisions governing banking and financial services, including regulatory and statutory provisions, anti-money laundering and terrorism financing, data protection, professional standards, ethical standards, and generally the threat posed to the PSA Banque France Group's financial, organizational, or reputational standing resulting from such violations,

Risk factors are related to incorrect interpretation of texts or failure to adequately reflect these texts in operating methods, procedures or internal instructions.

As a result of its normal course of business, PSA Banque France Group may be involved in various types of litigation, including civil, administrative, fiscal, criminal and arbitration proceedings relating to failure to comply with above mentioned provisions.

As a consequence of such failure, PSA Banque France Group is exposed to several consequences that may affect its activity:

- a legal impact, where regulatory or legal action brought against PSA Banque France Group or its employees could result in fines or penalties;
- a financial impact due to a negative outcome to the PSA Banque France Group's bottom line, potential future earnings, or loss of investor confidence; and
- a reputational impact that could lead to damage to the PSA Banque France Group's reputation or brand - for example, bad press or social-media discussion, loss of customer faith, or decreased employee morale.

In particular, as member of PSA Group, PSA Banque France Group may also be impacted by to the non-compliance risk to which PSA Group is exposed. This could lead also to a business impact where adverse events, such as embargos or shutdowns on its parent company could significantly disrupt the PSA Banque France Group's ability to operate.

**12. Reputational and image damage could affect the PSA Banque France Group's competitive position and have a negative impact on its business**

The reputational risk to which PSA Banque France Group is exposed can be broken down into:

- A specific "risk of damage to the bank's reputation and image with end users, Peugeot, Citroën, and DS dealer customers, third-party banks, and supervisory authorities (excluding internal image risk)";
- Possible repercussions of an operational incident.

Due to the fact that PSA Banque France Group belongs directly to Banque PSA Finance and Santander Consumer Banque (and consequently to the PSA and Santander groups), the image of PSA Banque France Group may also be influenced by the reputation and corporate identity of both shareholders.

**FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE NOTES**

**Risks related to Notes generally**

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

***Credit risk***

An investment in the Notes involves taking credit risk on the Issuer. If the financial situation of the Issuer deteriorates (a situation which could be brought about by any of the circumstances described in the section entitled "*Risk Factors relating to the Issuer*" above), it may not be able to fulfil all or part of its payment obligations under the Notes, and investors may lose all or part of their investment.

***French Insolvency Law***

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

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

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

- (i) increase the liabilities (charges) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing off receivables in the form of debt securities;
- (ii) establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- (iii) decide to convert debt securities (including the Notes) into securities that give or may give rights to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders expressing a vote). No quorum is required to convoke of the Assembly.

For the avoidance of doubt, the provisions relating to the Meetings of the Noteholders described in the Terms and Conditions of the Notes set out in this Base Prospectus and the Agency Agreement will not be applicable to the extent they are not in compliance with mandatory insolvency law provisions that apply in these circumstances.

The procedures described above could have an adverse impact on Noteholders seeking repayment in the event that the Issuer were to become insolvent.

***The implementation in France of EU Bank Recovery and Resolution Directive could materially adversely affect the rights of the Noteholders and the price or value of the Notes***

The Issuer is subject to Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the **Bank Recovery and Resolution Directive** or **BRRD**), implemented in France by several legislative texts, which is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing relevant entity.

If it is determined that the Issuer is failing or likely to fail within the meaning of, and under the conditions set by BRRD, and the relevant resolution authority applies any, or a combination, of the BRRD resolution tools (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. The relevant resolution authority may also seek to amend the terms of the Notes such as variation of the maturity, which could negatively affect the value of the Notes for the purpose of re-selling.

Public financial support to resolve the Issuer where there is a risk of failure will only be used as a last resort, after having assessed and exploited the above resolution tools, including the bail-in tool, to the maximum extent possible whilst maintaining financial stability.

The powers set out in the BRRD might impact the activity and financial condition of the Issuer as well as, in certain circumstances, the rights of creditors. Holders of the Notes may be subject to the application of the general bail-in tool, which may result in such holders losing some or all of their investment. As a result, the exercise of any power under the BRRD or any suggestion of such exercise could materially adversely affect the rights of 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.

***The conditions of the Notes contain provisions which may permit their modification without the consent of all investors and such modification may result in a negative impact on the market value of the Notes***

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. If a decision is adopted by a majority of Noteholders and such modifications were to impair or limit the rights of Noteholders, this may have a negative impact on the market value of the Notes.

#### ***Withholding taxes***

The Notes may be subject to withholding taxes as contemplated in Condition 7(a) (*Taxation*). In such circumstances the Issuer would normally be obliged to make gross up payments in order to compensate Noteholders for the amount withheld. However, in certain circumstances contemplated in Conditions 7(b)(i) and (ii) (*Taxation*) such gross-up would not be obligatory and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.

#### ***The value of the Notes could be adversely affected by a change in law or administrative practice***

The conditions of the Notes are based on law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to law or administrative practice after the date of this Base Prospectus. Any such change could be unfavourable to creditors' rights, including those of the Noteholders. If any change in law were to be unfavourable to the Issuer and/or the Noteholders the value of the Notes could be adversely affected.

#### ***Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued***

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Noteholder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. In such a case, such an investor may be unable to sell its Notes and may thereby be adversely affected if definitive Notes are subsequently required to be issued.

#### **Risks relating specifically to the Senior Non Preferred Notes**

#### ***The Senior Non Preferred Notes may be subject to substitution and/or variation without Noteholder consent***

Subject as provided herein, if a MREL Disqualification Event has occurred and is continuing, the Issuer may (pursuant to Condition 6.11 (*Substitution and Variation of Senior Non Preferred Notes*)), at its option, and without the consent or approval of the Noteholders, substitute all (but not some only) of the relevant Series of Senior Non Preferred Notes or vary the terms of all (but not some only) of the relevant Series of Senior

Non Preferred Notes, so that they become or remain Qualifying Notes. While Qualifying Notes generally must contain terms that are materially no less favourable to Noteholders as the original terms of the Senior Non Preferred Notes, there can be no assurance that the terms of any Qualifying Notes will be viewed by the market as equally favourable, or that the Qualifying Notes will trade at prices that are equal to the prices at which the Senior Non Preferred Notes would have traded on the basis of their original terms.

***The Senior Non Preferred Notes may be redeemed prior to maturity upon the occurrence of a MREL Disqualification Event potentially limiting their market value***

The Issuer may (pursuant to Condition 6.3 (*Optional Redemption of Senior Non Preferred Notes upon the occurrence of a MREL Disqualification Event*)) at its option, redeem all, but not some only, of the Senior Non Preferred Notes at any time at the applicable Early Redemption Amount specified in the applicable Final Terms, together with accrued but unpaid interest up to (but excluding) the date of redemption, upon or following the occurrence of a MREL Disqualification Event (as these terms are defined in the Terms and Conditions).

The early redemption of the Senior Non Preferred Notes upon the occurrence of a MREL Disqualification Event will be subject to the prior consent of the Relevant Regulator and/or the Relevant Resolution Authority if and as required under the Applicable Banking Regulations and may only take place in accordance with the Applicable Banking Regulations in force at the relevant time.

It is not possible to predict whether or not the Senior Non Preferred Notes will or may qualify as MREL-Eligible Notes (see "*The qualification of the Senior Non Preferred Notes as MREL-Eligible Notes is subject to uncertainty*") or if any further change in the laws or regulations of France, or to the Applicable Banking Regulations, or in the application or official interpretation thereof will occur and so lead to the circumstances in which the Issuer is able to elect to redeem the Senior Non Preferred Notes, and if so whether or not the Issuer will elect to exercise such option to redeem such Notes or any prior consent of the Relevant Regulator and/or the Relevant Resolution Authority, if required, will be given.

Early redemption features (including any redemption of the Notes pursuant to Condition 6.3 (*Optional Redemption of Senior Non Preferred Notes upon the occurrence of a MREL Disqualification Event*)) are likely to limit the market value of the Notes. During any period when the Issuer may redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period or at any time where there is any actual increase in the likelihood that the Issuer will be able to redeem the Notes early. The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***The qualification of the Senior Non Preferred Notes as MREL-Eligible Notes is subject to uncertainty***

The Senior Non Preferred Notes may be intended to be MREL-Eligible Notes. However, there is uncertainty regarding the final substance of the applicable MREL Requirements, and how those requirements are to be interpreted and applied, and the Issuer cannot provide any assurance that the Senior Non Preferred Notes will or may be (or thereafter remain) MREL-Eligible Notes. Any changes to MREL under the European Commission's combined legislative proposal may be more restrictive than the European Commission's initial proposals or current regulations.

If for any reason the Senior Non Preferred Notes are not MREL-Eligible Notes (or if they initially are MREL-Eligible Notes and subsequently become ineligible due to a change in French law or applicable MREL Requirements), then an MREL Disqualification Event (as defined in the Terms and Conditions) will occur, with the consequences indicated in the risk factor above.

***The value of the Senior Non Preferred Notes could be materially and adversely affected by a change in law or administrative practice***

In relation to the Senior Non Preferred Notes eligible to comply with the MREL Requirements (as defined in Condition 6.11 (*Substitution and Variation of Senior Non Preferred Notes*) of the Terms and Conditions of the Notes) (the **MREL-Eligible Notes**), on 23 November 2016, the European Commission published proposals for European Directives amending the BRRD and the CRD IV and proposals for European Regulations amending the SRM Regulation and CRR which aim at implementing the MREL Requirements. Among others, the European Commission proposed to amend the BRRD in order to facilitate the creation of a new asset class of "non-preferred" senior debt which will be eligible to count as MREL. The recognition of the "non-preferred" senior debt has been implemented in the EU through the Directive (EU) 2017/2399 amending the BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy which was published in the Official Journal of the EU on 27 December 2017. It has to be transposed into national law by the Member States by 29 December 2018, provided that the relevant member states have not been previously legislated in the sense of such Directive. In France, the ability to issue Senior Non Preferred Notes, was implemented by Article 151 of the *Loi Sapin 2* (as defined in the Terms and Conditions of the Notes), which amended Article L.613-30-3 of the French *Code monétaire et financier*. The *Loi Sapin 2* was definitively adopted by the French parliament on 9 November 2016 and entered into force following its publication to the Official Journal of the French Republic (*Journal Officiel de la République Française*) on 12 December 2016.

Furthermore, any change in the laws or regulations of France, MREL Requirements or the application or interpretation thereof may in certain circumstances result in the Issuer having the option to redeem, substitute or vary the terms of the Senior Non Preferred Notes (see "*—The Senior Non Preferred Notes may be redeemed prior to maturity upon the occurrence of a MREL Disqualification Event*" and "*—The Senior Non Preferred Notes may be subject to substitution and/or variation without Noteholder consent*"). In any such case, the Senior Non Preferred Notes would cease to be outstanding, be substituted or be varied, each of which actions could materially and adversely affect investors and frustrate investment strategies and goals, including by having an adverse effect on the value of the Senior Non Preferred Notes.

***Waiver of set-off***

Holders of Senior Non Preferred Notes, Receipts or Coupons waive any right of set-off, compensation and retention in relation to such Senior Non Preferred Notes, insofar as permitted by applicable law. As a result, holders of Senior Non Preferred 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.

***Holders of Senior Non Preferred Notes will have limited remedies***

Payment of principal and accrued but unpaid interest on the Senior Non Preferred Notes shall be accelerated only in the event of a winding-up or administration of the Issuer. The terms and conditions of the Senior Non Preferred Notes do not provide for events of default allowing for the acceleration of such Notes in other circumstances. Accordingly, if the Issuer fails to meet any obligations under such Notes, including the payment of any interest, Noteholders will not be able to accelerate the payment of principal.

The remedies under the Senior Non Preferred Notes are more limited than those typically available to the Issuer's other senior creditors.

***The Senior Non Preferred Notes are senior non preferred obligations and are junior to certain obligations***

In order to be eligible to satisfy the MREL of the Issuer, Senior Non Preferred Notes will be subordinated to existing senior debt and Senior Preferred Notes and bailed in before such senior debt in the event of resolution under the BRRD. As a result, the default risk on the Senior Non Preferred Notes will be higher

than the risk associated with preferred senior debt (such as Senior Preferred Notes) and other senior liabilities.

The Issuer's obligations in respect of the Senior Non Preferred Notes constitute direct, unconditional, unsecured and senior obligations of the Issuer and rank and will at all times rank (i) *pari passu* among themselves and with other Senior Non Preferred Obligations of the Issuer, (ii) senior to Eligible Creditors of the Issuer, Ordinarily Subordinated Obligations and any other present or future claims otherwise ranking junior to Senior Non Preferred Obligations, and (iii) junior to present and future claims benefiting from preferred exceptions, including Senior Preferred Obligations. Senior Non Preferred Obligations issued by the Issuer are more fully described in Condition 2 (*Status of the Notes*) of the Terms and Conditions of the Notes.

Although Senior Non Preferred Notes may pay a higher rate of interest than comparable Senior Preferred Notes which are not subordinated, there is a greater risk that an investor in Senior Non Preferred Notes will lose all or some of its investment should the Issuer become (i) subject to resolution under the BRRD and the Senior Non Preferred Notes become subject to the application of the general bail-in tool under BRRD or (ii) insolvent. Thus, such holders of Senior Non Preferred Notes face an increased performance risk compared to holders of Senior Preferred Obligations.

If a judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or if the Issuer is liquidated for any other reason, the rights of payment of the holders of Senior Non Preferred Notes will be subordinated to the payment in full of the senior preferred creditors of the Issuer and any other creditors that are senior to the Notes. In the event of incomplete payment of senior preferred creditors and other creditors ranking ahead of the claims of the holders of Senior Non Preferred Notes, the obligations of the Issuer in connection with the principal of the Senior Non Preferred Notes will be terminated. The Noteholders shall be responsible for taking all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation in relation to any claims they may have against the Issuer.

***The terms of the Senior Non Preferred Notes contain no negative pledge, and the Issuer is not prevented from issuing, incurring or guaranteeing additional debt***

Subject to complying with applicable regulatory requirements in respect of the Issuer's leverage and capital ratios, there is no restriction on the amount or type of further securities or indebtedness that the Issuer may issue, incur or guarantee, as the case may be, that rank *pari passu* with, or senior to, the Senior Non Preferred Notes. The issue or guaranteeing of any such further securities or indebtedness may reduce the amount recoverable by holders on a liquidation or winding-up of the Issuer and may limit such Issuer's ability to meet its obligations under the Notes as described further in the risk factor above entitled "*The Senior Non Preferred Notes are senior non preferred obligations and are junior to certain obligations*". In addition, the Senior Non Preferred Notes do not contain any restriction (such as a negative pledge) on the Issuer issuing securities that may have preferential rights to the Notes or securities with similar or different provisions to those described herein.

***Senior Non Preferred Notes are new types of instruments for which there is little trading history***

Prior to the adoption of the law *relatif à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique* on 9 November 2016 and its entry into force on 12 December 2016, French issuers were not able to issue securities with a senior non-preferred ranking. Accordingly, although certain French financial institutions have issued senior non-preferred securities or securities with similar features in the past, there is little trading history for securities of French financial institutions with this ranking. Market participants, including credit rating agencies, are in the initial stages of evaluating the risks associated with senior non preferred securities. The credit ratings assigned to senior non preferred securities such as the Senior Non Preferred Notes may change as the rating agencies refine their approaches and the value of such

securities may be particularly volatile as the market becomes more familiar with them. It is possible that, over time, the credit ratings and value of senior non preferred securities such as the Senior Non Preferred Notes will be lower than those expected by investors at the time of issuance of the Senior Non Preferred Notes. If so, Noteholders may incur losses in respect of their investments in the Senior Non Preferred Notes.

### **Risks related to the structure of a particular issue of Notes**

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most material such risks.

***If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return with the result that an investor's return may be less than anticipated***

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer, including a Make-Whole Redemption by the Issuer (as described in Condition 6.5 (*Make-Whole Redemption by the Issuer (Make-Whole Call)*)).

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

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

In the case of Senior Non Preferred Notes, redemption at the option of the Issuer provided for in Condition 6 (*Redemption and Purchase*) of the Terms and Conditions of the Notes will be subject to the prior consent of the Regulator and/or the Relevant Resolution Authority (as these terms are defined in the Terms and Conditions of the Notes) if and as required therefor under Applicable Banking Regulations (as defined in the Terms and Conditions of the Notes) and may only take place in accordance with Applicable Banking Regulations in force at the relevant time. See more detail in Condition 6.12 (*Restriction on Early Redemption or Purchase of the Senior Non Preferred Notes*).

Any decision by the Issuer as to whether it will exercise its option to redeem the Notes will be taken at the absolute discretion of the Issuer (and, in the case of Senior Non Preferred Notes, subject to Applicable Banking Regulations as described above) with regard to factors such as, but not limited to, the economic impact of exercising such option to redeem the Notes, any tax consequences, the regulatory capital requirements and the prevailing market conditions. As such, Noteholders should be aware that, unless the relevant Final Terms specify that the Notes are redeemable at the option of the Noteholders, they may be required to bear the financial risks of an investment in the Notes until maturity.

***Partial redemption at the Issuer's option, or exercise of a put option by Noteholders, may adversely affect the liquidity of the Notes and the value at which Noteholders could sell their Notes***

The partial exercise by the Issuer of its right to redeem Notes at its option (pursuant to Condition 6.4 (*Redemption at the option of the Issuer (Issuer Call)*)), or the exercise by one or more of the Noteholders of their right to require redemption of the Notes at their option (pursuant to Condition 6.6 (*Redemption at the option of the Noteholders (Investor Put)*)), may adversely affect the liquidity of the Notes remaining in circulation. In such case, holders of Notes remaining in circulation might not be able to sell their Notes easily or at prices that would provide them with a yield comparable to similar investments.

***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates***

The conditions of the Notes allow the Issuer to issue Notes that pay a fixed rate of interest to Noteholders (see Condition 4.1 (*Interest on Fixed Rate Notes*)). Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes and potentially decrease the yield. As a consequence, the value on a transfer of the Note would be less than it would have otherwise been.

***Noteholders will not be able to calculate their rate of return on Floating Rate Notes in advance***

The conditions of the Notes allow the Issuer to issue Notes that pay a floating rate of interest to Noteholders (see Condition 4.2 (*Interest on Floating Rate Notes*)). Interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

***Zero Coupon Notes are subject to higher price fluctuations than non-discounted bonds***

The conditions of the Notes allow the Issuer to issue Zero Coupon Notes. Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk. Therefore, in similar market conditions the holders of Zero Coupon Notes could be subject to higher losses on their investments than the holders of other instruments such as Fixed Rate Notes or Floating Rate Notes.

***Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates***

The relevant Final Terms of a Tranche of Notes will specify the relevant issue price. The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities. Therefore holders of Notes issued at a substantial discount or premium could be exposed to greater losses on their investment than holders of conventional interest-bearing securities.

***The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"***

Where the applicable Final Terms for a Series of Floating Rate Notes specify that the Rate of Interest for such Notes will be determined by reference to the London interbank offered rate (**LIBOR**) or the euro interbank offered rate (**EURIBOR**), investors should be aware that such "benchmarks" are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have an adverse effect on the value of any Notes referencing such a benchmark.

Regulation (EU) 2016/1011 (the **Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have an adverse impact on the value of any Notes linked to or referencing a "benchmark", in particular, 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 "benchmark".

More broadly, any of the international or national reforms, 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 (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have an adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

#### ***Floating Rate Notes – risks relating to benchmark discontinuation***

The Terms and Conditions of Floating Rate Notes provide for certain fallback arrangements in the event that Screen Rate Determination applies and a Benchmark Event occurs, including if an Original Reference Rate and/or any page on which an Original Reference Rate may be published, becomes unavailable, or if the Issuer, the Calculation Agent, any Paying Agent or any other party responsible for the calculation of the Rate of Interest (as specified in the applicable Final Terms) are no longer permitted lawfully to calculate interest on any Notes by reference to such an Original Reference Rate under the Benchmarks Regulation or otherwise. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Terms and Conditions), with or without the application of an adjustment spread and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the successor or replacement benchmark, all as determined by an Independent Adviser, appointed in accordance with the Terms and Conditions. An adjustment spread, if applied could be positive or negative and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of an Original Reference Rate. However, it may not be possible to determine or apply an adjustment spread and even if an adjustment is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest. The use of a Successor Rate or Alternative Rate (including with the application of an adjustment spread) will still result in any Notes linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Rate is determined, or if such a rate is determined but, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the relevant Series of Notes as regulatory capital or eligible liabilities, where applicable, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in

the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser, the potential for further regulatory developments and the fact that the provisions of Condition 4.2(h) (*Benchmark Discontinuation*) will not be applied if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the relevant Series of Notes as regulatory capital or eligible liabilities, where applicable, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Any changes to the conditions of the Notes pursuant to the fallback provisions referred to above would be made without the prior consent of Noteholders therefore the Noteholders will have no control over such changes.

### **Risks related to the market generally**

Set out below is a description of material market risks, including liquidity risk, exchange rate risk and interest rate risk:

***An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes***

The relevant Final Terms of a Series of Notes may indicate that the Notes are to be admitted to trading on a regulated market, such as Euronext Paris. There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. 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. The Issuer may issue further Notes, as described in Condition 15 (*Further Issues*). Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the market value of the Notes.

***If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes***

The relevant Final Terms for a Series of Notes will specify the Specified Currency. The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

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

### ***Market value of the Notes***

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, and including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a holder of Notes will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The value of the Notes will also depend on the creditworthiness of the Issuer. If the creditworthiness of the Issuer deteriorates, the value of the Notes may decrease and investors may lose all or part of their investment.

### ***Risk of United Kingdom no longer being party to Recast Brussels Regulation as a result of UK's exit from the European Union***

The United Kingdom is currently set to leave the European Union (**Brexit**) on 31 January 2020. There are currently two fundamental uncertainties surrounding Brexit, namely (i) whether it will actually take place on 31 January 2020 or on a later date pursuant to a further request to extend the date by the UK Parliament and (ii) when Brexit does occur, whether or not a deal will be in place between the UK and the EU.

In the event of a no-deal Brexit, the Recast Brussels Regulation (Regulation (EU) No 1215/2012) (the **Recast Regulation**), which is the formal reciprocal regime on jurisdiction and the recognition and enforcement of judgments which is currently applied by Member State courts in the EU context, will no longer apply in the United Kingdom and English judgments will no longer be considered 'Member State judgments' for the purposes of that Regulation. As such, Noteholders enforcing a judgment obtained before English courts will no longer be able to benefit from the almost automatic recognition of such judgments in EU 27 courts (including France) under this Regulation. However, in these circumstances, English judgments are likely to continue to be recognised and enforced in local courts under the national law rules, in the vast majority of EU27 Member States. This process is likely to take longer and cost more.

Further on 28 December 2018, in contemplation of a possible no-deal Brexit, the United Kingdom deposited its instrument of accession to the Hague Convention on Choice of Court Agreements 2005 (the **Hague Convention**) with the intention that it would continue to be a party of the Hague Convention upon leaving the European Union. The UK was originally due to leave the EU on 29 March 2019 and under this arrangement, the Hague Convention would have entered into force between contracting states and the UK in its own right on 1 April 2019. As a result of the first extension to the Article 50 negotiation period, the UK Government suspended the date of the UK's accession to the Hague Convention until after the revised Brexit date.

The Hague Convention is an international convention which requires contracting states to recognise and respect exclusive jurisdiction clauses in favour of other contracting states and to enforce related judgments. The UK and France (as EU Member States) are already bound by the Hague Convention by virtue of the EU's accession to the treaty in 2015. There have been several extensions to the negotiation period (as set out at Article 50 of the Treaty of the European Union), most recently on 29 October 2019, when the EU agreed to the UK Government's request for a further extension until 31 January 2020. Following the October 2019 extension to the Article 50 negotiation period, the UK Government continued the suspension of its accession to the Hague Convention until 1 February 2020. This means that if the UK leaves the EU on 31 January 2020 without an agreement, the UK will become a party to the Hague Convention in its own right on 1 February 2020. As a result, even on a hard or no-deal Brexit, from 1 February 2020 English jurisdiction clauses and judgments can be recognised in contracting state courts under the Hague Convention regime. It should be noted that the Hague Convention is limited to contracts containing exclusive jurisdiction clauses in favour of contracting state courts (and hybrid clauses may therefore be outside scope) and judgments may not be recognised on exactly the same terms and under the same conditions as under the Recast Regulation. On a hard or no-deal Brexit, for judgments outside the scope of the Hague Convention, Noteholders will need to rely on national law enforcement rules.

## **IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY**

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA (including the United Kingdom, France and Italy), and Japan, see "*Subscription and Sale*".

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Presentation of Financial Information

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been derived from the audited consolidated financial statements of the Issuer for the financial years ended 2017 and 2018, and from the unaudited consolidated interim financial statements of the Issuer for the six month period ended 30 June 2019 (the **Financial Statements**).

The Issuer's financial year ends on 31 December, and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board.

### Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Base Prospectus. In addition, the following terms as used in this Base Prospectus have the meanings defined below:

#### In this Base Prospectus, all references to:

- *U.S. dollars, U.S.\$* and *\$* refer to United States dollars;
- *Sterling* and *£* refer to pounds sterling;
- *euro* and *€* refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- *AUD* or *Australian dollars* are to the lawful currency of Australia;
- *CZK* or *Czech Crown* are to the lawful currency of the Czech Republic;
- *CHF* or *Swiss Francs* are to the lawful currency of Switzerland;
- *DKK* or *Danish Krone* are to the lawful currency of Denmark;
- *JPY, Yen* or *¥* are to the lawful currency of Japan;
- *NOK* or *Norwegian Krone* are to the lawful currency of Norway;
- *SEK* or *Swedish Krona* are to the lawful currency of Sweden; and
- *SGD* or *Singapore dollars* are to the lawful currency of Singapore.

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

## **STABILISATION**

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of 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 relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

## DOCUMENTS INCORPORATED BY REFERENCE

The following information shall be incorporated by reference in, and form part of, this Base Prospectus:

- (a) the sections referred to in the table below included in the English translation of the 2019 *Rapport Semestriel* of PSA BANQUE FRANCE (the **2019 HY Report**), which has previously been published and was filed with the AMF on 7 October 2019 ([https://www.psa-banque-france.com/sites/psabf/files/2019-10/2019 Half-year report.pdf](https://www.psa-banque-france.com/sites/psabf/files/2019-10/2019%20Half-year%20report.pdf));
- (b) the sections referred to in the table below included in the English translation of the 2018 *Rapport Annuel* of PSA BANQUE FRANCE (the **2018 Annual Report**), which has previously been published and was filed with the AMF on 1 April 2019 ([https://www.psa-banque-france.com/sites/psabf/files/2019-04/2018 Annual report.pdf](https://www.psa-banque-france.com/sites/psabf/files/2019-04/2018%20Annual%20report.pdf));
- (c) the sections referred to in the table below included in the English translation of the 2017 *Rapport Annuel* of PSA BANQUE FRANCE (the **2017 Annual Report**), which has previously been published and was filed with the AMF on 2 April 2018 (<https://www.psa-banque-france.com/sites/psabf/files/2018-07/2017-annual-report.pdf>);
- (d) the terms and conditions of the Notes at pages 35 to 63 of the Base Prospectus dated 3 August 2018 (the **2018 Terms and Conditions**) ([https://www.psa-banque-france.com/sites/psabf/files/2018-10/2018 PSA Banque France Base Prospectus.pdf](https://www.psa-banque-france.com/sites/psabf/files/2018-10/2018%20PSA%20Banque%20France%20Base%20Prospectus.pdf));
- (e) the terms and conditions of the Notes at pages 42 to 64 of the Base Prospectus dated 10 July 2017 (the **2017 Terms and Conditions**) ([https://www.psa-banque-france.com/sites/psabf/files/2018-07/Details of the program 2017.pdf](https://www.psa-banque-france.com/sites/psabf/files/2018-07/Details%20of%20the%20program%202017.pdf)); and
- (f) the terms and conditions of the Notes at pages 37 to 60 of the Base Prospectus dated 29 June 2016 (the **2016 Terms and Conditions**) ([https://www.psa-banque-france.com/sites/psabf/files/2018-07/Details of the program 2016.pdf](https://www.psa-banque-france.com/sites/psabf/files/2018-07/Details%20of%20the%20program%202016.pdf)).

The documents incorporated by reference listed at (a) to (f) above are available on the Issuer's website and those documents only and no other information or documents of such website nor the website itself are incorporated by reference herein: <https://www.psa-banque-france.com/en/financial-information/financial-documentation>

For the avoidance of doubt, (i) non-incorporated parts of the documents listed above and (ii) documents incorporated by reference into the documents listed above are not incorporated by reference pursuant to Article 19.1 of the Prospectus Regulation as they are either not relevant for the investor or are covered elsewhere in the Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which may affect the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the AMF in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Base Prospectus (together with any Final Terms relating to Notes admitted to trading on a Regulated Market) has been published on the AMF's website at [www.amf-france.org](http://www.amf-france.org).

The cross-reference tables below set out the relevant page references for the information incorporated herein by reference:

	<b>Annex VII of Commission Delegated Regulation (EU) 2019/980 – Registration document for wholesale non-equity securities</b>	<b>2019 HY Report</b>	<b>2018 Annual Report</b>	<b>2017 Annual Report</b>
<b>3</b>	<b>RISK FACTORS</b>			
<b>3.1</b>	<p>A description of the material risks that are specific to the Issuer and that may affect the Issuer's ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed "<i>Risk Factors</i>".</p> <p>In each category the most material risks, in the assessment of the Issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the Issuer and the probability of their occurrence, shall be set out first. The risk factors shall be corroborated by the content of the registration document.</p>	<p>(See mainly the "<i>Risk Factors</i>" section of this Base Prospectus)</p> <p>pages 15-16 (for capital requirement purpose)</p>		
<b>4</b>	<b>INFORMATION ABOUT THE ISSUER</b>			
<b>4.1</b>	<b>History and development of the Issuer</b>			
<b>4.1.4</b>	The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address and telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.		page 38	
<b>4.1.5</b>	Any recent events particular to the Issuer and which are to a material extent relevant to the evaluation of the Issuer's solvency.		N/A	
<b>5</b>	<b>BUSINESS OVERVIEW</b>			
<b>5.1.</b>	<b>Principal Activities</b>			
<b>5.1.1</b>	A brief description of the Issuer's principal activities stating the main categories of products sold and/or services performed.		pages 5-23	

	<b>Annex VII of Commission Delegated Regulation (EU) 2019/980 – Registration document for wholesale non-equity securities</b>	<b>2019 HY Report</b>	<b>2018 Annual Report</b>	<b>2017 Annual Report</b>
<b>6</b>	<b>ORGANISATIONAL STRUCTURE</b>			
<b>6.1</b>	If the Issuer is part of a group, a brief description of the group and of the Issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.		page 6	
<b>6.2</b>	If the Issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.		pages 6-7	
<b>9</b>	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>			
<b>9.1</b>	Names, business addresses and functions within the Issuer of the following persons, and an indication of the principal activities performed by them outside the Issuer where these are significant with respect to that Issuer:  (a) members of the administrative, management or supervisory bodies.	pages 21-25  (See also the " <i>Description of the Issuer</i> " section of this Base Prospectus)		
<b>9.2</b>	Administrative, management and supervisory bodies conflicts of interests  Potential conflicts of interests between any duties to the Issuer of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.	page 21		
<b>11</b>	<b>FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>			
<b>11.1</b>	<b><u>Historical Financial Information</u></b>			
<b>11.1.1</b>	Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as the Issuer has been in operation and the audit report in respect of each year.	pages 26-55	pages 47-99	page 47-94
<b>11.1.3</b>	Accounting standards  The financial information must be prepared according	page 33	pages 55-61	pages 55-61

	<b>Annex VII of Commission Delegated Regulation (EU) 2019/980 – Registration document for wholesale non-equity securities</b>	<b>2019 HY Report</b>	<b>2018 Annual Report</b>	<b>2017 Annual Report</b>
	to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002.			
<b>11.1.4</b>	Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following:			
	(a) the balance sheet;	page 27	page 48	page 48
	(b) the income statement;	page 28	page 49	page 49
	(c) the accounting policies and explanatory notes.	pages 31-54	pages 52-95	pages 52-90
<b>11.1.5</b>	Consolidated financial statements  If the Issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.	page 26-55	pages 47-99	pages 47-94
<b>11.1.6</b>	Age of financial information  The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the registration document.		pages 47-99	
<b>11.2</b>	<b><u>Auditing of historical financial information</u></b>			
<b>11.2.1</b>	The historical financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU and Regulation (EU) No 537/2014.	page 55	pages 96-99	pages 91-94
<b>11.2.2</b>	Indication of other information in the registration document which has been audited by the auditors.	N/A	N/A	N/A
<b>11.2.3</b>	Where financial information in the registration document is not extracted from the Issuer's audited financial statements state the source of the data and state that the data is not audited.	N/A	N/A	N/A
<b>11.3</b>	<b><u>Legal and arbitration proceedings</u></b>  Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering, at least the previous		page 12	page 12

	<b>Annex VII of Commission Delegated Regulation (EU) 2019/980 – Registration document for wholesale non-equity securities</b>	<b>2019 HY Report</b>	<b>2018 Annual Report</b>	<b>2017 Annual Report</b>
	12 months which may have, or have had in the recent past, significant effects on the Issuer and/or group's financial position or profitability, or provide an appropriate negative statement.			
<b>12</b>	<b>MATERIAL CONTRACTS</b>			
<b>12.1</b>	A brief summary of all material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the securities being issued.		N/A	N/A

<b>Previous Terms and Conditions of the Notes</b>	
2018 Terms and Conditions	pages 35 to 63 of the Base Prospectus dated 3 August 2018
2017 Terms and Conditions	pages 42 to 64 of the Base Prospectus dated 10 July 2017
2016 Terms and Conditions	pages 37 to 60 of the Base Prospectus dated 29 June 2016

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Base Prospectus for the purposes of the Prospectus Regulation except where such information or other documents are specifically incorporated by reference in this Base Prospectus.

## FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note** and, together with a Temporary Global Note, each a **Global Note**) which, in either case, will:

- (a) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream**); and
- (b) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for Euroclear and Clearstream.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream or another entity approved by Euroclear and Clearstream.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream and Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certifications it has received) to the Fiscal Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Global Note of the same Series or (ii) for definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of

Default (as defined in Condition 9 (*Events of Default*)) has occurred and is continuing; (ii) the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Fiscal Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Fiscal Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Fiscal Agent.

The following legend will appear on all Notes (other than Temporary Global Notes) and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Notes or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, as the case may be.

## **General**

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Fiscal Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9 (*Events of Default*). In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 19 December 2019 and executed by the Issuer.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, a supplement to this Base Prospectus or a new Base Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

## TERMS AND CONDITIONS OF THE NOTES

*The following (except for italicised wording) are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by PSA BANQUE FRANCE (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 19 December 2019 and made between the Issuer, Société Générale Bank and Trust as principal paying agent and agent bank (the **Fiscal Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Fiscal Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents). The Fiscal Agent and the Paying Agents, together referred to as the **Agents**.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129, and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and

conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 19 December 2019 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, euro means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## **1. FORM, DENOMINATION AND TITLE**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Specified Denominations will be €100,000 (or currency equivalent) and integral multiples of €1,000 (or currency equivalent in excess thereof) up to and including €199,000 (or currency equivalent).

This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream**), each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear or of Clearstream as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note

shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, as the case may be. References to Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

## 2. STATUS OF THE NOTES

The ability to issue Senior Non Preferred Notes, as provided by this Condition, is provided by Article 151 of the *Loi relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique* (the **Loi Sapin 2**), which has amended Article L.613-30-3 of the French *Code monétaire et financier* to create a new "senior non preferred notes" ranking. The *Loi Sapin 2* was definitively adopted by the French parliament on 9 November 2016 and entered into force following its publication to the Official Journal of the French Republic (*Journal Officiel de la République Française*) on 12 December 2016 (the **Effective Date**).

Notes may be Senior Preferred Notes or Senior Non Preferred Notes, as specified in the applicable Final Terms.

### Senior Preferred Notes

If the Notes are **Senior Preferred Notes**, the Notes will be Senior Preferred Obligations and the Notes and (if applicable) the relative Coupons are direct, unconditional, unsecured and senior obligations of the Issuer and rank and will at all times rank:

- (i) *pari passu* among themselves and with other Senior Preferred Obligations;
- (ii) senior to Senior Non Preferred Obligations; and
- (iii) junior to present and future claims benefiting from other preferred exceptions.

Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable* or *liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer, the rights of Noteholders to payment under the Senior Preferred Notes rank:

- (i) junior to present and future claims benefiting from other preferred exceptions; and
- (ii) senior to Senior Non Preferred Obligations.

### Senior Non Preferred Notes

If the Notes are **Senior Non Preferred Notes** the Notes will be Senior Non Preferred Obligations and the Notes and (if applicable) the relative Coupons are direct, unconditional, unsecured and senior obligations of the Issuer and rank and will at all times rank:

- (i) *pari passu* among themselves and with other Senior Non Preferred Obligations;
- (ii) senior to Eligible Creditors of the Issuer, Ordinarily Subordinated Obligations and any other present or future claims otherwise ranking junior to Senior Non Preferred Obligations; and

- (iii) junior to present and future claims benefiting from preferred exceptions including Senior Preferred Obligations.

Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable* or *liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer, the rights of Noteholders to payment under the Senior Non Preferred Notes rank:

- (i) junior to Senior Preferred Obligations; and
- (ii) senior to any Eligible Creditors of the Issuer, Ordinarily Subordinated Obligations and any other present or future claims otherwise ranking junior to Senior Non Preferred Obligations.

**Eligible Creditors** means creditors holding subordinated claims that rank or are expressed to rank senior to the subordinated notes issued by the Issuer.

**Ordinarily Subordinated Obligations** means any subordinated obligations or other instruments issued by 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*).

**Senior Non Preferred Obligations** means any senior (*chirographaires*) obligations (including the Senior Non Preferred Notes) of, or other instruments issued by, the Issuer which fall or are expressed to fall within the category of obligations described in Article L. 613-30-3-I-4° of the French *Code monétaire et financier*.

**Senior Preferred Obligations** means any senior (*chirographaires*) obligations (including the Senior Preferred Notes) of, or other instruments issued by, the Issuer, which fall or are expressed to fall within the category of obligations described in Article L. 613-30-3-I-3° of the French *Code monétaire et financier*.

If the Issuer becomes subject to the Bail-in Power (as defined under Condition 17) or if, in advance of the exercise of the Bail-in Power certain conditions are satisfied, Notes might become subject to (i) total or partial depreciation or conversion into capital (own funds Category 1) or other securities, and/or (ii) other resolution measures, such as the modification of the Conditions. Consequently Noteholders could lose all or part of their capital invested in the Notes either upon resolution of the Issuer or, if certain conditions are met, in advance of such resolution. Due to their ranking Notes issued under the Programme (whether Senior Preferred Notes or Senior Non Preferred Notes) could become subject to such conversion or depreciation prior to other securities and/or obligations ranking in priority to such Notes.

*For the avoidance of doubt, all Senior Preferred Notes outstanding (i) issued prior to the Effective Date or (ii) not specified in the applicable Final Terms as being Senior Non Preferred Notes (and issued prior to the Effective Date) constitute Senior Preferred Obligations from the Effective Date.*

#### **Waiver of Set-Off**

In relation to Senior Non Preferred Notes, no holder of any Senior Non Preferred Note, Receipt or Coupon 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 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 or any non-contractual obligations, in each case whether or not relating to such Note, Receipt or Coupon) and each such holder 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 2 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 holder of any Note, Receipt or Coupon but for this Condition 2.

For the purposes of this Condition 2, **Waived Set-Off Rights** means any and all rights of or claims of any holder of any Senior Non Preferred Note, Receipt or Coupon for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any such Senior Non Preferred Note, Receipt or Coupon.

### **3. NEGATIVE PLEDGE**

#### **3.1 Negative Pledge**

So long as any of the Senior Preferred Notes remains outstanding, the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (a) all amounts payable by it under the Senior Preferred Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (b) (such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

Provided that such restriction shall not apply to (i) any securitisation or collateralisation of assets concluded in the normal course of business of the Issuer or any Principal Subsidiary or (ii) any arrangement whereby any Security Interest is created in connection with any asset backed securitisation programme involving the Issuer or any Principal Subsidiary.

If the Notes are Senior Non Preferred Notes, the above restriction shall not apply to such Notes.

#### **3.2 Interpretation**

For the purposes of this Condition:

**Relevant Indebtedness** means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds or other debt securities of, or issued by, the Issuer which (with the consent of the Issuer) are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market.

**Principal Subsidiary** means at any relevant time a Subsidiary of the Issuer:

- (a) whose total assets or net banking revenue (or, where the Subsidiary in question prepares consolidated accounts, whose total consolidated assets or net consolidated banking revenue,

as the case may be) attributable to the Issuer represents not less than 10 per cent. of the total consolidated assets or the net consolidated banking revenue of the Issuer, as calculated by reference to the then latest audited accounts (or consolidated accounts as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its consolidated Subsidiaries; or

- (b) to which is transferred all or substantially all the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary.

**Subsidiary** means, at any particular time, any company which is directly or indirectly controlled, or more than 50 per cent. of whose equity share capital (or equivalent) is then beneficially owned, by the Issuer and/or one of more of its Subsidiaries. In order for one company to be "controlled" by another that other company (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) shall have the power to appoint and/or remove all or the majority of the members of the Board of Directors or other governing body of the first company or shall otherwise have control or the power to control the affairs and/or policies of such first company.

## 4. INTEREST

### 4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest, in accordance with this Condition 4.1:

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
  - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - I. the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - II. the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

**Determination Period** means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

## 4.2 Interest on Floating Rate Notes

### (a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) (*Interest Payment Dates*) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply mutatis mutandis or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred;
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day;
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;
- (B) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and
- (C) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars shall be Sydney) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

**(b) Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

Unless a higher Minimum Rate of Interest is stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

**(i) ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal Agent under an interest rate swap transaction if the Fiscal Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the ISDA Definitions) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

**(ii) Screen Rate Determination for Floating Rate Notes**

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either the London Interbank Offered Rate (**LIBOR**) or the Euro Interbank Offered Rate (**EURIBOR**), as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Fiscal Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such

quotations) shall be disregarded by the Fiscal Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no offered quotation appears or, in the case of (B) above, fewer than three offered quotations appear, in each case as at the specified time, the Fiscal Agent shall request each of the Reference Banks to provide the Fiscal Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the specified time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Fiscal Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Fiscal Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Fiscal Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Fiscal Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Fiscal Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the specified time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Fiscal Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the specified time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Fiscal Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In these Conditions **Reference Banks** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, and in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Fiscal Agent.

(c) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

Unless a higher Minimum Rate of Interest is stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

**(d) Determination of Rate of Interest and calculation of Interest Amounts**

The Fiscal Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Fiscal Agent will calculate the amount of interest (the Interest Amount) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\lfloor 360 \times (Y_2 - Y_1) \rfloor + \lfloor 30 \times (M_2 - M_1) \rfloor + (D_2 - D_1)}{360}$$

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\lfloor 360 \times (Y_2 - Y_1) \rfloor + \lfloor 30 \times (M_2 - M_1) \rfloor + (D_2 - D_1)}{360}$$

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

$Y_1$  is the year, expressed as a number, in which the first day of the Interest Period falls;

$Y_2$  is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$M_1$  is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

$M_2$  is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$D_1$  is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case  $D_1$  will be 30; and

$D_2$  is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case  $D_2$  will be 30.

**(e) Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

**Designated Maturity** means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

**(f) Notification of Rate of Interest and Interest Amounts**

The Fiscal Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth Target Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest

Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13 (*Notices*). For the purposes of this paragraph, the expression **Target Business Day** means a day (other than a Saturday or a Sunday) on which the TARGET2 System is open.

**(g) Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 by the Fiscal Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the other Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**(h) Benchmark Discontinuation**

If a Benchmark Event occurs in relation to an Original Reference Rate at any time when the Terms and Conditions of any Notes provide for any remaining rate of interest (or any component part thereof) to be determined by reference to such Original Reference Rate, and Screen Rate Determination applies, then the following provisions shall apply and shall prevail over the other fallbacks specified in Condition 4.2(b)(ii) (*Rate of Interest*).

**(i) Independent Adviser**

The Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.2(h)(ii)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 4.2(h)(iii)) and any Benchmark Amendments (in accordance with Condition 4.2(h)(iv)).

An Independent Adviser appointed pursuant to this Condition 4.2(h)(i) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Agent, the Paying Agents or the Calculation Agent or any other party responsible for determining the Rate of Interest, or the Noteholders, Receiptholders and Couponholders for any determination made by it pursuant to this Condition 4.2(h).

**(ii) Successor Rate or Alternative Rate**

If the Independent Adviser determines in good faith that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4.2(h)(iv)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4.2(h)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4.2(h)(iv)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4.2(h)).

(iii) Adjustment Spread

If the Independent Adviser determines, acting in good faith and in a commercially reasonable manner, (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iv) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4.2(h) and the Independent Adviser determines in good faith (i) that amendments to the Terms and Conditions of the Notes (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days, or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.2(h)(v), without any requirement for the consent or approval of Noteholders, Receiptholders or Couponholders, vary the Terms and Conditions of the Notes to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4.2(h), 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.

(v) Notices, etc.

The Issuer shall, after receiving such information from the Independent Adviser, notify the Agent, the Calculation Agent, the Paying Agents, and, in accordance with Condition 13, the Noteholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4.2(h). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such notice will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be binding on the Issuer, the Agent, the Calculation Agent, the party responsible for determining the Rate of Interest, the Paying Agents and the Noteholders, Receiptholders and Couponholders.

(vi) Survival of Original Reference Rate

Without prejudice to the Issuer's obligations under the provisions of this Condition 4.2(h), the Original Reference Rate and the fallback provisions provided for in Condition 4.2(b) (*Rate of Interest*) will continue to apply unless and until the party responsible for determining the Rate of Interest has been notified of the Successor Rate or the Alternative Rate (as the case may be), and of any Adjustment Spread and/or Benchmark Amendments.

(vii) Regulatory Capital / Eligible Liabilities

Notwithstanding any other provision of this Condition 4.2(h), no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any Benchmark Amendments be effected, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected (in the case of Senior Non-Preferred Notes) to result in the Relevant Regulator treating the Interest Payment Date as the effective maturity date of the Notes, rather than the relevant maturity date.

(viii) Fallbacks

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date, no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision (including the case where no Successor Rate or Alternative Rate is adopted pursuant to Condition 4.2(h)(vii)), the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided in Condition 4.2(b) (*Rate of Interest*) will continue to apply to such determination.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 4.2(h), *mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified in accordance with this Condition 4.2(h) (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Terms and Conditions including, for the avoidance of doubt, the other fallbacks specified in Condition 4.2(b) (*Rate of Interest*), will continue to apply in accordance with their terms).

(ix) Definitions

In this Condition 4.2(h):

**Adjustment Spread** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines and which is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) 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, Receiptholders or Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) 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 Original Reference Rate with the Successor Rate by any Relevant Nominating Body;
- (B) in the case of an Alternative Rate (or in the case of a Successor Rate where (A) above does not apply), is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or

- (C) if no such recommendation or option has been made (or made available), or the Independent Adviser determines there is no such spread, formula or methodology in customary market usage, the Independent Adviser, acting in good faith, determines to be appropriate;

**Alternative Rate** means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 4.2(h) and which is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes;

**Benchmark Event** means, with respect to an Original Reference Rate:

- (A) the Original Reference Rate ceasing to exist or be published;
- (B) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (i);
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- (D) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (i);
- (E) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference 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 months;
- (F) it has or will prior to the next Interest Determination Date become unlawful for the Issuer, the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), or any Paying Agent to calculate any payments due to be made to any Noteholder, Receiptholder or Couponholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable);
- (G) that a decision to withdraw the authorisation or registration pursuant to article 35 of the Benchmarks Regulation (Regulation (EU) 2016/1011) of any benchmark administrator previously authorised to publish such Original Reference Rate has been adopted; or
- (H) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the methodology for calculating the Original Reference Rate (i) has changed materially or (ii) will change materially;

**Independent Adviser** means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense under this Condition 4.2(h);

**Original Reference Rate** means either LIBOR or EURIBOR, as originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes;

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

- (A) 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
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

**Successor Rate** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body, and if, following a Benchmark Event, two or more successor or replacement rates are recommended by any Relevant Nominating Body, the Independent Adviser, shall determine which of those successor or replacement rates is most appropriate, having regard to, *inter alia*, the particular features of the relevant Notes and the nature of the Issuer.

### 4.3 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

## 5. PAYMENTS

### 5.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney); and

- (b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto.

## 5.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 (*Method of Payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

### 5.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, as applicable.

### 5.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

### 5.5 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8 (*Prescription*)) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):
  - (i) in the case of Notes in definitive form only, in the relevant place of presentation;
  - (ii) in each Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;

- (b) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and
- (c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars shall be Sydney) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

## **5.6 Interpretation of principal and interest**

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*);
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.7 (*Early Redemption Amounts*)); and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*).

## **6. REDEMPTION AND PURCHASE**

### **6.1 Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

### **6.2 Redemption for tax reasons**

- (a) Subject to Condition 6.7 (*Early Redemption Amounts*) and Condition 6.12 (*Restriction on Early Redemption or Purchase of the Senior Non Preferred Notes*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Fiscal Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable) if:

- (i) on the occasion of the next payment due under the Notes, the Issuer would be obliged to pay additional amounts as provided in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of France or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes or Coupons then due.

- (b) If the Issuer would, on the next payment of principal or interest in respect of the Notes or Coupons, be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 (*Taxation*) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than 7 days' prior notice to the Noteholders in accordance with Condition 13 (*Notices*), redeem all, but not some only, of the Notes then outstanding on the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice to Noteholders shall be the later of:
  - (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes or Coupons; and
  - (ii) 14 days after giving notice to the Fiscal Agent as aforesaid.
- (c) Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Fiscal Agent to make available at its specified office to the Noteholders (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.
- (d) Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.7 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### **6.3 Optional Redemption of Senior Non Preferred Notes upon the occurrence of a MREL Disqualification Event**

Upon the occurrence of a MREL Disqualification Event, the Issuer may, at any time, subject to Condition 6.12 (*Restriction on Early Redemption or Purchase of the Senior Non Preferred Notes*) and having given no less than 15 days' nor more than 30 days' of notice to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), redeem all but not some only of the Senior Non Preferred Notes then outstanding, at the Early Redemption Amount on the date specified in the notice of redemption, together, if appropriate, with interest accrued to (but excluding) the date fixed for redemption.

#### 6.4 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption) and, in the case of Senior Non Preferred Notes, subject to Condition 6.12 (*Restriction on Early Redemption or Purchase of the Senior Non Preferred Notes*), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, (to be reflected in the records of Euroclear and Clearstream as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 (*Notices*) not less than 15 days prior to the date fixed for redemption.

#### 6.5 Make-Whole Redemption by the Issuer (Make-Whole Call)

If Make-Whole Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption and the Make-Whole Redemption Rate) and, in the case of Senior Non Preferred Notes, subject to Condition 6.12 (*Restriction on Early Redemption or Purchase of the Senior Non Preferred Notes*), redeem all or some only of the Notes at any time or from time to time, prior to their Maturity Date (the **Make-Whole Redemption Date**), at the Make-Whole Redemption Amount.

For the purposes of these Conditions:

**Make-Whole Redemption Amount** means, in respect of the Notes to be redeemed, an amount, calculated by the Calculation Agent, equal to the greater of (i) 100 per cent. of the nominal amount of the Notes so redeemed and, (ii) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (not including any interest accrued on the Notes to, but excluding, the relevant Make-Whole Redemption Date) discounted to the relevant Make-Whole Redemption Date on an annual basis at the Make-Whole Redemption Rate plus a Make-Whole Redemption Margin (as specified in the applicable Final Terms), plus in each case (i) or (ii) above, any interest accrued on the Notes to, but excluding, the Make-Whole Redemption Date.

**Make-Whole Redemption Rate** means the average of the four (4) quotations given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Security (as specified in the relevant Final Terms) on the fourth (4th) Business Day preceding the Make-Whole Redemption Date at 11.00 a.m. (Central European time (CET)). If the Reference Security is no longer outstanding, a Similar Security will be chosen by the Calculation Agent at 11.00 a.m. (CET)

on the third (3rd) Business Day preceding the Make-Whole Redemption Date, quoted in writing by the Calculation Agent to the Issuer and notified in accordance with Condition 13 (*Notices*).

**Reference Dealers** means each of the four (4) banks selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

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

## **6.6 Redemption at the option of the Noteholders (Investor Put)**

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 (*Notices*) not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Fiscal Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream (which may include notice being given on his instruction by Euroclear, Clearstream or any common depositary or common safekeeper, as the case may be for them to the Fiscal Agent by electronic means) in a form acceptable to Euroclear and Clearstream from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream by a holder of any Note pursuant to this Condition 6.6 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.6 and instead to declare such Note forthwith due and payable pursuant to Condition 9 (*Events of Default*).

The Investor Put shall not apply in the case of Senior Non Preferred Notes and holders of Senior Non Preferred Notes may not request redemption of such Senior Non Preferred Notes prior to the Maturity Date.

## 6.7 Early Redemption Amounts

For the purpose of Conditions 6.2 (*Redemption for tax reasons*) and 6.3 (*Optional Redemption of Senior Non Preferred Notes upon the occurrence of a MREL Disqualification Event*) above and Condition 9 (*Events of Default*):

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- (b) each Zero Coupon Note will be redeemed at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Amortised Face Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

**y** is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

## 6.8 Purchases

Subject to Condition 6.12 (*Restriction on Early Redemption or Purchase of the Senior Non Preferred Notes*), the Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise.

All Notes so purchased by the Issuer or any Subsidiary of the Issuer may (a) be held and resold or (b) be cancelled, each in accordance with applicable laws and/or regulations.

## 6.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6.8 (*Purchases*) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Fiscal Agent and cannot be reissued or resold.

## 6.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1 (*Redemption at maturity*), 6.2 (*Redemption for tax reasons*), 6.3 (*Optional Redemption of Senior Non Preferred Notes upon the occurrence of a MREL Disqualification Event*), 6.5 (*Make-Whole Redemption by the Issuer (Make-Whole Call)*) or 6.6 (*Redemption at the option of the Noteholders (Investor Put)*) above or upon its becoming due and repayable as provided in Condition 9 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.7(b) (*Early Redemption Amounts*) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

## 6.11 Substitution and Variation of Senior Non Preferred Notes

Subject to having given no less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Paying Agent and the Noteholders in accordance with Condition 13 (*Notices*), if a MREL Disqualification Event has occurred and is continuing, the Issuer may, at its option, substitute all (but not some only) of the relevant Series of Senior Non Preferred Notes or vary the terms of all (but not some only) of the relevant Series of Senior Non Preferred Notes without any requirement for the consent or approval of the Noteholders, so that they become or remain Qualifying Notes. Alternatively, the Issuer may, at its option, redeem all (but not some only) of the relevant Series of Senior Non Preferred Notes in accordance with Condition 6.3 (*Optional Redemption of Senior Non Preferred Notes upon the occurrence of a MREL Disqualification Event*) below.

Any such notice shall specify the details of such substitution or variation, as the case may be, including the date on which such substitution or variation, as the case may be, shall take effect and details of where the Noteholders can inspect or obtain copies of the new or amended terms and conditions of the Qualifying Notes. Such substitution or variation will be effected without any cost or charge to the Noteholders.

For the purpose of these Conditions:

**MREL Disqualification Event** means the determination by the Issuer, that as a result of a change in French and/or EU laws or regulations becoming effective on or after the Issue Date of a Series of Senior Non Preferred Notes, which change was not reasonably foreseeable by the Issuer as at the Issue Date of the Series, it is likely that all or part of the aggregate outstanding nominal amount of such Series of Notes will be excluded from the eligible liabilities available to meet the MREL Requirements (however called or defined by then applicable regulations) if the Issuer is then subject to such requirements, provided that a MREL Disqualification Event shall not occur where such Series of Notes is excluded on the basis (1) that the remaining maturity of such Notes is less than any period prescribed by any applicable eligibility criteria under the MREL Requirements, or (2) of any applicable limits on the amount of eligible liabilities permitted or allowed to meet the MREL Requirements.

**MREL Requirements** means the minimum requirement for own funds and eligible liabilities and/or total loss-absorbing capacity requirements applicable to the Issuer and/or the PSA Banque France Group referred to in the BRRD, any other EU law or regulation and relevant implementing legislation and regulation in France.

**Qualifying Notes** means at any time, any securities issued or guaranteed by the Issuer that:

- (i) contain terms which at such time result in such securities being eligible to count towards fulfilment of the MREL Requirements of the Issuer and/or the PSA Banque France Group to at least the same extent as the Senior Non Preferred Notes prior to the relevant MREL Disqualification Event;
- (ii) carry the same rate of interest from time to time applying to the relevant Series of Senior Non Preferred Notes prior to the relevant substitution or variation pursuant to this Condition 6.11;
- (iii) have the same currency of payment, maturity, denomination, original and aggregate outstanding nominal amount as the relevant Series of Senior Non Preferred Notes prior to the relevant substitution or variation pursuant to this Condition 6.11;
- (iv) rank at least *pari passu* with the relevant Series of Senior Non Preferred Notes prior to the relevant substitution or variation pursuant to this Condition 6.11;
- (v) following the relevant substitution or variation pursuant to this Condition 6.11, do not require the payment of additional amounts as provided in Condition 7 (*Taxation*) or in respect of which the Issuer would be prevented by French law from paying such additional amounts;
- (vi) have terms not otherwise materially less favourable to the Noteholders than the terms of the relevant Series of Senior Non Preferred Notes, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered a certificate to that effect to the Paying Agent (and copies thereof will be available at the Paying Agent's specified office during its normal business hours) not less than five (5) Business Days prior to (i) in the case of a substitution of the Senior Non Preferred Notes pursuant to this Condition 6.11, the issue date of the first tranche of the relevant new series of securities or (ii) in the case of a variation of the Senior Non Preferred Notes pursuant to this Condition 6.11, the date such variation becomes effective; and
- (vii) (A) are listed or admitted to trading on a regulated market, if the relevant Series of Senior Non Preferred Notes were listed or admitted to trading on a regulated market immediately prior to the relevant substitution or variation, or (B) are listed or admitted to trading on any recognised stock exchange (including, without limitation, a regulated market), if the relevant Series of Senior Non Preferred Notes were listed or admitted to trading on any recognised stock exchange other than a regulated market immediately prior to the relevant substitution or variation.

## **6.12 Restriction on Early Redemption or Purchase of the Senior Non Preferred Notes**

Notwithstanding any other provision in this Condition 6, the Issuer may early redeem or purchase the Senior Non Preferred Notes (and give notice thereof to Noteholders) only if it has obtained the prior consent of the Relevant Resolution Authority and/or Relevant Regulator (if required by the Applicable Banking Regulations).

For the purposes of these Conditions:

**Applicable Banking Regulations** means at any time the laws, regulations, requirements, guidelines and policies of the Relevant Regulator (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and including, for the avoidance of doubt, as at the Issue Date the rules contained in, or implementing, CRD IV and/or the BRRD).

**BRRD** means Directive 2014/59/EU of the Parliament and of the Council 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 from time to time or such other directive as may come in effect in the place thereof.

**CRD IV** means the CRD IV Directive, the CRR and any CRD IV Implementing Measures.

**CRD IV Directive** means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended from time to time, or such other directive as may come into effect in place thereof.

**CRD IV Implementing Measures** means any regulatory capital rules implementing the CRD IV Directive or the 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.

**CRR** means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on the prudential requirements for credit institutions and investment firms, as amended from time to time, or such other regulation as may come into effect in place thereof.

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

**Relevant Regulator** means the European Central Bank and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer or the application of the Applicable Banking Regulations.

**Relevant Resolution Authority** means the *Autorité de contrôle prudentiel et de résolution*, the Single Resolution Board established pursuant to the Single Resolution Mechanism Regulation, and/or any other authority entitled to exercise or participate in the exercise of any Bail-in 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).

## 7. TAXATION

- (a) All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied 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 payments of principal or interest in respect of any Note or Coupon by or on behalf of the Issuer be subject to such withholding or deduction, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:
- (i) the holder of which is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with France other than the mere holding of such Note or Coupon; or
  - (ii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.5 (*Payment Day*)).

As used herein: the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13 (*Notices*).

## 8. PRESCRIPTION

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and 5 years (in the case of interest) after the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 (*Presentation of definitive Notes and Coupons*) or any Talon which would be void pursuant to Condition 5.2 (*Presentation of definitive Notes and Coupons*).

## 9. EVENTS OF DEFAULT

### 9.1 Senior Preferred Notes

In the case of Senior Preferred Notes, if any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (a) default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days; or
- (b) the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or
- (c) default is made by the Issuer in the due payment of any sum payable in respect of any Indebtedness contracted or guaranteed by the Issuer provided that the aggregate amount of

such Indebtedness exceeds €50,000,000 (or its equivalent in any other currency) and such default has not been expressly waived or cured within any applicable grace period; or

- (d) any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, save for the purposes of restructuring or reorganisation on terms previously approved by an Extraordinary Resolution or a merger with another financial institution whereby any entity that survives or is created as a result of such merger is given a rating by an internationally recognised rating agency at least equal to the then current rating of the Issuer at the time of such merger (in which case approval by an Extraordinary Resolution will not be required); or
- (e) the Issuer ceases or threatens to cease to carry on all or substantially all of its business, save for the purposes of restructuring or reorganisation on terms previously approved by an Extraordinary Resolution, or a merger with another financial institution whereby any entity that survives or is created as a result of such merger is given a rating by an internationally recognised rating agency at least equal to the then current rating of the Issuer at the time of such merger (in which case approval by an Extraordinary Resolution will not be required), or the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) (i) the Issuer makes any proposal for a general moratorium in relation to its debt or any judgment is issued for its judicial liquidation (*liquidation judiciaire*) or for the transfer of the whole of its business (*cession totale de l'entreprise*) and (ii) in any case is not discharged within 14 days; or
- (g) the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors),

then any holder of a Note may, by written notice to the Issuer at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

## **9.2 Senior Non Preferred Notes**

If the Notes are Senior Non Preferred Notes, then the Events of Default listed in Condition 9.1 (*Senior Preferred Notes*) above shall not apply to the Notes. However, a Noteholder may, by written notice to the Issuer at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind, in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation judiciaire or liquidation amiable*) of the Issuer.

### **9.3 Interpretation**

For the purposes of this Condition 9:

**Indebtedness** means any indebtedness for borrowed money.

### **10. REPLACEMENT OF NOTES, COUPONS AND TALONS**

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

### **11. AGENTS**

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Fiscal Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.4 (*General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

### **12. EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

### **13. NOTICES**

All notices regarding the Notes will be deemed to be validly given if published (a) in a leading English language daily newspaper of general circulation in London (which is expected to be the Financial Times), and (b) so long as the Notes of this Series are listed and admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be La Tribune or Les Échos), or (c) in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the *Autorité des marchés financiers*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading, including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, be substituted for such publication in such newspaper(s) or such websites the delivery of the relevant notice to Euroclear and/or Clearstream for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Fiscal Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Fiscal Agent through Euroclear and/or Clearstream, as the case may be, in such manner as the Fiscal Agent, and Euroclear and/or Clearstream, as the case may be, may approve for this purpose.

### **14. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, altering the currency of payment of the Notes or the Coupons or amending the Deed of Covenant in certain respects), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance

with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Fiscal Agent) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Couponholders.

The Fiscal Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Coupons, the Deed of Covenant or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Coupons, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

## **15. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **17. RECOGNITION OF BAIL-IN**

### **17.1 Acknowledgement**

Notwithstanding any other term of the Notes or any other agreement, arrangement or understanding between the Issuer and the Noteholders, by its subscription and/or purchase and holding of the Notes, each Noteholder (which for the purposes of this Condition 17 (*Recognition of Bail-In*) includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees:

- (a) to be bound by the effect of the exercise of the Bail-in 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:

- (i) the reduction of all, or a portion, of the Amounts Due (as defined below);
  - (ii) 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;
  - (iii) the cancellation of the Notes; and/or
  - (iv) 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;
- (b) 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 Power by the Relevant Resolution Authority.

## **17.2 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 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 the PSA Banque France Group.

## **17.3 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 Power by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of any Bail-in 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.

## **17.4 Notice to Noteholders**

Upon the exercise of any Bail-in Power by the Relevant Resolution Authority with respect to the Notes, the Issuer will give notice to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable regarding such exercise of the Bail-in Power. The Issuer will also deliver a copy of such notice to the Principal Paying Agent for information purposes, although the Principal Paying 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 Power nor the effects on the Notes described in Conditions 17.1(a) and (b) of this section.

## **17.5 Duties of the Principal Paying Agent**

Upon the exercise of any Bail-in Power by the Relevant Resolution Authority, the Issuer and each Noteholder hereby agree that (a) the Principal Paying Agent shall not be required to take any directions from Noteholders, and (b) the Agency Agreement shall impose no duties upon the

Principal Paying Agent whatsoever, in each case with respect to the exercise of any Bail-in 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 Principal Paying 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 Principal Paying Agent shall agree pursuant to an amendment to the Agency Agreement.

## **17.6 Prorating**

If the Relevant Resolution Authority exercises the Bail-in Power with respect to less than the total Amounts Due, unless the Principal Paying 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 Power will be made on a pro-rata basis.

## **17.7 Conditions Exhaustive**

The matters set forth in this Condition 17 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.

For the purposes of these Conditions:

**Amounts Due** means the principal amount, together with any accrued but unpaid interest, and additional amounts, if any, due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Bail-in Power by the Relevant Resolution Authority.

**Bail-in Power** means any power existing from time to time under any laws, regulations, rules or requirements in effect in France, relating to the transposition of the BRRD, 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, the **20 August 2015 Decree Law**), 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, the **Single Resolution Mechanism Regulation**), or 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.

**Regulated Entity** means 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 includes certain credit institutions, investment firms, and certain of their parent or holding companies established in France.

## **18. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **18.1 Governing law**

The Agency Agreement, the Deed of Covenant, the Notes (except for Condition 2 (*Status of the Notes*) to the extent applicable, which is governed by, and shall be construed in accordance with, French law) and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and construed in accordance with, English law.

### **18.2 Submission to jurisdiction**

- (a) Subject to Condition 18.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 18.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

### **18.3 Appointment of Process Agent**

The Issuer irrevocably appoints PSA Finance UK Limited, 61 London Road, Redhill, Surrey, RH1 1QA, United Kingdom as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of PSA Finance UK Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

### **18.4 Other documents**

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

**APPLICABLE FINAL TERMS**

19 December 2019



**PSA BANQUE FRANCE**

**[Legal entity identifier (LEI): 969500JK1O192KI3E882]**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €4,000,000,000  
Euro Medium Term Note Programme**

**Series n°[●]  
Tranche n°[●]**

**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 (**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 (EU) 2016/97 (the **Insurance Distribution Directive**), 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.

**[MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/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 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. [Consider any negative target market.] Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 19 December 2019, which received approval number 19-578 from the *Autorité des marchés financiers* (AMF) on 19 December 2019 [and the supplement[s] to it dated [●] [and [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus [and these Final Terms] [has/have] been published on the AMF website at [www.amf-france.org](http://www.amf-france.org) and on the website of the Issuer ([www.psa-banque-france.com](http://www.psa-banque-france.com)).

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the **Conditions**) set forth in the Base Prospectus dated [29 June 2016][10 July 2017][3 August 2018] which is incorporated by reference into the Base Prospectus dated 19 December 2019, which received approval number 19-578 from the *Autorité des marchés financiers* (AMF) on 19 December 2019 [and the supplement[s] to it dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus, in order to obtain all the relevant information. The Base Prospectus [and these Final Terms] [has/have] been published on the AMF website at [www.amf-france.org](http://www.amf-france.org) and on the website of the Issuer ([www.psa-banque-france.com](http://www.psa-banque-france.com)).]

*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.*

*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*

- |    |  |   |
|----|--|---|
| 1. | Issuer:  | PSA BANQUE FRANCE   |
| 3. | (a) Series Number:   | [●]   |
|    | (b) Tranche Number:  | [●]   |
|    | (c) Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series with [identify earlier Tranches] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [date]]][Not Applicable] |
| 4. | Specified Currency:  | [●]   |
| 5. | Aggregate Nominal Amount:  |   |

- (a) Series: [●]
- (b) Tranche: [●]
6. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
7. (a) Specified Denominations: [●]
- (N.B. Notes must have a minimum denomination of €100,000 (or equivalent))*
- (Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*
- "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")*
- (b) Calculation Amount (in relation to calculation of interest in global form see Conditions): [●]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
8. (a) Issue Date: [●]
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
9. Maturity Date: *Specify date or for Floating Rate Notes – Interest Payment Date falling in or nearest to [specify month and year]*
10. Interest Basis: [[ ] per cent. Fixed Rate]  
[[[ ] month [LIBOR/EURIBOR]] +/- [ ] per cent. Floating Rate]  
[Zero coupon]  
(see paragraph [15]/[16]/[17] below)
11. Redemption[/Payment] Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount

12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[Make-Whole Call]  
[(see paragraph [19]/[20]/[21] below)]  
[Not Applicable]
13. Date(s) of corporate authorisation(s) for issuance of Notes obtained: [●] [and [●], respectively]]
14. Status of the Notes: [Senior Preferred Notes/Senior Non Preferred Notes]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [●] in each year up to and including the Maturity Date
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [●] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]][Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[●] in each year][Not Applicable]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
16. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: [●] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not

- Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
- (c) Additional Business Centre(s): [●]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Calculation Agent (if not the Fiscal Agent): [●][Not Applicable]
- (f) Screen Rate Determination:
- Reference Rate: [●] month [LIBOR/EURIBOR]
  - Interest Determination Date(s): [●]  
*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
  - Relevant Screen Page: [●]  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (g) ISDA Determination:
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]  
*(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)*
- (h) Linear Interpolation: [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (i) Margin(s): [+/-] [●] per cent. per annum
- (j) Minimum Rate of Interest: [[●][0] per cent. per annum]

*(If the Minimum Rate of Interest is not zero, insert the relevant positive percentage)*

(k) Maximum Rate of Interest:  per cent. per annum/Not Applicable]

(l) Day Count Fraction:  Actual/Actual (ISDA)] Actual/Actual  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
 [30/360] [360/360] [Bond Basis]  
 [30E/360] [Eurobond Basis]  
 30E/360 (ISDA)]

17. Zero Coupon Note Provisions  Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Accrual Yield:  per cent. per annum

(b) Reference Price:

(c) Day Count Fraction in relation to Early Redemption Amounts:  [30/360]  
 [Actual/360]  
 [Actual/365]

#### **PROVISIONS RELATING TO REDEMPTION**

18. Notice periods for Condition  [[6.2]– Minimum period: [30] days  
*(Redemption for tax reasons)*]: Maximum period: [60] days

19. Issuer Call:  Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Optional Redemption Date(s):

(b) Optional Redemption Amount:  per Calculation Amount/Not Applicable]

*[Set out appropriate variable details in this pro forma, for example reference obligation]*

(c) If redeemable in part:

(i) Minimum Redemption Amount:

(ii) Maximum Redemption Amount:

(d) Notice periods: Minimum period: [15] days  
Maximum period: [30] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution)*

*of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)*

20. Make-Whole Call: [Applicable/Not Applicable]

(a) Make-Whole Redemption Margin: [●] per cent.

(b) Reference Security: [specify]

(c) Notice Periods Minimum period: [15] days

Maximum period: [30] days

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)*

21. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Optional Redemption Date(s): [●]

(b) Optional Redemption Amount: [●] per Calculation Amount

(c) Notice periods: Minimum period: [15] days  
Maximum period: [30] days

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)*

22. Final Redemption Amount: [●] per Calculation Amount

23. Early Redemption Amount payable on redemption for tax reasons or on a MREL Disqualification Event or on event of default: [●] per Calculation Amount

*(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but*

consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:
- (a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event]
- (N.B. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].")*
- (b) New Global Note: [Yes][No]
25. Additional Financial Centre(s): [Not Applicable/give details]
- (Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraphs 15(c) relates)*
26. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

## [THIRD PARTY INFORMATION]

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

Signed on behalf of PSA BANQUE FRANCE:

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing [Euronext Paris S.A.][*specify relevant regulated market*][None]
- (ii) Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market with effect from [●].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market with effect from [●].]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (iii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

- Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- [insert details] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].*
- Each of *[defined terms]* is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**)
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]

#### 4. [FIXED RATE NOTES ONLY - YIELD]

Indication of yield: [●]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

#### 5. [FLOATING RATE NOTES ONLY - BENCHMARKS]

Article 29(2) statement on benchmarks: [Amounts payable under the Notes may be calculated by reference to [specify benchmark (as this term is defined in the Benchmark Regulation)] which is provided by [legal name of the benchmark administrator]. As at the date of these Final Terms, [legal name of the benchmark administrator] [appears / does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 (the **Benchmarks Regulation**).

[As far as the Issuer is aware, [specify benchmark (as this term is defined in the Benchmark Regulation)] [does not fall within the scope of the Benchmarks Regulation/ the transitional provisions in Article 51 of the Benchmarks Regulation apply] such that [legal name of the benchmark administrator] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence).]]

#### 6. USE AND ESTIMATED NET AMOUNT OF THE PROCEEDS

(i) Estimated net amount of proceeds: [●]

(ii) Use of proceeds [As set out in 'Use of Proceeds' in the Base Prospectus]  
[specify]

#### 7. OPERATIONAL INFORMATION

(i) ISIN: [●]

(ii) Common Code: [●]

(iii) Any clearing system(s) other than Euroclear and Clearstream and the [Not Applicable/give name(s) and number(s)]

relevant identification number(s):

- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): [●]
- (vi) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/  
  
[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

## 8. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Date of Subscription Agreement: [●]
- (iv) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (vi) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes.

## DESCRIPTION OF THE ISSUER

Prospective investors should note that further information regarding the Issuer is set out on pages 5 to 23 and 38 to 41 of the 2018 Annual Report which was filed with the AMF on 1 April 2019 and which is incorporated by reference in this Base Prospectus, as set out in the section "*Documents Incorporated by Reference*" of this Base Prospectus.

PSA Banque France was established in 1965 as a société anonyme under the laws of France under the Nanterre registration number 652 034 638. PSA Banque France's registered office is located at 9, rue Henri Barbusse, CS 50062, 92238 Gennevilliers Cedex, France.

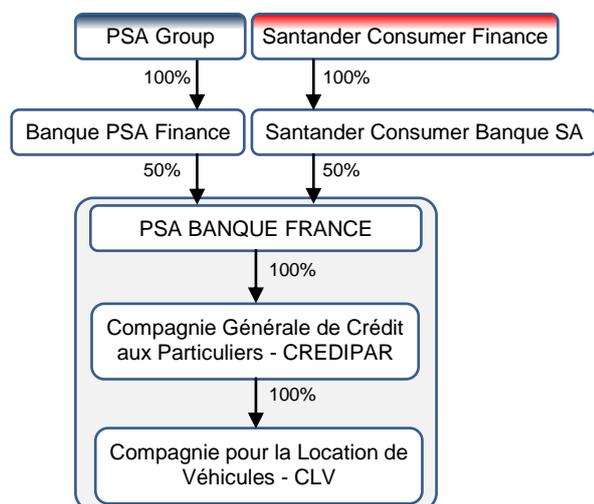
The Issuer's Legal Entity Identifier (LEI) is 969500JK1O192KI3E882.

### The Issuer and the PSA Banque France Group Structure

The Issuer's structure is a result of successive re-grouping of the financing activities of Citroën and Peugeot, both manufacturers which had integrated financing into their development strategy many years ago (Citroën in 1919 and Peugeot in 1929), with the aim of making vehicle acquisition more affordable to a wider consumer base.

As at the date of this Base Prospectus, the Issuer is jointly controlled by Banque PSA Finance and Santander Consumer Banque SA, the French subsidiary of Santander Consumer Finance, S.A., and is now fully consolidated within the Santander Group. The relationship and co-operation between Banque PSA Finance and Santander Consumer Finance, S.A. is organised within the Issuer through a shared governance regime.

The Issuer is a credit institution and the parent company of Compagnie Générale de Crédit aux Particuliers – CREDIPAR (**CREDIPAR**), which itself holds 100 per cent. of Compagnie pour la Location de Véhicules – CLV (**CLV**). The financing activities of the PSA Banque France Group are therefore carried out by PSA BANQUE FRANCE and its subsidiaries, CREDIPAR and CLV.



### Business overview and activities

Following their entry into exclusive negotiations on 19 February 2014, Banque PSA Finance, the sole financing company of the PSA Group, specialising in automotive financing, and Santander Consumer Finance, the division of Banco Santander, S.A. specialising in consumer credit, signed a framework agreement on 10 July 2014 regarding the establishment of a partnership covering 11 countries in Europe. On

2 February 2015, Banque PSA Finance and Santander Consumer Finance, S.A., after having received authorisation from the European Central Bank on 28 January 2015, formalised their cooperation to perform banking operations in France jointly through the PSA Banque France Group.

In all, the Framework Agreement saw the creation of ten joint ventures and one commercial partnership in Europe. The first two joint ventures were launched in France and the United Kingdom in February 2015. This was followed by the launch of a white label agreement in Portugal in August 2015 and another two joint ventures in Spain and Switzerland in October of the same year. Then, in 2016, joint ventures were launched in Italy in January, the Netherlands in February, Belgium in May, Germany and Austria in July and, finally, Poland in October.

The partnership is now operational in all 11 European countries.

The cooperation with Santander Consumer Finance, S.A. in particular enhances the activities of the PSA Banque France Group, as more competitive offers are reserved for Peugeot, Citroën and DS customers and networks. These offers are accompanied by a complete range of insurance products and services that enable customers to benefit from a global and coherent product range at the point of sale. The PSA Banque France Group also provides dealers of the three brands with financing for inventory (including new and used vehicles) and spare parts, as well as other financing, such as working capital.

In France, the PSA Banque France Group offers financing, insurance products and other services, as well as savings for retail customers:

#### *Financing services*

- Financing for end users (69 per cent. of outstanding loans at 31 December 2018). Individuals and companies are offered a range of solutions including instalment loans for the purchase of new and used vehicles, as well as leasing solutions with or without a purchase option. Outstanding loans to end users stood at €8,136 million at 31 December 2018.
- Financing for the dealer network (31 per cent. of outstanding loans at 31 December 2018). Financing solutions are available to the Peugeot, Citroën and DS dealer networks for financing their stock of new and used vehicles, spare parts, as well as other solutions for financing their working capital and their investments. Outstanding loans to corporate dealers stood at €3,677 million at 31 December 2018.

#### *Insurance products and services*

- An extensive range of services and insurance products intended for end users are offered by the PSA Banque France Group: insurance policies related to financing, such as death/invalidity insurance, unemployment insurance, or financial loss insurance which covers the total loss of the financed vehicle. There are insurance policies related to the vehicle, such as car insurance or extensions of guarantee for used vehicles: assistance services including mobility solutions and additional services related, for example, to the maintenance of vehicles and to the "connected vehicle" offer. PSA Banque France Group sold an average of 2.18 insurance or service contracts per client financed in 2018.

#### *Retail savings*

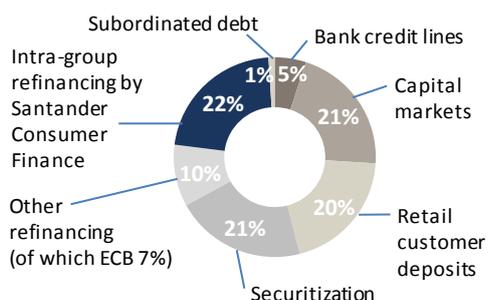
- The "PSA Banque" retail savings business consists of savings accounts and term deposits for retail customers. Outstanding retail savings activity stood at €2,251 million at 31 December 2018.

## Indebtedness

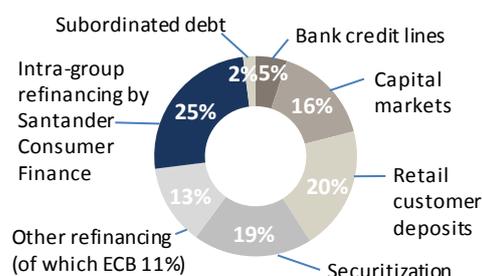
The indebtedness of the PSA Banque France Group stood at €11,011 million at 31 December 2018 (€9,448 million at 31 December 2017) with diversified sources of funding (as illustrated by the charts below).

### SOURCES OF REFINANCING

#### AT 31 DECEMBER 2018



#### AT 31 DECEMBER 2017



The increase of new loans to customers and dealers is closely linked to the general economic situation in the car industry and the sales performance of the PSA Banque France Group. Given the PSA Banque France Group's activities, a variation of 10 per cent. of debt over a six-month period is not considered as unusual. Debt increases are and will be performed through:

- (i) public debt issuances under this Programme, all of which will be publicly disclosed;
- (ii) bank loans, asset backed securitisations, some of which are not publicly disclosed; and
- (iii) customer savings and term deposit accounts following publicity or loyalty campaigns.

For further information regarding the products and services offered by the PSA Banque France Group, see pages 8 to 11 of the 2018 Annual Report, which is incorporated by reference in this Base Prospectus, as set out in the section "*Documents Incorporated by Reference*" of this Base Prospectus. For the names and functions within the Issuer of the members of the Issuer's administrative, management or supervisory bodies, and an indication of the principal activities performed by them outside the Issuer where these are significant with respect to the Issuer, please see pages 21-25 of the 2019 HY Report, which is incorporated by reference in this Base Prospectus. The business address of the members of the Issuer's administrative, management or supervisory bodies is at the registered office of the Issuer.

## TAXATION

*The following is a summary of certain withholding tax consequences relating to the holding of the Notes. It is based on the legislation in force as of the date of this Base Prospectus and may be subject to any changes in law and/or interpretation thereof (potentially with a retroactive effect). This summary does not aim to be a comprehensive description of all tax considerations that may be relevant for a decision to invest in the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the French tax consequences of any investment in or ownership and disposition of the Notes.*

### FRANCE

#### *Withholding taxes on payments made outside France*

*The following may be relevant to Noteholders who do not concurrently hold shares in the Issuer.*

Payments of interest and other assimilated revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code Général des Impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non-coopératif*) within the meaning of Article 238-0 A of the French *Code Général des Impôts* (a **Non-Cooperative State**) other than those mentioned in 2° of 2 bis of the same Article 238-0 A. If such payments under the Notes are made outside France in a Non-Cooperative State other than those mentioned in 2° of 2 bis of Article 238-0 A of the French *Code Général des Impôts*, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of an applicable tax treaty) by virtue of Article 125 A III of the French *Code Général des Impôts*.

Furthermore, according to Article 238 A of the French *Code Général des Impôts*, interest and other assimilated revenues on such Notes will not be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on an account held with a financial institution established in such a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other assimilated revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code Général des Impôts*, in which case such non-deductible interest and other assimilated revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code Général des Impôts*, at a rate of (i) 12.8 per cent. for payments benefiting individuals who are not French tax residents, (ii) 30 per cent. (to be aligned on the standard corporate income tax rate set forth in Article 219-I of the French *Code Général des Impôts* for fiscal years beginning as from 1 January 2020) for payments benefiting legal persons who are not French tax residents or (iii) 75 per cent. for payments made outside France in a Non-Cooperative State other than those mentioned in 2° of 2 *bis* of Article 238-0 A of the French *Code Général des Impôts* (subject to certain exceptions and to the more favourable provisions of an applicable tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code Général des Impôts* nor, to the extent the relevant interest and other assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion will apply in respect of an particular issue of Notes if the Issuer can prove that the main purpose and effect of such issue of Notes was not that of allowing the payments of interest or other assimilated revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques - Impôts* BOI-RPPM-RCM-30-10- 20-40-20140211, BOI-INT-DG-20-50-20140211 and BOI-IR-DOMIC-10-20-20-60-20150320, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a French or foreign regulated market or multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or any other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities delivery and payment systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

### ***Withholding taxes on payments made to individuals fiscally domiciled in France***

Besides, where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A I of the French *Code Général des Impôts*, and subject to certain exceptions, interest and other assimilated revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 12.8 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and solidarity levy) are also levied by way of withholding at a global rate of 17.2 per cent. on such interest and other assimilated revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France, subject to certain exceptions.

### **THE PROPOSED FINANCIAL TRANSACTIONS TAX (FTT)**

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will no longer participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (i) by transacting with a person established in a participating Member State or (ii) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or participating Member States may decide to withdraw.

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

## FATCA DISCLOSURE

### *Foreign Account Tax Compliance Act*

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by **FATCA**) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including France) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "*Terms and Conditions of the Notes—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

## SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 19 December 2019, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

## SELLING RESTRICTIONS

### *United States*

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

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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

### *Prohibition of sales to EEA Retail Investors*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area (the **EEA**). For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- (b) the expression **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

In relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

### ***United Kingdom***

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

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### ***Japan***

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

### ***France***

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties and/or (b) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier* and Regulation (EU) 2017/1129 and any applicable French law and regulation.

### ***Republic of Italy***

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to "qualified investors" (*investitori qualificati*), as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-ter, paragraph 1, let. b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must:

- (i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and

- (ii) comply with any other applicable laws and regulations or requirements imposed by CONSOB, the Bank of Italy (including any reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

***General***

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## **RECENT DEVELOPMENTS**

For recent developments relating to the Issuer, please refer to pages 5 to 23 of the 2018 Annual Report, which was filed with the AMF on 1 April 2019, and pages 3 to 17 of the 2019 HY Report, which are incorporated by reference in this Base Prospectus, as set out in the section "*Documents Incorporated by Reference*" of this Base Prospectus.

## GENERAL INFORMATION

### Authorisation

The update of the Programme and the issue of Notes under it have been duly authorised by the resolution of the *Conseil d'Administration* of the Issuer dated 26 November 2019 (as referred to below).

In accordance with article L. 518-7 of the French *Code monétaire et financier*, the maximum aggregate nominal amount of Notes to be issued under the Programme for each year must be authorised by a resolution of the *Conseil d'Administration* of the Issuer. In this respect the Issuer has authorised an annual borrowing limit for the issue of Notes under the Programme for a period of one year up to a maximum aggregate amount of €4,000,000,000 by a resolution of the *Conseil d'Administration* dated 26 November 2019.

Any issue of Notes under the Programme requires the prior authorisation of the Issuer's *directeur general* who may delegate the right to decide the issue of Notes under the Programme to a manager of the Issuer.

### Approval of the Base Prospectus

This Base Prospectus has been approved as a base prospectus by the Autorité des marchés financiers (the AMF) in France in its capacity as competent authority under Regulation (EU) 2017/1129 (the Prospectus Regulation). The AMF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the AMF should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the securities.

This Base Prospectus is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

### Listing of Notes

Application may be made to Euronext Paris S.A. for the period of 12 months from the date of this Base Prospectus, for Notes issued under the Programme to be listed and admitted to trading on Euronext Paris S.A. and on any other Regulated Market in a Member State of the EEA, as the case may be.

Euronext Paris S.A. is a regulated market for the purposes of MiFID.

### Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified offices of the Paying Agent for the time being in France:

- (a) the *statuts* of the Issuer;
- (b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 2017 and 2018 (with an English translation thereof) together with the related audit reports prepared in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis;

- (c) the consolidated unaudited interim financial statements of the Issuer in respect of the six month period ended 30 June 2019 (with an English translation thereof);
- (d) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons; and
- (e) a copy of this Base Prospectus and any supplement hereto.

In addition, copies of this Base Prospectus, any supplement to this Base Prospectus, the Agency Agreement and each document incorporated by reference are also available on the website of the Issuer (<https://www.psa-banque-france.com>).

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the AMF.

### **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

### **Conditions for determining price**

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

### **Significant or Material Change**

There has been no significant change in the financial performance or position of the Issuer and/or the PSA Banque France Group since 30 June 2019 and there has been no material adverse change in the prospects of the Issuer since 31 December 2018.

### **Litigation**

Except as set out at item 11.3 of the cross-reference table on page 43 of this Base Prospectus, neither the Issuer nor any other member of the PSA Banque France Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer and/or the PSA Banque France Group.

### **Auditors**

PricewaterhouseCoopers Audit and Mazars audited the Issuer's consolidated financial statements, without qualification, in accordance with IFRS for the financial years ended 31 December 2017 and 31 December 2018.

PricewaterhouseCoopers Audit and Mazars reviewed the Issuer's condensed interim consolidated financial statements for the period ended 30 June 2019, without qualification, in accordance with IFRS.

Mazars and PricewaterhouseCoopers Audit carry out their duties in accordance with the principles of the Compagnie Nationale des Commissaires aux Comptes (CNCC) (National Association of Statutory Auditors).

### **Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in lending, investment banking and/or commercial banking transactions with, and may perform other services for the Issuer and its affiliates in the ordinary course of business. For the purpose of this paragraph the term "affiliates" also includes parent companies.

They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Dealers and their affiliates (including their respective parent companies, where applicable) 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 its affiliates. Certain of the Dealers or their 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 Dealers and their 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 issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme.

The Issuer may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

### **Credit Rating**

The Issuer's long term senior preferred debt has been rated A3 (stable outlook) by Moody's Investors Service Ltd as at 29 May 2019 and BBB+ (stable outlook) by S&P Global Ratings as at 28 December 2018.

### **EU Benchmark Regulation**

Amounts payable on Floating Rate Notes may be calculated by reference to one of LIBOR or EURIBOR, which are respectively provided by ICE Benchmark Administration Limited (**ICE**) and the European Money Markets Institute (**EMMI**). As at the date of this prospectus, ICE and EMMI are included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**).

The relevant Final Terms in respect of an issue of Floating Rate Notes may specify the relevant benchmark, the relevant administrator and whether such administrator appears on the ESMA register referred to above.

## RESPONSIBILITY FOR THE BASE PROSPECTUS

### Individuals assuming responsibility for this Base Prospectus

#### In the name of the Issuer

To the best knowledge of the Issuer (having taken all care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

#### PSA BANQUE FRANCE

9, rue Henri Barbusse  
92230 Gennevilliers  
France

Represented by

Jean Paul Duparc

*Chief Executive Officer*

Christophe Blancal

*Head of Treasury & Financing*

Executed in Paris on 19 December 2019



#### *Autorité des marchés financiers*

This Base Prospectus has been approved by the AMF in its capacity as competent authority for the purposes of Regulation (EU) 2017/1129. The AMF approves this Base Prospectus having verified that the information contained in it is complete, coherent and comprehensible as provided under Regulation (EU) 2017/1129.

This approval is not a recommendation regarding the Issuer or the quality of the securities forming the subject of this Base Prospectus. Investors are invited to carry out their own assessment regarding a potential investment in the relevant securities.

This Base Prospectus has been approved on 19 December 2019 and is valid until 19 December 2020 and must during such period and in accordance with Article 23 of Regulation (EU) 2017/1129 be completed by a supplement to the Base Prospectus in the event of any new significant facts or material errors or inaccuracies. The approval number applicable to this Base Prospectus is 19-578.

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