

## BASE PROSPECTUS

### RCI BANQUE

(incorporated in France as a "société anonyme")

€12,000,000,000

### Euro Medium Term Note Programme

Under this €12,000,000,000 Euro Medium Term Note Programme (the **Programme**) RCI Banque (the **Issuer** or **RCI Banque**) may from time to time issue Notes in bearer form (the **Notes**, which expression shall include Senior Notes and Subordinated Notes (each as defined below)).

Subject as set out herein, the Notes will not be subject to any minimum or maximum maturity. The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed €12,000,000,000 (or its equivalent in other currencies calculated as described herein) or such greater amount as is agreed between the parties to the amended and restated programme agreement dated 28 August 2013 (the **Programme Agreement** which expression includes the same as it may be updated or supplemented from time to time).

The Notes will be issued to one or more of the Dealers specified herein and any additional Dealer appointed under the Programme from time to time (each a **Dealer** and together the **Dealers**) which appointment may be for a specific issue or on a continuing 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 purchase such Notes.

Application has been made to the *Commission de surveillance du secteur financier* (the **CSSF**), which is the Luxembourg competent authority for the purpose of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended by Directive 2010/73/EU) (the **Prospectus Directive**) and relevant implementing measures in Luxembourg for approval of this Base Prospectus as a base prospectus issued in compliance with the Prospectus Directive and the *loi relative aux prospectus pour valeurs mobilières du 10 juillet 2005* (the Luxembourg law on prospectuses for securities of 10 July 2005), as amended by the Luxembourg law of 3 July 2012 (the "**Luxembourg Prospectus Law**") for the purpose of giving information with regard to the issue of the Notes under the Programme described in this Base Prospectus during the period of twelve months after the date hereof. The CSSF assumes no responsibility as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer in line with the provisions of article 7(7) of the Luxembourg Prospectus Law.

Application has been made to the Luxembourg Stock Exchange, which is a regulated market for the purposes of Directive 2004/39/EC for Notes issued under the Programme to be admitted to the official list and traded on the regulated market of the Luxembourg Stock Exchange during a period of twelve months after the date of this Base Prospectus.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in final terms (the **Final Terms**).

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

Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

The Notes of each issue will initially be represented by a temporary global Note which will be exchanged for a permanent global Note or definitive Notes upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. Each permanent global Note may be exchanged in whole but not in part for definitive Notes, all as further described in "*Form of the Notes*" herein. Each global Note will, if not intended to be issued in NGN form (as defined below) as specified in the applicable Final Terms, be deposited on or around the relevant Issue Date with a depositary or a common depositary for Euroclear (as defined below) and/or Clearstream, Luxembourg (as defined below). Each global Note which is intended to be issued in NGN form, as specified in the applicable Final Terms, will be deposited on or around the relevant issue date with a common safe-keeper for Euroclear and/or Clearstream Luxembourg.

The Issuer may agree with any Dealer and the Agent (as defined below) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplement to the Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

The Programme is, as of the date of this Base Prospectus, rated Baa3 in respect of Notes with a maturity of more than one year, Prime-3 in respect of Notes with a maturity of one year or less and Ba1 in respect of Subordinated Notes with a maturity of more than one year Tier II by Moody's Investors Service Ltd., BBB (negative outlook) in respect of Notes with a maturity of more than one year, A2 in respect of Notes with a maturity of one year or less and BB+ in respect of Subordinated Notes (lower Tier II) by Standard & Poor's Credit Market Services France, a Division of the McGraw-Hill Companies Inc. and BBB+ in respect of Notes with a maturity of more than one year and a-2 in respect of Notes with a maturity of one year or less by Rating & Investment Information Inc.

Credit ratings included or referred to in this Base Prospectus have been issued by Moody's Investors Service Ltd. and Standard & Poor's Credit Market Services France, each of which is established in the European Union and registered under Regulation (EU) No 1060/2009 (as amended). Moody's Investors Service Ltd. and Standard & Poor's Credit Market Services France shall be displayed on the latest update of the list of registered credit rating agencies (as of 3 June 2013) on the ESMA website

(<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>). Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

**Arranger**  
**BNP PARIBAS**

**Dealers**

**BNP PARIBAS**  
**Natixis**

**HSBC**  
**Société Générale**  
**Corporate & Investment Banking**

**The Royal Bank of Scotland**

The date of this Base Prospectus is 28 August 2013

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## IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus (*prospectus de base*) as defined in the Luxembourg Prospectus Law and for the purposes of Article 5.4 of Prospectus Directive.

The Issuer accepts responsibility for the information contained in this Base Prospectus and in the Final Terms in respect of each issue of Notes under the Programme accordingly. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

In addition, in the context of any offer of Notes that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a **Non-exempt Offer**), the Issuer accepts responsibility, in each Member State for which it has given its consent referred to herein, for the content of this Base Prospectus in relation to any person (an **Investor**) to whom an offer of any Notes is made by any financial intermediary to whom it has given its consent to use this Base Prospectus (an **Authorised Offeror**, as set out in the Final Terms or on the website of the Issuer as set out in the paragraph below), where the offer is made during the period for which that consent is given and where the offer is made in the Member State for which that consent was given and is in compliance with all other conditions attached to the giving of the consent. However, neither the Issuer nor the Dealers have or take any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other applicable local regulatory requirements or other securities law requirements in relation to such offer.

If so specified in the Final Terms in respect of any Tranche of Notes, the Issuer consents to the use of this Base Prospectus in connection with a Non-exempt Offer of the relevant Notes during the Offer Period specified in the relevant Final Terms (the **Offer Period**) either (1) in the Member State(s) specified in the relevant Final Terms by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and which satisfies any conditions specified in the relevant Final Terms or (2) by the financial intermediaries, in the relevant Member State(s) and subject to the relevant conditions, in each case specified in the relevant Final Terms, for so long as they are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC). The Issuer may give consent to additional financial intermediaries after the date of the relevant Final Terms and, if it does so, the Issuer will publish the above information in relation to them on <http://www.rcibanque.com/financial-communication/debt-programs-and-ratings/?lang=en>. Such consent shall not extend beyond twelve months from the date of this Base Prospectus.

**Any Authorised Offeror who wishes to use this Base Prospectus in connection with a Non-exempt Offer as set out in (1) above is required, for the duration of the relevant Offer Period, to publish on its website that it is using this Base Prospectus (and all the existing amendments and supplements thereto) for such Non-exempt Offer in accordance with the consent of the Issuer and the conditions attached thereto.**

To the extent specified in the relevant Final Terms, a Non-exempt Offer may be made during the relevant Offer Period by any of the Issuer, the Dealers or any relevant Authorised Offeror in any relevant Member State and subject to any relevant conditions, in each case all as specified in the relevant Final Terms.

Other than as set out above, neither the Issuer nor any of the Dealers has authorised the making of any Non-exempt Offer by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with its offer of any Notes. Any such Non-exempt Offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has, or takes, any responsibility or liability for the actions of any person making such Non-exempt Offers.

**An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation and settlement arrangements (the "Terms and Conditions of the Non-exempt Offer"). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Non-exempt Offer shall be published by that Authorised Offeror on its website at the relevant time. None of the Issuer, any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.**

In the case of any Tranche of Notes which are being (a) offered to the public in a Member State (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive) and/or (b) admitted to trading on a regulated market in a Member State, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may supplement any information in this Base Prospectus.

Copies of this Base Prospectus and of the Final Terms will be available from registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined below).

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

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 in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. 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.

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 Risk the Dealers to any person to subscribe for or to purchase any Notes. See "*Risk Factors*" below.

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 herein concerning the Issuer is correct at any time subsequent to the date hereof 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 Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to Information included in this Base Prospectus which is capable of affecting 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. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer and its subsidiaries during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any of the Notes.

The distribution of this Base Prospectus and the offer, distribution or sale of Notes may be restricted by law in certain jurisdictions. Neither the Issuer nor any of the Dealers represents that this document may be lawfully distributed, or that the 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 would permit a public offering of the Notes outside the European Economic Area or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not 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; and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, Italy, The Netherlands and France), Singapore, Hong Kong, the Peoples Republic of China (the **PRC**) and Japan (see "*Subscription and Sale*" below) .

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered, directly or indirectly, within the United States or to U.S. persons as defined herein (see "*Subscription and Sale*" below).

In this Base Prospectus, references to U.S.\$ and U.S. dollars are to United States dollars, references to Yen are to Japanese Yen, references to £ are to Pounds sterling, references to **euro**, **Euro**, **EUR** or € are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, and references to **Renminbi** or **CNY** mean Renminbi Yuan and are to the lawful currency of the PRC, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.

This Base Prospectus (including the documents incorporated by reference) contains certain statements that are forward-looking including statements with respect to the Issuer's business strategies, expansion and growth of operations, trends in its business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

**In connection with the issue of any Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) or persons acting on behalf of any Stabilising Manager(s) in the applicable Final Terms may over-allot or effect transactions which support the market**

**price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. 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 be ended 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 Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

## SUMMARY OF THE PROGRAMME

*Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).*

*This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.*

*Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not Applicable".*

		<b>Section A – Introduction and Warnings</b>
A.1	<b>Introduction:</b>	<p>Warning that:</p> <ul style="list-style-type: none"> <li>• this summary should be read as introduction to the Base Prospectus;</li> <li>• any decision to invest in the Notes should be based on consideration of the Base Prospectus as a whole by the investor;</li> <li>• where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated; and</li> <li>• civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such securities.</li> </ul>
A.2	<b>Consent:</b>	<p>The Issuer [consents/does not consent] to the use of the Base Prospectus in connection with a Non-exempt Offer of the Notes by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC). The Offer Period during which such offers may be made is [•]. [The following is a list of clear and objective conditions attached to the consent which are relevant to the use of the Base Prospectus: [•]]. The Member States in which financial intermediaries may use the Base Prospectus for subsequent resale or final placement of securities are the following: [•]. The Issuer may give consent to additional financial intermediaries after the date of the Final Terms and, if it does so, the Issuer will publish the above information in relation to them on <a href="http://www.rcibanque.com">www.rcibanque.com</a>.</p> <p><b>[An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation and</b></p>

		settlement arrangements (the "Terms and Conditions of the Non-exempt Offer"). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, the Base Prospectus and the Final Terms will not contain such information. The Terms and Conditions of the Non-exempt Offer shall be published by that Authorised Offeror on its website at the relevant time. None of the Issuer nor any of the Dealers or other Authorised Offerors has, or takes, any responsibility or liability for such information.]															
		<b>Section B – Issuer</b>															
B.1	<b>Legal name and commercial name of the Issuer:</b>	RCI Banque															
B.2	<b>Domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation:</b>	<p>RCI Banque is a <i>société anonyme</i> (a public limited company under French law) registered at the Paris Commercial Court and domiciled in France at 14, avenue du Pavé Neuf, 93168 Noisy-le-Grand Cedex.</p> <p>The Issuer is governed by the provisions of the <i>Code de Commerce</i> (French Commercial Code). On 7 March 1991, the Issuer received approval from the Banque de France to make the requisite changes in its articles and by-laws allowing it to become a bank. Since that date, the Issuer has been subject to all the laws and regulations applicable to credit institutions, in particular the provisions of Frances Act 84-46 of 24 January 1984, incorporating into the <i>Code monétaire et financier</i> (French Monetary and Financial Code).</p>															
B.4b	<b>Trends:</b>	Not Applicable. There are no particular trends indicated by RCI Banque.															
B.5	<b>The Group and the Issuer's position within the Group:</b>	<p>The Issuer is the French holding company of the RCI Banque group.</p> <p>RCI Banque is the captive finance company of the Renault Nissan Alliance and, as a consequence, finances sales of the following brands: Renault, Renault Samsung Motors, Dacia, Nissan and Infiniti.</p> <p>The RCI Banque group operates mainly in Europe but also in South America, Euromed-Africa, Eurasia, and South Korea.</p>															
B.9	<b>Profit Forecast:</b>	Not Applicable. RCI Banque does not provide profit forecasts.															
B.10	<b>Audit Report Qualifications:</b>	Not Applicable. There are no qualifications in the audit reports to the Annual Report 2011 and the Annual Report 2012.															
B.12	<b>Selected Key Historical Financial Information:</b>	<p>Key consolidated audited financial information as at 31 December 2011 and 31 December 2012 and the consolidated unaudited financial results information as at 30 June 2013. This information has been extracted from the Annual Report 2011, the Annual Report 2012 and the Semi-Annual Report 2013 which are incorporated by reference into the Base Prospectus.</p> <table border="1"> <thead> <tr> <th></th> <th>31 Dec 2011</th> <th>31 Dec 2012</th> <th>30 June 2012</th> <th>30 June 2013</th> </tr> </thead> <tbody> <tr> <td><b>Balance Sheet (in million euros)</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><i>Total assets</i></td> <td>27,105</td> <td>28,767</td> <td>28,127</td> <td>29,333</td> </tr> </tbody> </table>		31 Dec 2011	31 Dec 2012	30 June 2012	30 June 2013	<b>Balance Sheet (in million euros)</b>					<i>Total assets</i>	27,105	28,767	28,127	29,333
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		<p><i>Total liabilities &amp; Equity</i>      27,105      28,767      28,127      29,333</p> <p><b>Consolidated Income Statement</b> (in million euros)</p> <p><i>Net banking income</i>              1,189      1,238      638      604</p> <p><i>Net income</i>                          521      526      274      262</p> <p><b>Consolidated Statement of Changes in Equity</b> (in million euros)</p> <p><i>Equity at 31 December 2011 / Equity at 31 December 2012 / Equity at 30 June 2012 / Equity at 30 June 2013</i>      2,569      2,681      2,566      2,704</p> <p><b>Consolidated Cash Flow Statement</b> (in million euros)</p> <p><i>Cash flow</i>                              453      535      294      214</p> <p><i>Change in net cash</i>                  (106)      169      (372)      (360)</p> <p>There has been no material adverse change in the financial position or prospects of RCI Banque and the RCI Banque group since 31 December 2012, being the date of the latest published annual audited accounts of RCI Banque and the RCI Banque group, respectively and there has been no significant change in the financial or trading position of RCI Banque and the RCI Banque group since 30 June 2013, being the date of the latest published interim accounts, of RCI Banque and the RCI Banque group, respectively.</p>
B.13	<b>Recent Events:</b>	Not Applicable. Other than the information provided in this Base Prospectus, there have been no recent events which RCI Banque considers material to the investors since the publication of the Semi-Annual Report 2013.
B.14	<b>Dependence upon other Entities within the Group:</b>	See item B.5 for the Group and the Issuer's position within the Group. The Issuer is, directly or indirectly, the ultimate holding company of all the companies in the RCI Banque group and its assets are substantially comprised of shares in such companies. It does not conduct any other business and is accordingly dependent on the other members of the RCI Banque group and revenues received from them.
B.15	<b>The Issuer's Principal Activities:</b>	<p>The Issuer is the French holding company of the RCI Banque group.</p> <p>RCI Banque is the captive finance company of the Renault Nissan Alliance and, as a consequence, finances sales of the following brands: Renault, Renault Samsung Motors, Dacia, Nissan and Infiniti.</p> <p>The RCI Banque group operates mainly in Europe but also in South America, Euromed-Africa, Eurasia and South Korea.</p> <p>The RCI Banque group offers a comprehensive range of financings and services to:</p> <ul style="list-style-type: none"> <li>• Customers (Retail and Corporate), to whom the RCI Banque group offers new and used car loans, rentals with options to buy, leases and long-term rentals. It also provides related services such as insurance, maintenance, extended warranties, roadside assistance, fleet management and credit cards;</li> </ul>

		<ul style="list-style-type: none"> <li>Renault Nissan Alliance's brand dealers, the RCI Banque group finances inventories of new cars, used cars and spare parts, as well as short-term cash requirements;</li> <li>Individuals, the RCI Banque group offers savings products.</li> </ul>
B.16	<b>Controlling Persons:</b>	<p>The sole direct shareholder of RCI Banque is Renault s.a.s.. Renault also effectively controls the decisions of RCI Banque, including expansion plans, marketing strategies, product offerings and significant corporate decisions and transactions. Certain members of the board of directors of RCI Banque are executive officers of Renault, including the Chairman and Chief Executive Officer, who is the Chief Financial officer of Renault.</p> <p>RCI Banque risk management and refinancing strategy are fully independent from Renault. There is no cross-guarantee, no support agreement and no cross default between RCI Banque and Renault.</p>
B.17	<b>Credit Ratings:</b>	<p>The Programme is, as of the date of this Base Prospectus, rated Baa3 in respect of Notes with a maturity of more than one year, Prime-3 in respect of Notes with a maturity of one year or less and Ba1 in respect of Subordinated Notes with a maturity of more than one year Tier II by Moody's Investors Service Ltd., BBB (negative outlook) in respect of Notes with a maturity of more than one year, A2 in respect of Notes with a maturity of one year or less and BB+ in respect of Subordinated Notes (lower Tier II) by Standard &amp; Poor's Credit Market Services France, a Division of the McGraw-Hill Companies Inc. and BBB+ in respect of Notes with a maturity of more than one year and a-2 in respect of Notes with a maturity of one year or less by Rating &amp; Investment Information Inc.</p> <p>The Notes have been rated [•].</p>
		<b>Section C - The Notes</b>
C.1	<b>Type and Class of Notes:</b>	<p>The Notes are [Fixed Rate/Floating Rate/Inflation Linked/Zero Coupon] Notes.</p> <p>Notes are issued in Series.</p> <p>The ISIN is [•].</p> <p>The Common Code is [•].</p>
C.2	<b>Currencies:</b>	The currency of the Notes is [•].
C.5	<b>Restriction on Transferability:</b>	[Reg. S Compliance Category 1; TEFRA C/TEFRA D/TEFRA Not Applicable]
C.8	<b>The Rights attaching to the Notes, Ranking and Limitations:</b>	<p><i>Status of the Notes:</i> The Notes shall be issued on [a subordinated] / [an unsubordinated basis].</p> <p><i>Cross Default:</i> [The [Senior] Notes contain a cross default provision in respect of Relevant Indebtedness of the Issuer.] / [Not Applicable]</p>

		<p><b>Taxation:</b> All payments in respect of the Notes will be made without deduction for or on account of French withholding taxes. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances, be required to pay additional amounts to cover the amounts so deducted.</p> <p><b>Governing Law:</b> The Notes and all non-contractual obligations arising from or connected with them are governed by English law, with the exception of Condition 2 (<i>Status</i>) of the Subordinated Notes, which is governed by French law.</p> <p><b>Enforcement of Notes in Global Form:</b> In the case of Global Notes, individual investors' rights against the Issuer are governed by a Deed of Covenant dated 28 August 2013, a copy of which is available for inspection at the specified office of the Agent.</p> <p><b>Ranking:</b> [The Notes will be direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank <i>pari passu</i>, without any preference or priority by reason of date of issue, currency of payment or otherwise, among themselves and, subject to such exceptions as are from time to time mandatory under the laws of France, with all other unsecured and unsubordinated Indebtedness (other than subordinated obligation, if any) of the Issuer, from time to time outstanding.] / [Payments in respect of the Notes will be subordinated.]</p> <p><b>Negative Pledge:</b> [The [<i>Senior</i>] Notes have the benefit of a negative pledge provision in respect of Indebtedness which is in the form of any bonds, notes, debentures, or other securities which are, or which are capable of being listed, quoted or ordinarily traded on any stock exchange.] / [The [<i>Subordinated</i>] Notes do not have the benefit of a negative pledge provision in respect of Indebtedness.]</p> <p><b>Voting:</b> Meetings of Noteholders may be convened in order to consider any matter affecting their interests. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing a clear majority in nominal amount of the Notes for the time being outstanding.</p> <p><b>Limitation to the Rights:</b> Not applicable. There are no limitations to the rights.</p>
C.9	<p><b>Interest, Redemption and Representation:</b></p>	<p>See item C.8 for the Rights attached to the Notes, Ranking and Limitations.</p> <p><b>Interest:</b> Interest on the Notes in respect of each Interest Period will be payable [<i>on the first day of the next Interest Period/on the Interest Payment Date falling in the Redemption Month</i>] and shall be [calculated on the basis of [•]] / [•].</p> <p><b>[Floating Rate Notes:</b> The Notes will bear interest at a rate determined [on the same basis as the floating rate under a notional interest rate swap transaction in the Specified Currency governed by an agreement incorporating the 2000 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</p>

		<p>Series)] / [on the basis of a reference rate appearing on [screen page] of [quotation service]] / [•]. [The Notes have [maximum interest rate / a minimum interest rate / minimum/maximum variation between two consecutive coupons / other].]</p> <p>[Inflation Linked Notes relating to the [CPI/HICP]: Inflation Linked Notes shall be issued by the Issuer where the principal and/or interest in respect of such Notes are calculated by reference to an inflation index ratio derived from [the consumer price index (excluding tobacco) for all households in metropolitan France, as calculated and published monthly by the <i>Institut National de la Statistique et des Etudes Economiques</i> (INSEE) (the <b>CPI</b>)]/[the harmonized index of consumer prices excluding tobacco measuring the rate of inflation in the European Monetary Union excluding tobacco as calculated and published monthly by Eurostat (the <b>HICP</b>)] or the relevant successor index (the Inflation Index Ratio).]</p> <p><b>Maturity Date:</b> [•]</p> <p><b>Redemption:</b> Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100][Inflation Linked Redemption][Instalment][other (<i>specify</i>)] per cent. of their nominal amount.</p> <p><b>Yield:</b> [•]</p> <p><b>Representative of the Noteholders:</b> Not Applicable. In accordance with Condition 12 (<i>Meetings of Noteholders, Modification, Waiver</i>), Schedule 3 (<i>Provisions for meetings of Noteholders</i>) of the Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests.</p>
C.10	<b>Derivative component in interest payment:</b>	[[Other than Inflation Linked Notes,] Notes issued under the Programme do not contain any derivative components.] [Inflation Linked Notes are linked to the [CPI/HICP], as outlined in C.9, above. The value of Inflation Linked Notes will evolve in line with the [CPI/HICP]].
C.11	<b>Listing and Admission to Trading:</b>	[Application has been made to the [Luxembourg Stock Exchange for the Notes to be admitted to the official list and traded on the regulated market of the Luxembourg Stock Exchange] / [Euronext Paris] / [•]] / [Not Applicable. The Notes are unlisted.]
C.15	<b>How the value of the investment is affected by the underlying instrument:</b>	Inflation Linked Notes are debt securities which do not provide for predetermined principal and/or interest payments. Principal and/or interest amounts will be dependent upon the performance of the [CPI/HICP], as outlined in C.9, above. The amount of principal and/or interest payable by the Issuer may vary and Noteholders may receive no interest. Where the principal is calculated by reference to the [CPI/HICP], in the event the level of the Inflation Index Ratio is less than 1.00 at maturity, the Notes will be redeemed at par. In the event that the Notes will not be redeemed at par, the amount of principal payable at redemption may be less than the nominal amount of the Notes and may mean that investors lose a partial or total amount of their capital invested.
C.16	<b>Expiration/maturity date of the derivative securities</b>	[•]

	<b>– the exercise date/final reference date:</b>	
C.17	<b>Settlement procedure of the derivative securities:</b>	Inflation Linked Notes will be cash settled.
C.18	<b>How the return on the derivative securities takes place:</b>	Payments of principal and/or interest in respect of the Notes shall be determined by multiplying [ <i>insert outstanding nominal amount of the Note</i> ] by the product of [ <i>insert Rate of Interest</i> ] and the Inflation Index Ratio. In the event the level of the Inflation Index Ratio is less than 1.00 at maturity, the Notes will be redeemed at par. In the event that the Notes will not be redeemed at par, the amount of principal payable at redemption may be less than the nominal amount of such Notes.
C.19	<b>External price/final reference price of the underlying:</b>	The final redemption amount in respect of Inflation Linked Notes will be calculated on the basis of the ratio between the [CPI/HICP] on the Maturity Date and the Base Reference.
C.20	<b>The type of underlying and where information on the underlying can be found:</b>	Inflation Linked Notes are Notes where the principal and/or the coupons are indexed. In addition to the real yield fixed when the issue is launched applied to a non-indexed principal, the coupon pays the change in inflation, applied in percentage of the issue's nominal amount. Inflation Linked Notes are linked to [CPI/HICP], which are the official instruments for measuring inflation in [France/European Monetary Union]. This Index allows an estimation between two given periods of the average change in prices of goods and services consumed by households in its territory of application and is a summary gauge of movements in prices of products on a constant-quality basis.
C.21	<b>Listing and Admission to Trading:</b>	[Application has been made to the [Luxembourg Stock Exchange for the Notes to be admitted to the official list and traded on the regulated market of the Luxembourg Stock Exchange] / [Euronext Paris] / [•]] / [Not Applicable. The Notes are unlisted.]
		<b>Section D – Risks</b>
D.2	<b>Key Risks Specific to the Issuer:</b>	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These include financial risk (liquidity, interest rate, foreign exchange and counterparty risks) and credit risk. The operating results and financial condition of RCI Banque are heavily dependent on Renault's corporate strategy and the sales of Renault-Nissan Alliance branded vehicles. Conditions in the global economy and financial markets, and in particular in the European economy and financial markets, have had, and may continue to have, an impact on the financial condition and operating results of RCI Banque. Market access may be affected by the credit ratings of the RCI Banque group and, to a certain extent, the Renault Group. A disruption in RCI Banque's funding sources and access to the capital markets would have an adverse effect on the liquidity position of RCI Banque. If the risk management techniques are insufficient to protect RCI Banque from payment failure by customers and dealers, RCI Banque is exposed to credit risk of such counterparties. Market interest rates may adversely affect the operating results of RCI Banque. A decrease in the residual

		<p>values of RCI Banque's leased vehicles could negatively affect the operating results and financial condition of RCI Banque. Legislative action and regulatory measures may negatively affect RCI Banque and the economic environment in which RCI Banque operates. It may prove difficult to execute and integrate the international growth strategy of RCI Banque. RCI Banque may be vulnerable to political, macroeconomic, regulatory and financial environments or circumstances specific to the countries where RCI Banque does business. An interruption in the information and operational systems of RCI Banque may result in losses. In the event that RCI Banque is unable to compete successfully or if competition increases in the businesses in which RCI Banque operates, operating results could be negatively affected. RCI Banque is subject to extensive supervisory and regulatory regimes in France and in the many countries around the world in which the RCI Banque group operates. Regulatory actions and changes in these regulatory regimes could adversely affect the business and results of RCI Banque. Losses may be incurred as a result of unforeseen or catastrophic events, including natural disasters, terrorist attacks or the emergence of a pandemic. The profitability and business prospects could be adversely affected by reputational and legal risks.</p>
D.3	<b>Key Risks Specific to the Notes:</b>	<p>[There are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These include financial risk (liquidity, interest rate, foreign exchange and counterparty risks) and credit risk. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme (risks related to the structure of a particular issue of Notes (Fixed Rate Notes, Floating Rate Notes, Inflation Linked Notes, subordinated Notes) or U.S. Foreign Account Tax Compliance Withholding or EU Saving Directive on the taxation of saving income.)]</p>
D.6	<b>Risk Warning:</b>	<p>See item D.3 for the key information that are specific to the Notes.</p> <p><b><i>WARNING: INVESTORS IN NOTES CONSTITUTING DERIVATIVE SECURITIES UNDER REGULATION EC/809/2004, AS AMENDED, MAY LOSE THE VALUE OF THEIR ENTIRE INVESTMENT OR PART OF IT.</i></b></p>
		<b>Section E – Offer</b>
E.2b	<b>Reasons for the Offer and Use of Proceeds:</b>	<p>The net proceeds of the Notes will be used for the general corporate purposes of the Issuer.</p>
E.3	<b>Terms and Conditions of the Offer:</b>	<p><b><i>Conditions, offer statistics, expected timetable and action required to apply for the offer</i></b></p> <p>The conditions to which the offer is subject are [•].</p> <p>The total amount of the offer is [•]. <i>[If the offer is not fixed, describe the arrangements and time for announcing to the public the definitive amount of the offer.]</i></p>

		<p>The Offer Period is [•]. <i>[Describe the application process]</i></p> <p><i>[Describe the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.] [•]</i></p> <p><i>[Detail the minimum and/or maximum amount of application, (whether the number of securities or the aggregate amount to be invested).] [•]</i></p> <p><i>[Describe the method and time limits for paying up the securities and for delivery of the securities.] [•]</i></p> <p><i>[Describe fully the manner and date on which results of the offer are to be made public.] [•]</i></p> <p><i>[Describe the procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.] [•]</i></p> <p><b>Plan of distribution and allotment</b></p> <p><i>[Describe the various categories of potential investors to which the securities are offered. If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.] [•]</i></p> <p><i>[Describe the process for notification to applicants of the amount allotted and indicate whether dealing may begin before notification is made.] [•]</i></p> <p><b>Pricing</b></p> <p><i>[Give an indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure. Indicate an amount of any expenses and taxes specifically charged to the subscriber or purchaser.] [•]</i></p> <p><b>Placing and Underwriting</b></p> <p><i>[Provide the name and address of the co-ordinator of the global offer and of single parts of the offer and, to the extent known to the Issuer, of the placers in the various countries where the offer takes place.] [•]</i></p> <p><i>[Provide the name and address of any paying agents and depository agents in each country.] [•]</i></p> <p><i>[Provide the name and address of the entities agreeing to underwrite the issue on a firm commitment basis and the address of the entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements.] [•]</i></p> <p><i>[Indicate the material features of the agreements, including the quotas. Where not all of the issue is underwritten, a statement of the portion not covered.] [•]</i></p> <p><i>[Indicate the overall amount of the underwriting commission and of the placing commissions.] [•]</i></p>
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		[Indicate when the underwriting agreement has been or will be reached.] [•]
E.4	<b>Interests Material to the Issue:</b>	<p>[A description of any interest that is material to the issue/offer including conflicting interests.]</p> <p>The Issuer has appointed BNP Paribas, HSBC Bank plc, Natixis, Société Générale and The Royal Bank of Scotland plc (the "<b>Dealers</b>") as Dealers for the Programme. The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in the Programme Agreement made between the Issuer and the Dealers.</p> <p>[Syndicated Issue: The Issuer has appointed [•], [•] and [•](the "<b>Managers</b>") as Managers of the issue of the Notes. The arrangements under which the Notes are sold by the Issuer to, and purchased by, Managers are set out in the Syndication Agreement made between the Issuer and the Managers]</p> <p>[Non-Syndicated Issue: The Issuer has appointed [•] (the "<b>Dealer</b>") as Dealer in respect of the issue of the Notes. The arrangements under which the Notes are sold by the Issuer to, and purchased by, Dealer are set out in the Programme Agreement made between, amongst others, the Issuer and the Dealer]</p> <p>[Stabilising Manager(s): [•] [and [•].]</p>
E.7	<b>Estimated Expenses Charged to the Investor by the Issuer:</b>	[•]

## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

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

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*Any reference below to a Condition is a reference to the correspondingly numbered condition in the Terms and Conditions of the Notes. Words and expressions defined in the other sections of this Base Prospectus shall have the same meaning in this section.*

***WARNING: INVESTORS IN NOTES CONSTITUTING DERIVATIVE SECURITIES UNDER REGULATION EC/809/2004, AS AMENDED, MAY LOSE THE VALUE OF THEIR ENTIRE INVESTMENT OR PART OF IT.***

### **Risks relating to the Issuer**

*The Issuer's operating results and financial condition are heavily dependent on Renault's corporate strategy and the sales of Renault-Nissan Alliance branded vehicles.*

As a wholly-owned finance subsidiary of Renault serving the Renault-Nissan Alliance, the Issuer's predominant business activity consists of financing vehicle sales of Renault-Nissan Alliance branded vehicles, which accounts for a substantial majority of its net banking income. Through its sole direct shareholder Renault s.a.s., Renault also effectively controls the Issuer's decisions, including expansion plans, marketing strategies, product offerings and significant corporate decisions and transactions. Certain members of the Issuer's board of directors are executive officers of Renault, including its Chairman and Chief Executive Officer, who is the Chief Financial Officer of Renault. While the Issuer's commercial integration with Renault provides it with significant advantages, it is possible that the interests of Renault will differ from the Issuer's interests and those of Noteholders.

Due to the Issuer's intricate strategic, commercial and financial links to the Renault Group and to the fact that the Issuer's business is concentrated within the Renault-Nissan Alliance, any reduction or suspension of production or sale of vehicles in the Renault Group due to a decrease in the actual or perceived quality, safety or reliability of vehicles, disruption to third-party supplies, significant changes to marketing programs or negative publicity, could have a negative impact on the level of the Issuer's financing volume and on the Issuer's financial condition and results of operations. In addition, the demand for Renault-Nissan Alliance vehicles may be affected by the following factors:

- diversification and innovation of the Renault-Nissan Alliance's vehicle mix;
- the competitiveness of the sales prices of vehicles;
- customer demand levels for new and used vehicle sales and leases, including as a result of the recent global financial crisis and the ensuing economic slowdown;
- customer demand for the financing of their vehicle purchases;

- vehicle production rates; and
- the inventory levels maintained by Renault-Nissan Alliance branded dealerships.

In addition, the Renault-Nissan Alliance may pursue strategies that could adversely affect the Issuer's revenues and margins.

*Recent conditions in the global economy and financial markets, and in particular in the European economy and financial markets, have had, and may continue to have, an impact on the Issuer's financial condition and operating results.*

Due to the ongoing financial and economic crisis and the more recent European banking and sovereign debt crisis, the global economy remains fragile and continues to experience a low level of funding availability in the credit markets, an increase in the cost of borrowing and volatility in the bond and stock markets.

European markets have experienced significant disruptions as a result of concerns regarding the sovereign debt and/or fiscal deficits of various Eurozone countries (primarily Greece, Ireland, Italy, Portugal, Spain and more recently, France and Austria). The elevated debt and fiscal deficit levels of these European countries and proposals for writedowns of Greek sovereign debt have given rise to concerns about sovereign defaults, a slowdown in growth and related recessionary conditions and the stability and overall standing of the European Monetary Union. The concerns have contributed to increased volatility in exchange rates and has led to the downgrading of several European countries, including France in January 2012, and a number of European financial institutions with significant exposure to sovereign debt. Although recent activity by the European Central Bank has improved liquidity in the European markets, if the crisis is not resolved in a timely manner, any extended and generalised market disruption could result in materially adverse effects on the Issuer's business, results of operations and financial condition.

The Issuer's business and its revenues are driven in large part by the strength of the global automotive industry in general, which tends to be cyclical and highly correlated to general global macroeconomic conditions. Since the latter half of 2008, the automotive industry has generally experienced a downturn. The occurrence of any events that threaten consumer and investor confidence generally, including the austerity measures, and restrictive fiscal policies that several European governments have recently imposed, inflation, volatility in fiscal and monetary policies, rising energy prices, increased unemployment rates and consumer and commercial bankruptcy filings may exacerbate adverse effects of the global economy and European banking crisis and lead to unpredictable consumer consumption and investment activity.

Although the RCI Banque group has no exposure to any sovereign debt issued by Greece, Spain, Italy, Ireland or Portugal, the Issuer witnessed a challenging environment for funding and a resulting volatility in credit spreads. Any continued low level of funding availability could restrict its access to the wholesale funding market, and any prolonged stagnation or uncertainty in the European economies, in the global financial markets or in the automobile industry negatively affect its operating results and financial position.

*The Issuer's market access may be affected by the credit ratings of the RCI Banque group and, to a certain extent, of the Renault Group.*

The rating agencies Standard & Poor's Rating Services and Moody's Investor Service, Inc. use ratings to classify the solvency of RCI Banque in order to assess whether RCI Banque will be able to repay its obligations in future.

A deterioration in the Issuer's liquidity position, capital management policies or a material weakening of profitability could negatively affect its credit rating.

RCI Banque is a wholly-owned subsidiary of Renault and the credit rating of RCI Banque remains dependent on the economic development and the credit rating of Renault. Any negative rating action in respect of the long-term debt of Renault could lead to a similar action in respect of the long-term debt of RCI Banque.

The Issuer is dependent on wholesale funding and access to capital markets. Its ability to obtain funding at competitive rates depends in part on its ability to obtain appropriate credit ratings. A decrease in its credit ratings or in the credit ratings of Renault S.A. or any outlook revisions might result in an increase in the Issuer's borrowing costs or might reduce the Issuer's access to capital markets in the future.

*A disruption in the Issuer's funding sources and access to the capital markets would have an adverse effect on the liquidity position.*

The Issuer finances its activities through long-term debt issues, short-term bank loans, commercial paper issues and securitization of receivables and, to a lesser but growing extent, deposit taking activities and it is therefore dependent on reliable access to financial resources. Due to the Issuer's funding needs, it is exposed to liquidity risk in the event of market closure or tensions over credit availability. Liquidity risk is the risk that the Issuer will have insufficient liquidity to fund new asset growth through customer and dealer financings. The Issuer's liquidity could be adversely affected by factors the it cannot control, such as general market disruptions, the perception in the market that it is experiencing greater liquidity risk or speculative pressures on the debt market. If the Issuer's financing requirements increase or if the Issuer cannot access new sources of funds, insufficient liquidity would have an adverse effect on its competitive position, operating results and financial condition. This would also adversely affect the Issuer's ability to support the sale of vehicles in the Renault Group and to provide wholesale financing to dealers in the Renault Group, which could negatively impact the ability of the Renault Group to sell vehicles.

*The Issuer is exposed to customer and dealer credit risk if its risk management techniques are insufficient to protect it from payment failure by these counterparties.*

Credit risk is the risk of loss arising from the failure of the Issuer's customers or dealers to meet the terms of any contract with it. The Issuer's credit risk is heavily dependent upon economic factors, including unemployment, business failures, consumer debt service burden, personal income growth, disposable household incomes, dealer profitability and used vehicle prices, and has a significant impact on its business.

The level of credit risk in the Issuer's dealer financing portfolio is influenced by, among other factors, the financial strength of dealers within the Issuer's portfolio, collateral quality and the overall demand for vehicles. The level of credit risk in the Issuer's customer portfolio is affected by general macroeconomic conditions that may affect some of its customers' ability to make their scheduled payments.

The Issuer uses advanced credit-scoring systems and searches of external databases to assess loans made to retail and corporate customers and an internal rating system to assess dealer loans. Although the Issuer constantly adjusts its acceptance policy to take account of market conditions, an increase in credit risk would increase its cost of risk and provisions for credit losses. The Issuer also implements detailed procedures to contact delinquent customers for payment, arranges for the repossession of unpaid vehicles and sells repossessed vehicles. However, there can be no assurance that the Issuer's origination procedures, monitoring of credit risk, payment servicing activities, maintenance of customer account records or repossession policies are or will be sufficient to prevent an adverse effect on its operating results and financial condition.

*The Issuer's operating results may be adversely affected by changes in market interest rates.*

Interest rate risk is the risk that changes in market interest rates or prices will negatively affect the Issuer's income and capital. The Issuer's customer loans are generally issued at fixed interest rates, for durations of between one to seventy-two months while dealer credit is issued at fixed rates for durations of less than twelve months. The Issuer's interest rate exposure is assessed daily by measuring sensitivity for each currency, management entity and asset portfolio and cash flow hedging is systematic, using swaps to convert floating-rate liabilities to fixed rate liabilities.

The Issuer calculates interest rate sensitivity by applying a hypothetical 100 basis point increase based on monthly asset-liability gaps. Although the Issuer monitors its interest rate risk using a methodology common to the entire RCI Banque group, risk hedging may not always be appropriate, reflecting the difficulty of adjusting the borrowing structure to match the structure of customer loans. Changes in interest rates cannot always be predicted or hedged, and, if not appropriately predicted or hedged, could have an adverse effect on the Issuer's business, financial condition and operating results.

*The Issuer is exposed to foreign currency exchange risk, which could negatively affect its financial condition.*

The reporting currency for the Issuer's Audited Consolidated Financial Statements is the euro. The Issuer has substantial assets, liabilities, revenues and costs denominated in currencies other than the euro. Fluctuations in the value of the euro relative to currencies in which the Issuer conducts operations will affect its Audited Consolidated Financial Statements as a result of translation exposure and may adversely affect its results of operations.

The Issuer seeks to mitigate its transaction exposure to currency exchange rate fluctuations by refinancing its obligations in local currencies and by entering into currency swaps. The Issuer can provide no assurance that its efforts to mitigate the effects of currency exchange rate fluctuations will be successful and its failure to do so could adversely affect its business, financial condition and results of operations.

*A decrease in the residual values of the Issuer's leased vehicles could negatively affect its operating results and financial condition.*

When leased vehicles are returned to the Issuer at the end of the lease term and/or a customer does not exercise an option to purchase the vehicle at lease termination, the Issuer is exposed to the risk of loss to the extent that sales proceeds realized upon the sale of returned vehicle are not sufficient to cover the residual value that was estimated at the outset of the lease. To the extent the actual residual value of the vehicle, as reflected in the sales proceeds, is less than the expected residual value for the vehicle at the outset of the lease, the Issuer incurs a loss at vehicle disposal which is recorded as an expense. Among other factors, economic conditions, new vehicle pricing, new vehicle sales, the actual or perceived quality, safety or reliability of vehicles, the mix of used vehicle supply, the level of current used vehicle values, and fuel prices heavily influence used vehicle prices and thus the actual residual value of leased vehicles. Differences between the actual residual values realized on leased vehicles and the Issuer's estimates of such values at the outset of the lease could have a negative impact on the Issuer's operating results and financial condition, due to its recognition of higher-than-anticipated losses.

*The failure or commercial soundness of financial institutions on which the Issuer relies as counterparties may expose the Issuer to risk of loss in its hedging transactions.*

The Issuer's ability to engage in routine derivatives transactions could be adversely affected by the actions and commercial soundness of financial institutions who are its hedge counterparties. The Issuer has exposure to different counterparties and it routinely execute transactions with counterparties in the financial industry, including derivative contracts. Many of these

transactions expose the Issuer to credit risk in the event of default of its counterparty. A default or insolvency of these counterparties could impair the effectiveness of its hedging strategy, which could in turn materially and adversely affect its operating results or financial condition.

*Legislative action and regulatory measures may negatively affect the Issuer and the economic environment in which the Issuer operates.*

The Issuer is subject to regulation in the various countries in which it operates. Legislation in many of these countries has been enacted or proposed with a view to increasing financial and consumer credit regulations. While the objective of these new measures is to avoid a recurrence of the financial crisis by increasing bank stability and solidity and to provide consumers with increased protection, the impact of the new measures could be to change substantially the environment in which the Issuer, as a fully regulated bank under French law, operates.

The new financial measures that have been or may be adopted include more stringent capital requirements and the creation of new and strengthened regulatory bodies. In many countries, the majority of these topics are subject to revision and need adapting to each country's framework by national regulators. In particular, the implementation of the new Basel 3 standards in the European Union remains conditional upon the enactment of the Capital Requirement Regulation and Directive (CRR1 and CRD IV) which are still under discussion. The potential impact of such measures thus remains subject to significant uncertainty. As a result, it is not possible to predict which new measures will ultimately be adopted, what their final form will be or what impact they will have on the Issuer's operations.

Furthermore, the Issuer must comply with consumer credit regulations adopted in European countries pursuant to the 2008 European Union Consumer Credit Directive. The Consumer Credit Directive and other consumer protection legislations 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. The costs of complying with these laws and regulations, as well as with any additional regulation, could affect the conduct of the Issuer's business and negatively affect its financial condition.

*The Issuer may have difficulty in executing and integrating its international growth strategy.*

The Issuer's development strategy includes expanding internationally; in 2012 we began operating a joint venture in Turkey and we are currently working on establishing a joint venture in Russia. Although the Issuer performs due diligence with respect to the joint ventures into which it will enter, it is not feasible for these reviews to be comprehensive in all respects. As a result, the Issuer may have to assume unanticipated liabilities, a joint venture may not perform as well as expected, the synergies expected may not be realized in whole or in part, the Issuer may suffer losses or reputational damage or the transaction may give rise to costs that are higher than foreseen. In addition, the international expansion of its business may place disproportionate demands on its management and on its operational and financial personnel and systems. The integration of complementary businesses also presents difficulties in adapting the business culture of a joint venture to its business culture and in appropriately staffing and managing the operations of newly created entities.

Failure to integrate acquired businesses or joint ventures successfully into the RCI Banque group could materially adversely affect the Issuer's profitability. If the Issuer is unable to effectively and successfully manage its planned expansion strategy, its business, financial condition and results of operations could be materially adversely affected.

*The Issuer may be vulnerable to political, macroeconomic, regulatory and financial environments or circumstances specific to the countries where it does business.*

As the RCI Banque group operates in several countries, the Issuer is subject to risks associated with doing business internationally. Such risks include compliance with different legal and regulatory requirements, tax regimes, GDP volatility, economic, political and social instability,

payment collection difficulties, financial disruptions, inflation, currency fluctuations and devaluations, capital and currency exchange controls, changes in governmental policies or policies of central banks, expropriation, nationalization, confiscation of assets, restrictions on repatriation of funds, requirements relating to withholding taxes on remittances and other payments by subsidiaries and potentially negative consequences from changes in tax laws. The Issuer's future results may be adversely affected by any of these factors.

In addition, the Issuer's operations in certain emerging markets are subject to the customary risks of operating in developing countries, which include potential political and economic uncertainty, application of exchange controls, nationalization or expropriation, crime and lack of law enforcement, political insurrection, external interference, financial risks, changes in government policy, political and economic changes, changes in the relations between the countries, actions of governmental authorities affecting trade and foreign investment, regulations on repatriation of funds, interpretation and application of local laws and regulations, enforceability of intellectual property and contract rights, local labour conditions and regulations. These factors could affect its results by causing interruptions to its operations or by increasing the costs of operating in those countries or by limiting its ability to repatriate profits from those countries. Financial risks of operating in emerging markets also include risks of liquidity, inflation (for example, Brazil, Argentina and Russia have periodically experienced extremely high rates of inflation), devaluation (for example, the Brazilian and Argentine currencies have been devalued frequently during the last four decades), price volatility, currency convertibility and country default.

*An interruption in the Issuer's information or operational systems may result in losses.*

After making a loan or funding lease plans to retail and corporate customers and making loans available to dealers, the Issuer services the finance receivables. Any disruption of its servicing activity, due to inability to access or accurately maintain its customer account records or otherwise, could have a significant negative impact on its ability to collect on those receivables and/or satisfy its customers.

The Issuer relies on internal and external information and technological systems (managed both by RCI and by third parties) to manage its operations and are exposed to risk of loss resulting from breaches of security, system or control failures, inadequate or failed processes, human error and business interruptions. Furthermore, the Issuer has entered into framework agreements with Renault to provide for certain information technology systems and services. If Renault were to become unable or unwilling to fulfill its obligations under these agreements, the Issuer's operations could be disrupted. These events could have a significant impact on the Issuer's ability to conduct its business operations, increase its risk of loss resulting from disruptions of normal operating procedures, cause it to incur considerable information retrieval and verification costs, and potentially result in financial losses or other damage to the Issuer, including damage to its reputation.

*If the Issuer is unable to compete successfully or if competition increases in the businesses in which it operates, the Issuer's operating results could be negatively affected.*

The Issuer operates in a highly competitive environment, particularly with respect to loans granted to retail and corporate customers. Although the number of financial institutions offering vehicle financing decreased due to the recent global economic downturn, customers may obtain funding at similar terms as those offered by RCI from financial institutions, including commercial banks and finance companies. The Issuer also faces competition for the principal products and services provided through its insurance, warranty, credit cards and roadside assistance operations from independent service providers. The Issuer competes primarily through service quality, its integrated relationship with dealers and financing rates. Increases in competitive pressures could have an adverse impact on its contract volume, income and margins.

In February 2012 the Issuer launched ZESTO, the first online retail savings bank account product to be offered by an automobile finance company in France. In early 2013, the Issuer launched a savings account and a term deposit offering operated by its German branch under the brand Renault Bank direkt in Germany. The retail deposits business is highly competitive, and RCI experiences competition in this market from many other traditional and online financial institutions. In addition, the Issuer has to attract its client base from other existing financial institutions. Many of its competitors are well-established financial institutions. These institutions offer many services, such as extensive and established branch networks, that it does not provide. There is a risk that the Issuer will not be able to compete successfully with other financial institutions in the retail deposits market, and that it may have to pay higher interest rates to attract deposits. An inability to compete successfully in the retail savings sector could limit the diversification of its funding sources and as a result, adversely affect its business, financial condition and results of operations.

*The Issuer is subject to extensive supervisory and regulatory regimes in France and in the many countries around the world in which the RCI Banque group operates; regulatory actions and changes in these regulatory regimes could adversely affect its business and results.*

As a provider of finance, insurance and other payment and vehicle protection products, the Issuer is highly regulated by a variety of supervisory and regulatory regimes in the jurisdictions in which it operates. Non-compliance could lead to significant intervention by regulatory authorities and fines, public reprimand, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorization to operate. Compliance with applicable law is costly, may create operational constraints and can affect operating results. Additional regulation, or changes in applicable regulations, could add significant costs or operational constraints that might impair the profitability of the Issuer's business. Such changes could include, but are not limited to, changes in regulatory requirements, for example, prudential rules relating to the capital adequacy framework, such as those that are being proposed as part of the Basel III process which could require the Issuer to raise additional capital, changes in rules and procedures relating to internal controls or changes in the monetary, interest rate and other policies of central banks and regulatory authorities.

*The Issuer is exposed to operational risks in connection with its activities.*

Operational risk is the risk of loss resulting from, among other factors, inadequate or failed processes, systems or internal controls, theft, fraud or natural disaster. Operational risk can occur in many forms including, but not limited to, errors, business interruptions, failures of control, inappropriate behavior or misconduct by employees or those contracted to perform services, external fraud, and vendors that do not perform in accordance with their contractual agreements. These events can potentially result in financial losses and legal liabilities or other damages, and could potentially adversely affect the Issuer's business, financial condition and results of operations.

*The Issuer may incur losses as a result of unforeseen or catastrophic events, including natural disasters, terrorist attacks or the emergence of a pandemic.*

The occurrence of unforeseen or catastrophic events, including natural disasters, such as the earthquake and ensuing tsunami that affected Japan in March 2011, terrorist attacks or the emergence of a pandemic or other widespread emergency could create economic and financial disruptions, lead to operational difficulties (including travel limitations or relocation of affected employees) that could have an adverse effect on the Issuer's financial condition and results of operations.

*The Issuer's insurance operations could suffer losses if its reserves are insufficient to absorb actual losses.*

The Issuer's insurance operations are subject to the risk of loss if its reserves for reported losses, losses incurred but not reported, and loss adjustment expenses are not sufficient.

Because the RCI Banque group uses estimates in establishing reserves, actual losses may vary from amounts established in earlier periods. In addition, it may suffer losses if a reinsurer or other company assuming liabilities relating to its insurance operations is unable to meet its obligations under the terms of any agreement.

*The Issuer's profitability and business prospects could be adversely affected by reputational and legal risk.*

Various issues may give rise to reputational risk and cause harm to the Renault-Nissan Alliance or to the RCI Banque group. These issues include product recalls, legal and regulatory requirements, competition issues, ethical issues, money laundering laws, data protection laws and information security policies. Failure to address these issues appropriately could also give rise to additional legal risk, which could adversely affect litigation claims against the Issuer and the amount of damages asserted against it, or subject the Issuer to regulatory sanctions.

### **Risks relating to the Notes**

*The Notes may not be a suitable investment for all investors.*

Each potential investor in the Notes must determine the suitability of such an investment in light of his or her own circumstances. In particular, each potential investor should:

- have 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;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as standalone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under the changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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

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

*Notes subject to optional redemption by the Issuer*

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of 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. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### *Return on Floating Rate Notes and Inflation Linked Notes*

A key difference between Floating Rate Notes, Inflation Linked Notes and Fixed Rate Notes is that interest income on Floating Rate Notes and Inflation Linked Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes or Inflation Linked 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 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. In addition, the Issuer's ability to also issue Fixed Rate Notes may affect the market value and the secondary market (if any) of the Floating Rate Notes or Inflation Linked Notes, as applicable (and vice versa).

#### *Interest Rate Risk on Fixed Rate Notes*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

#### *Floating Rate Notes*

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of Floating Rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

#### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

#### *Inflation Linked Notes*

Inflation Linked Notes are debt securities which do not provide for predetermined interest payments and/or in respect of which the principal is indexed. Interest amounts and/or principal will be dependent upon the performance of either (i) the consumer price index (excluding tobacco) for all households in metropolitan France (the **CPI**), as calculated and published monthly by the *Institut National de la Statistique et des Etudes Economiques* (**INSEE**), or (ii)

the harmonised index of consumer prices excluding tobacco, or the relevant successor index, measuring the rate of inflation in the European Monetary Union excluding tobacco as calculated and published monthly by Eurostat (the **HICP**), or the relevant successor index (each an Index or Inflation Index and together, the Inflation Indices). If the value of the relevant index calculated at any time prior to the maturity date is lower than the value of the relevant index at the time of the issue of the Notes or at the time of purchase by the Noteholders, then the amount of interest payable by the Issuer and/or the principal of Inflation Linked Notes may vary. Noteholders may receive no interest. Where the principal is calculated by reference to the CPI or the HICP, the relevant Final Terms will specify whether, in the event the level of the relevant Inflation Index Ratio is less than 1.00 at maturity, the Notes will be redeemed at par. If the relevant Final Terms specifies that in such case the Notes will not be redeemed at par, the amount of principal payable at redemption may not be the nominal amount of such Notes and may mean that investors lose a partial or total amount of their capital invested.

Neither the current nor the historical levels of any of the Inflation Indices should be taken as an indication of future performance of such index during the term of any Inflation Linked Notes. Investors in Inflation Linked Notes are exposed to the risk that changes in the levels of the Inflation Indices may adversely affect the value of such Notes.

Inflation Linked Notes are not in any way sponsored, endorsed, sold or promoted by the INSEE or Eurostat, as the case may be, and the INSEE and Eurostat make no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of any of the Inflation Indices and/or the figure at which such indices stand at any particular time. The Inflation Indices are determined, composed and calculated by the INSEE or Eurostat, as the case may be, without regard to the Issuer or the Notes. The INSEE or Eurostat, as the case may be, are not responsible for or have not participated in the determination of the timing of, prices of, or quantities of the Inflation Linked Notes to be issued or in the determination or calculation of the interest payable under such Notes.

None of the Issuer, the Dealer(s) or any of their respective affiliates makes any representation as to the Inflation Indices. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Inflation Indices that is or may be material in the context of Inflation Linked Notes. The issue of Inflation Linked Notes will not create any obligation on the part of any such persons to disclose to the Noteholder or any other party such information (whether or not confidential).

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

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.

*Notes issued at a substantial discount or premium*

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

*The Issuer's obligations under Subordinated Notes are subordinated*

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to unsubordinated creditors (including depositors). Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

*Risks relating to Renminbi-denominated Notes*

Notes denominated in CNY (**RMB Notes**) may be issued under the Programme. RMB Notes contain particular risks for potential investors, including the following:

- (i) Renminbi is not freely convertible - there are significant restrictions on remittance of Renminbi into and outside the PRC

Renminbi is not freely convertible at present and despite a movement towards liberalisation of cross-border CNY remittances, notably in the current account activity, there is no assurance that the PRC government will continue such movement in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC.

Holder of RMB Notes may be required to provide certifications and other information (including Renminbi account information) in order to allow such Holder to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

- (ii) There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of RMB Notes and the Issuer's ability to source Renminbi outside the PRC to service such RMB Notes

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. However, pursuant to arrangements between the PRC Central Government and the Hong Kong government, all corporations are now allowed to open CNY accounts in Hong Kong. There is no longer any limit on the ability of corporations to convert CNY and there is no longer any restriction on the transfer of CNY funds between different accounts in Hong Kong.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. In addition, participating banks are also required by the Hong Kong Monetary Authority to maintain a total amount of CNY (in the form of cash and its settlement account balance with the CNY Clearing Bank) of no less than 25 per cent. of their CNY deposits, which further limits the availability of CNY that participating banks can utilise for conversion services for their customers. There is no assurance that a change in PRC regulations will not have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the RMB Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its RMB Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

- (iii) RMB Notes issued under the Programme may only be held in Euroclear France, Euroclear and Clearstream, Luxembourg

Noteholders may only hold RMB Notes if they have an account with Euroclear France or maintained with an Account Holder which itself has an account with Euroclear France (which include Euroclear and Clearstream, Luxembourg).

- (iv) Investment in RMB Notes is subject to exchange rate risks

The value of Renminbi against the Euro, the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. All payments of interest and principal with respect to RMB Notes will be made in Renminbi. As a result, the value of these Renminbi payments in Euro or U.S. dollar terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the Euro, the U.S. dollar or other foreign currencies, the value of investment in Euro, U.S. dollar or other applicable foreign currency terms will decline.

- (v) Investment in RMB Notes is also subject to interest rate risks

The PRC government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. RMB Notes will generally carry a fixed interest rate. Consequently, the trading price of such RMB Notes will vary with fluctuations in Renminbi interest rates. If a Noteholder tries to sell such RMB Notes before their maturity, he may receive an offer that is less than his original investment.

- (vi) CNY currency risk

Except in limited circumstances, all payments of Renminbi under the RMB Notes will be made solely by transfer to a Renminbi bank account maintained in Hong Kong in accordance with the prevailing rules and regulations for such transfer and in accordance with the terms and conditions of the RMB Notes. The Issuer cannot be required to make payment by any other means (including by transfer to a bank account in the PRC or anywhere else outside Hong Kong). For persons holding RMB Notes through Euroclear France, Euroclear or Clearstream, Luxembourg, payments will also be made subject to the procedures of Euroclear France, Euroclear or Clearstream, Luxembourg, as applicable.

- (vii) Developments in other markets may adversely affect the market price of any RMB Notes

The market price of RMB Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for CNY denominated securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including the PRC. Since the sub-prime mortgage crisis in 2008, the international financial markets have experienced significant volatility. Should similar developments occur in the international financial markets in the future, the market price of RMB Notes could be adversely affected.

- (viii) The Issuer may make payments of interest and principal in U.S. dollars in certain circumstances

Although the primary obligation of the Issuer is to make all payments of interest and principal with respect to the RMB Notes in Renminbi, in the event access to Renminbi

deliverable in Hong Kong becomes restricted by reason of Inconvertibility, Non-transferability or Illiquidity (each as defined the Terms and Conditions of the Notes), the terms of such RMB Notes allow the Issuer to make such payment in U.S. dollars at the prevailing spot rate of exchange, all as provided for in more detail in the Terms and Conditions of the Notes. As a result, the value of such payments in Renminbi may vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the U.S. dollar the value of a Noteholder's investment in U.S. dollar will decline.

### ***Risks related to Notes generally***

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

#### *Modification of the Conditions*

The conditions of the Notes and the Agency Agreement 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.

#### *The Notes may be redeemed prior to maturity*

Unless in the case of any particular Tranche of Notes the relevant Final Terms specify otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of France or any authority therein or thereof having power to tax, the Issuer may, and in certain circumstances must, redeem all outstanding Notes in accordance with the "*Terms and Conditions of the Notes*".

#### *Taxation*

Prospective investors and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. Potential investors are advised not to rely upon the description contained in the general description section of this Base Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the prospective investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus and the additional tax sections, if any, contained in the relevant Final Terms.

#### *EU Savings Directive*

Under EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the **EU Savings Directive**), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income (within the meaning of the EU Savings Directive) paid by a person located within its jurisdiction to an individual resident or certain types of entities called "residual entities", within the meaning of Article 4.2 of the EU Savings Directive (the **Residual Entity** or **Residual Entities**), established in that other Member State (or certain dependent or associated territories). However, for a transitional period, Luxembourg and Austria are instead permitted (unless during that period they elect otherwise) to apply an optional information reporting system whereby if a beneficial owner, within the meaning of the EU Savings Directive, does not comply with one of two procedures for information reporting, the relevant Member State will levy a withholding tax on payments to such beneficial owner. The withholding tax system applies for a transitional period during which the rate of the withholding is 35% as from 1 July 2011 (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of

non-EU countries and territories have adopted similar measures.

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

*U.S. Foreign Account Tax Compliance Withholding*

The Issuer and other non-U.S. financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2016 in respect of (i) any Notes issued or materially modified on or after the date that is six months after the date on which the final regulations that define foreign pass thru payments are published and (ii) any Notes which are treated as equity for U.S. federal tax purposes, whenever issued, pursuant to the foreign account provisions (**FATCA**) of the Hiring Incentives to Restore Employment Act of 2010. This withholding tax may be triggered if (i) the Issuer is a foreign financial institution (**FFI**) (as defined in FATCA) which enters into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide certain information on its account holders (making the Issuer a **Participating FFI**), and (ii) (a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is subject to withholding under FATCA, (b) an investor does not consent, where necessary, to have its information disclosed to the IRS, and (c) any investor or person through which payment on such Notes is made is not a Participating FFI or otherwise exempt from FATCA withholding.

The application of FATCA to interest, principal or other amounts paid with respect to the Notes is not clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the Terms and Conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may, if FATCA is implemented as currently proposed by the IRS, receive less interest or principal than expected. The United States is in the process of negotiating intergovernmental agreements to implement FATCA with a number of jurisdictions. Different rules than those described above may apply if the Issuer or an investor is resident in a jurisdiction that has entered into an intergovernmental agreement to implement FATCA. Holders of the Notes should consult their own tax advisers on how these rules may apply to payments they receive under the Notes.

The application of FATCA to Notes issued or materially modified on or after the date on which the final regulations that define foreign pass thru payments are published, (or whenever issued, in the case of Notes treated as equity for U.S. federal tax purposes), may be addressed in a supplement to this Base Prospectus.

**FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND THE HOLDERS IS UNCERTAIN AT THIS TIME. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE. THE ISSUER ACCEPTS NO RESPONSIBILITY WITH REGARD TO HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER AND IS NOT PROVIDING ANY ADVICE IN RELATION TO THIS LEGISLATION.**

*Change of law*

The conditions of the Notes are based on English law in effect as at the date of this Base  
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Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

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

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

#### *Exchange rate risks and exchange controls*

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

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

#### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

#### ***Legal investment considerations may restrict certain investments***

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

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus shall be incorporated by reference in, and form part of, this Base Prospectus:

- the Issuer's English version of its Annual Report 2011 except for the Report of the Statutory Auditors on Internal Control Procedures appearing on page 88 (the **Annual Report 2011**). The Annual Report 2011 includes the audited consolidated annual financial statements for the financial year ended 31 December 2011,
- the Issuer's English version of its Annual Report 2012 except for the Report of the Statutory Auditors on Internal Control Procedures appearing on page 45 (the **Annual Report 2012**). The Annual Report 2012 includes the audited consolidated annual financial statements for the financial year ended 31 December 2012,
- the Issuer's English version of its Semi-Annual Report 2013 (the **Semi-Annual Report 2013**),
- the terms and conditions set out on pages 57 to 84 of the base prospectus dated 6 September 2012 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the **2012 Conditions**),
- the terms and conditions set out on pages 40 to 66 of the base prospectus dated 19 July 2011 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the **2011 Conditions**),
- the terms and conditions set out on pages 37 to 63 of the base prospectus dated 5 July 2010 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the **2010 Conditions**); and
- the terms and conditions set out on pages 37 to 63 of the base prospectus dated 17 July 2009 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the **2009 Conditions**).

In accordance with Article 28.4 of the Regulation 809/2004 (the "**Prospectus Regulation**"), the non-incorporated parts of the base prospectuses dated 6 September 2012, 19 July 2011, 5 July 2010 and 17 July 2009 are not relevant for the investors.

Investors should not make an investment decision based on any information contained in the excluded pages, and any references in this Base Prospectus to the Issuer's Annual Report 2011, Annual Report 2012 and Semi-Annual Report 2013 shall be deemed to exclude references to the above-mentioned pages.

Copies of this Base Prospectus and of documents incorporated by reference in this Base Prospectus will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and can be obtained from the registered office of the Issuer, the principal office of the Agent in London and the principal office of the Paying Agent in Luxembourg. Written or oral requests for such documents should be directed to the Issuer at its principal office set out at the end of this Base Prospectus (for the attention of the Finance Director). In addition, such documents will be available free of charge from the principal office of KBL European Private Bankers S.A. (the **Luxembourg Listing Agent**) for Notes listed on the Luxembourg Stock Exchange.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive.

Statements contained in any such supplement shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained 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 Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to Information included in this Base Prospectus which is capable of affecting 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.

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

## Document References

RCI Banque's audited annual consolidated financial statements for the financial year ended 31 December 2011 (Items 11.1, 11.3.1)	Annual Report 2011 pages 46-87
Balance Sheet relating to the above (Item 11.1(a))	Annual Report 2011 page 46
Income Statement relating to the above (Item 11.1(b))	Annual Report 2011 page 47
Cash Flow Statement relating to the above (Item 11.1(c))	Annual Report 2011 page 49
Notes relating to the above (Item 11.1(d))	Annual Report 2011 pages 60-87
Accounting Principles relating to the above (Item 11.1(d))	Annual Report 2011 pages 50-58
Audit report relating to the above (Items 2.1, 11.3.1)	Annual Report 2011 page 45
RCI Banque's audited annual consolidated financial statements for the financial year ended 31 December 2012 (Items 11.1, 11.3.1)	Annual Report 2012 pages 46-85
Balance Sheet relating to the above (Item 11.1(a))	Annual Report 2012 page 46
Income Statement relating to the above (Item 11.1(b))	Annual Report 2012 page 47
Cash Flow Statement relating to the above (Item 11.1(c))	Annual Report 2012 page 49
Notes relating to the above (Item 11.1(d))	Annual Report 2012 pages 62-88
Accounting Principles relating to the above (Item 11.1(d))	Annual Report 2012 pages 50-59
Audit report relating to the above (Items 2.1, 11.3.1)	Annual Report 2012 page 45
Issuer's legal name, place of registration, registration number, date of incorporation, length of life of the issuer, domicile, legal form, governing law and country of incorporation (Items 4.1.1, 4.1.2, 4.1.3, 4.1.4)	Annual Report 2012 page 109
Overview information on the RCI Banque group's principal activities, including main products and services (Item 5.1.1)	Annual Report 2012 pages 109 and 114
Further information on RCI Banque group's principal activities and for information on its principal markets (Item 5.1.3)	Annual Report 2012 pages 16-28 and 109
Brief review of 2012 (Item 5.1.2)	Annual Report 2012 pages 6 and 16-28
Brief description of the RCI Banque group and the Issuer's position within it (Item 6.1)	Annual Report 2012 pages 1 and 111
Names, functions and relevant external activities of members of the Issuer's Board of Directors and Executive Committee (Item 9.1)	Annual Report 2012 pages 111-112
Information on ownership and control of the Issuer (Item 10.1)	Annual Report 2012 pages 100 and 111
RCI Banque's un-audited semi-annual consolidated financial statements dated 30 June 2013 (Item 11.5.1)	Semi-Annual Report 2013 pages 18-21
Balance Sheet relating to the above	Semi-Annual Report 2013 page 18
Income Statement relating to the above	Semi-Annual Report 2013 page 19
Cash Flow Statement relating to the above	Semi-Annual Report 2013 page 21
Notes relating to the above	Semi-Annual Report 2013 page 22-44
Accounting Principles relating to the above	Semi-Annual Report 2013 page 22-23
Business Report relating to the above	Semi-Annual Report 2013 page 5-12
Auditor's Report relating to the above	Semi-Annual Report 2013 page 13-15

## **GENERAL DESCRIPTION OF THE PROGRAMME**

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency, subject as set out herein. An overview of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer(s) prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Final Terms attached to, or endorsed on, such Notes, as more fully described under "Form of the Notes" below.

## FORM OF THE NOTES

Each Tranche of Notes (as defined under "*Terms and Conditions of the Notes*" below) will be in bearer form and will initially be represented by a temporary global Note without receipts, interest coupons or talons. Each temporary global Note, or as the case may be, permanent global Note which is not intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common despositary for Euroclear Bank SA/NV as operator of the Euroclear System (**Euroclear**) and/or Clearstream Banking, *société anonyme*, Luxembourg (**Clearstream, Luxembourg**) and/or any other relevant clearing system and each temporary global Note, or as the case may be, permanent global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safe-keeper for Euroclear and/or Clearstream, Luxembourg.

Whilst any Note is represented by a temporary global Note, payments of principal and interest (if any) 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 of non-U.S. beneficial ownership as required by U.S. Treasury regulations (in the form set out in the temporary global Note) has been received by the Agent from Euroclear and/or Clearstream, Luxembourg.

On and after the date (the **Exchange Date**) which is the later of (a) 40 days after the temporary global Note is issued and (b) 40 days after the completion of the distribution of the relevant Tranche, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant lead manager (in the case of a syndicated issue) (the **Distribution Compliance Period**), 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, receipts, 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.

In the event that a global Note (or any part thereof) has become due and repayable in accordance with the Conditions or that the Maturity Date or, as the case may be, the Interest Payment Date falling in the Redemption Month has occurred and, in either case, payment in full of the amount due has not been made to the bearer in accordance with the terms thereof and the Conditions, then the global Note will become void. At the same time accountholders with Euroclear and/or Clearstream, Luxembourg having such Notes (other than definitive Notes) credited to their accounts will become entitled to proceed directly against the Issuer, on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg, under the terms of a deed of covenant executed by the Issuer.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*" below) the Agent (as so defined) shall arrange that, where a further Tranche of Notes is issued, the Notes of such 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 the completion of the Distribution Compliance Period.

Payments of principal and interest (if any) on a permanent global Note will be made to or to the order of the holder thereof 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, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) to the Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10.1) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg 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 alternative clearing system is available or (iii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 (*Taxation*) which would not be required were the Notes represented by the permanent global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) may give notice to the 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 Agent requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Agent. Global Notes and definitive Notes will be issued pursuant to the Agency Agreement.

The following legend will appear on all global Notes, definitive Notes and receipts and interest coupons.

**"ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) 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, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or 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, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the 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, 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 at least 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, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system (including, if applicable, Euroclear France and the *Intermédiaires financiers habilités* authorised to maintain accounts therein (together, **Euroclear France**)) specified in the applicable Final Terms or as may otherwise be approved by the Issuer and the Agent.

**APPLICABLE FINAL TERMS IN CONNECTION WITH ISSUES OF NOTES WITH  
A DENOMINATION OF LESS THAN EUR 100,000**

*The final terms have been prepared for the purpose of Article 5(4) of Directive 2003/71/EC and must be read in conjunction with the base prospectus and its supplement(s). The Base Prospectus and its supplement(s) are published in accordance with Article 14 of Directive 2003/71/EC. In order to get the full information both the Base Prospectus and the final terms must be read in conjunction. A summary of the individual issue is annexed to the final terms.*

[Date]

**RCI Banque**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**under the €12,000,000,000**

**Euro Medium Term Note Programme**

**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 28 August 2013 [and the Supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC (as amended by Directive 2010/73/EU) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. However, a summary of the issue of the Notes is annexed to these Final Terms. The Base Prospectus [and the Supplement to the Base Prospectus dated [●]] is/are available for viewing at *www.bourse.lu* and copies may be obtained from the registered office of the Issuer, the principal office of the Agent in London and the principal office of the Paying Agent in Luxembourg.

*[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 Conditions (the **Conditions**) set forth in the Base Prospectus dated [original date] [and the Supplement to the Base Prospectus dated [●]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Directive 2003/71/EC (as amended by Directive 2010/73/EU) (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated 28 August 2013, [and the Supplement to the Base Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the Supplement to the Base Prospectus dated [●]]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated 28 August 2013 and [original date]. Copies of such Base Prospectuses are available for viewing at [address] [and] [website] and copies may be obtained from [addresses]].

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

1. (a) Series Number: [ ]  
 [(b) Tranche Number: [ ]  
 [(c) Date on which Notes become fungible: [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the *[insert name of Series]* on *[date]* / the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below [which is expected to occur on or about [•]].]
2. Specified Currency or Currencies: [ ]
3. Aggregate Nominal Amount:  
 [(a) Series: [ ]  
 [(b) Tranche: [ ]]
4. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•] (*if applicable*)]
5. (a) Specified Denomination(s): [ ]  
*[No Notes may be issued which have a minimum denomination of less than EUR1,000 (or nearly equivalent in another currency)]*
- (b) Calculation Amount: [ ]
6. (a) Issue Date: [ ]  
 (b) Interest Commencement Date: [•]/Issue Date/Not Applicable]
7. Maturity Date: [•] or [(for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
8. Interest Basis: [[ ] per cent. Fixed Rate]  
 [[[•] reference rate]+/- [ ] percent. Floating Rate]  
 [Zero Coupon]  
 [Inflation Linked]  
 (further particulars specified in Paragraphs 14, 15, 16, or 17 below (as applicable))
9. Change of Interest Basis or Redemption/Payment Basis: [Applicable/Not Applicable] *[Insert the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there. ]*
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100][Inflation Linked Redemption][Instalment][other (*specify*)] per cent. of their nominal amount.

11. Put/Call Options: [Investor Put]  
[Issuer Call]  
[Make-whole Redemption]  
[(further particulars specified in Paragraphs 18, 19 or 20 below (as applicable))]  
[Not Applicable]
12. (a) Status of the Notes: [Senior/Subordinated]
- (b) [Date of corporate authorisation for issuance of Notes obtained: [ ] [and [ ], respectively]]
13. Method of Distribution: [Syndicated/Non-Syndicated]

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

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Rate[(s)] of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/[•] in arrear]
- (b) Interest Payment Date(s): [ ] in each year [adjusted in accordance with *[insert Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"<sup>1</sup>]*/not adjusted]
- (c) Fixed Coupon Amount(s)<sup>2</sup>: [ ] per Calculation Amount
- (d) Broken Amount(s): [ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ]
- (e) Day Count Fraction: [30/360 / Actual /Actual (ICMA)]
- (f) [Determination Date(s): [ ] in each year  
*[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (N.B.: Only relevant where Day Count Fraction is Actual/Actual (ICMA))]*
- (g) Party responsible for calculation of Interest Amounts (if not the Calculation Agent)<sup>3</sup>: [•]/Not Applicable

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<sup>1</sup> This option should be selected for RMB Notes.

<sup>2</sup> Not Applicable for RMB Notes.

<sup>3</sup> RMB Notes Only.

15. **Floating Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Interest Period(s): [ ]
- (b) Specified Period(s)/Interest Payment Dates: [ ]
- (c) First Interest Payment Date: [ ]
- (d) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (e) Business Centre(s): [ ]
- (f) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (g) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount (if not the [Fiscal Agent]): [[Name]/[Not Applicable]]
- (h) Screen Rate Determination: [ ]
- Reference Rate: [ ]
- Interest Determination Date(s): [ ]
- Relevant Screen Page: [ ]
- (i) ISDA Determination:
- Floating Rate Option: [ ]
- Designated Maturity: [ ]
- Reset Date: [ ]
- [- ISDA Definitions: [2000/2006]]
- (j) Margin(s): [ +/ ] [ ] per cent. per annum/[Not Applicable]
- (k) Minimum Rate of Interest: [ ] per cent. per annum
- (l) Maximum Rate of Interest: [ ] per cent. per annum
- (m) Floating Day Count Fraction: [Actual/365 / Actual/Actual / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis]

16. **Inflation Linked Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Index: [CPI/HICP]
- (b) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [[ ]/[Not Applicable]]
- (c) Interest Period(s): [ ]
- (d) Interest Payment Date(s): [ ]
- (f) Base Reference: [CPI/HICP] Daily Inflation Reference Index applicable on [specify date] (amounting to: [ ])
- (g) Rate of Interest: [ ] per cent. per annum multiplied by the Inflation Index Ratio
- (h) Day Count Fraction: [Actual/365 / Actual/Actual / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis]
17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) [Amortisation/Accrual] Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]  
[Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 7(g)]

## PROVISIONS RELATING TO REDEMPTION

18. **Issuer Call:** [Applicable/Not Applicable]  
(Condition 7(d)) (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount(s) of each Note: [ ] per Calculation Amount
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [ ] per Calculation Amount
- (ii) Maximum Redemption Amount: [ ] per Calculation Amount

- (d) Notice period: [ ]
19. **Put Option:** [Applicable/Not Applicable]  
(Condition 7(e)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (c) Notice period: [ ]
20. **Make-whole Redemption:** [Applicable/Not Applicable]  
(Condition 7(f)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Parties to be notified by Issuer of Make-whole Redemption Date and Make-whole Redemption Amount (if other than set out in Condition 7(f)): [[•]/Not Applicable]
- (b) Make-whole Redemption Margin: [•]
- (c) Discounting basis for purposes of calculating sum of the present values of the remaining scheduled payments of principal and interest on Redeemed Notes in the determination of the Make-whole Redemption Amount: [Annual/Semi-Annual]
- (d) Reference Security: [Not Applicable/[•]]
- (e) Reference Dealers: [Not Applicable/[•]]
- (f) Quotation Agent: [•]/[Not Applicable]
21. **Final Redemption Amount of each Note:** [ ] per Calculation Amount
22. **Early Redemption Amount:** Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(h): [ ]  
[In case of Inflation Linked Notes, to be determined in accordance with Condition[s] 7(g) an 7(h)]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes: **Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on an Exchange Event/on 60 days' notice at the option of any holder]
- [Temporary Global Note exchangeable for Definitive Notes on 60 days' notice]
- [Permanent Global Note exchangeable for Definitive Notes on an Exchange Event/on 60 days' notice at the option of any holder]
24. New Global Note: [Yes/No]
25. Financial Centre(s) or other special provisions relating to payment days: [Not Applicable/[•]]  
*(Note that this paragraph relates to the date and place of payment and not interest period end dates to which sub-paragraphs 14(b), 15(b) and 16(d) relate)*
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No.]
27. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/[•]]
28. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [ ] ] apply]
29. Consolidation provisions: [Not Applicable/The provisions [in Condition [ ] ] apply]
- DISTRIBUTION**
30. (a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/[•]]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (b) Date of [Subscription] Agreement: [ ]
- (c) Stabilising Manager(s) (if any): [Not Applicable/[•]]
31. If non-syndicated, name and addresses of Dealer: [Not Applicable/[•]]

32. Total commission and concession: [ ] per cent. of the Aggregate Nominal Amount
33. U.S. Selling Restrictions: [Reg. S Compliance Category 1; TEFRA C/TEFRA D/TEFRA not applicable]
34. Non-exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [•]] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported*] (**Public Offer Jurisdictions**) during the period from [•] until [•] (**Offer Period**).

Signed on behalf of the Issuer:

By:

Duly authorised

## PART B - OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

Listing and Admission and trading [Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the official list and admitted to trading on the regulated market of [the *Bourse de Luxembourg*]/[*Euronext Paris*] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be listed and admitted to trading on [•]] with effect from [ ].] [Not Applicable.]  
(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

### 2. RATINGS

Ratings: The Notes to be issued have been rated:  
[Standard & Poor's Credit Market Services France "S&P"][[•]  
[Moody's Investors Service Ltd. "Moody's"][[•]  
[Fitch: [•]]  
[[Other]: [•]]

*(\*The exact legal name of the rating agency entity providing the rating should be specified- for example "Standard & Poor's Credit Market Services Europe Limited", rather than just Standard and Poor's.)*

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

*(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.)*

#### **Option 1- CRA established in the EEA and registered under the CRA Regulation**

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**). As such *[Insert legal name of particular credit rating agency entity providing rating]* [is/are] included in the list of credit rating agencies published by the European Securities and markets Authority on its website <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs> in accordance with the CRA

Regulation.

***Option 2 -CRA established in the EEA, not registered under the CRA Regulation but has applied for registration***

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**), although notification of the corresponding registration decision has not yet been provided by European Securities and Markets Authority

***Option 3 -CRA established in the EEA, not registered under the CRA Regulation and not applied for registration***

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**).

***Option 4 -CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**).

***Option 5 -CRA is not established in the EEA and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**).

***Option 6 -CRA neither established in the EEA nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not

established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.

### 3. NOTIFICATION

The competent authority in Luxembourg has provided the [*names of competent authorities of host Member States*] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

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

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in [•], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer." [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 Prospectus under Article 16 of the Prospectus Directive.)*]

### 5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i)] [Reasons for the offer: [ ] [General financing purposes of the Issuer and its consolidated subsidiaries.]/[•]

*(See ["Use of Proceeds"] wording in Base Prospectus - if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*

[(ii)] Estimated net proceeds: [ ]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

[(iii)] Estimated total expenses: [ ]

[Include breakdown of expenses]

### 6. FIXED RATE NOTES ONLY – YIELD

Indication of yield: [ ]

Calculated as [include details of method of calculation in summary form] on the Issue Date.

## 7. FLOATING RATE NOTES ONLY – HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters page][Include details of where past and further performance of the underlying and its volatility can be obtained].

## 8. OPERATIONAL INFORMATION

ISIN Code: [•]

Common Code: [•]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable]/[•]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [•]/Not Applicable]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes/No]

[Note that the designation "Yes" 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. The Notes will be deposited initially upon issue with [one of the ICSDs acting as common safekeeper/[a non-ICSD]common safekeeper.] [Include this text if "Yes" selected in which case the Notes must be issued in NGN form]

## 9. TERMS AND CONDITIONS OF THE OFFER

Offer Price: [Issue Price] [•]

The time period, including any possible amendments, during which the offer will be open and description of the application process: [Not Applicable/[•]]

Conditions to which the offer is subject:	[Not Applicable/[•]]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/[•]]
Details of the minimum and/or maximum amount of application:	[Not Applicable/[•]]
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/[•]]
Manner in and date on which results of the offer are to be made public:	[Not Applicable/[•]]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/[•]]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable/[•]]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/[•]]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[None/[•]]

## 10. Placing and Underwriting

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer:<sup>4</sup> [ ]

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<sup>4</sup> To the extent known to the Issuer, include also the names and addresses of the placers in the various countries where the offer takes place.

Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent): [ ]

Names and addresses of entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements:<sup>5</sup> [ ]

When the underwriting agreement has been or will be reached: [ ]

Name and address of entities which have a firm commitment to act as intermediaries in secondary trading: [ ]

#### **ANNEX –ISSUE SPECIFIC SUMMARY**

*(Issuer to annex issue specific summary to the final terms)*

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<sup>5</sup> Where not all of the issue is underwritten, a statement of the portion not covered.

**APPLICABLE FINAL TERMS IN CONNECTION WITH ISSUES OF NOTES WITH A DENOMINATION OF AT LEAST EUR 100,000**

*The final terms have been prepared for the purpose of Article 5(4) of Directive 2003/71/EC and must be read in conjunction with the Base Prospectus and its supplement(s). The Base Prospectus and its supplement(s) are published in accordance with Article 14 of Directive 2003/71/EC. In order to get the full information both the Base Prospectus and the final terms must be read in conjunction.*

[Date]

**RCI Banque**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**under the €12,000,000,000**

**Euro Medium Term Note Programme**

**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 28 August 2013 [and the Supplement to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EU (as amended by Directive 2010/73/EU) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the Supplement to the Base Prospectus dated [•]] is/are available for viewing at *www.bourse.lu* and copies may be obtained from the registered office of the Issuer, the principal office of the Agent in London and the principal office of the Paying Agent in Luxembourg.

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

1. (a) Series Number: [ ]  
    (b) Tranche Number: [ ]  
    (c) Date on which Notes become fungible: [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [name of Series] on [date]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below [which is expected to occur on or about [•]].]
  
2. Specified Currency or Currencies: [ ]

3. Aggregate Nominal Amount:
- [(a)] Series: [ ]
- [(b)] Tranche: [ ]
4. Issue Price: [ ] per cent. of the Aggregate Nominal Amount  
[plus accrued interest from [•] (*if applicable*)]
5. (a) Specified Denomination(s): [ ]
- [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: [ ]
6. (a) Issue Date: [ ]
- (b) Interest Commencement Date: [•]/Issue Date/Not Applicable]
7. Maturity Date: [•] or [(for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
8. Interest Basis: [[ ] per cent. Fixed Rate]  
[[•] +/- [ ] percent. Floating Rate]  
[Zero Coupon]  
[Inflation Linked]
- (further particulars specified in Paragraphs 14, 15, 16 or 17 below (as applicable))
9. Change of Interest Basis or Redemption/Payment Basis: [Applicable/Not Applicable] *[insert the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there. ]*
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100][Inflation Linked Redemption][Instalment][other (*specify*)] per cent. of their nominal amount.
11. Put/Call Options: [Investor Put]  
[Issuer Call]  
[Make-whole Redemption]  
[(further particulars specified in Paragraphs 18, 19 or 20 below (as applicable))]  
[Not Applicable]
12. (a) Status of the Notes: [Senior/Subordinated]

(b) [Date of corporate authorisation for issuance of Notes obtained: [ ] [and [ ], respectively]]

13. Method of Distribution: [Syndicated/Non-syndicated]

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

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(a) Rate[(s)] of Interest: [ ] per cent. per annum [payable annually/semi-annually/quarterly/monthly/[•]] in arrear

(b) Interest Payment Date(s): [ ] in each year [adjusted in accordance with [insert Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"<sup>6</sup>]/[not adjusted]

(c) Fixed Coupon Amount(s)<sup>7</sup>: [ ] per Calculation Amount

(d) Broken Amount(s): [ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ]

(e) Day Count Fraction: [30/360 / Actual /Actual (ICMA)]

(f) [Determination Date(s): [ ] in each year  
[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (N.B.: Only relevant where Day Count Fraction is Actual/Actual (ICMA))]

(g) Party responsible for calculating Interest Amounts (if not the Calculation Agent)<sup>8</sup>: [•]/[Not Applicable]

15. **Floating Rate Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(a) Interest Period(s): [ ]

(b) Specified Period(s)/Interest Payment Dates: [ ]

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<sup>6</sup> This option should be selected for RMB Notes.

<sup>7</sup> Not applicable for RMB Notes.

<sup>8</sup> RMB Notes only.

- (c) First Interest Payment Date: [ ]
- (d) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (e) Business Centre(s): [ ]
- (f) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (g) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount (if not the [Fiscal Agent]): [[Name]/[Not Applicable]]
- (h) Screen Rate Determination: [ ]
- Reference Rate: [ ]
  - Interest Determination Date(s): [ ]
  - Relevant Screen Page: [ ]
- (i) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- [- ISDA Definitions: [2000/2006]]
- (j) Margin(s): [ +/ ][ ] per cent. per annum/[Not Applicable]
- (k) Minimum Rate of Interest: [ ] per cent. per annum
- (l) Maximum Rate of Interest: [ ] per cent. per annum
- (m) Floating Day Count Fraction: [Actual/365 / Actual/Actual / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis]

16. **Inflation Linked Note Provisions**

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Index: [CPI/HICP]
- (b) Party responsible for calculating the Rate(s) of [ ]/[Not Applicable]

Interest and/or Interest  
Amount(s):

- (c) Interest Period(s): [ ]
- (d) Interest Payment Date(s): [ ]
- (f) Base Reference: [CPI/HICP] Daily Inflation Reference Index applicable on [specify date] (amounting to: [ ])
- (g) Rate of Interest: [ ] per cent. per annum multiplied by the Inflation Index Ratio
- (h) Day Count Fraction: [Actual/365 / Actual/Actual / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis]

17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) [Amortisation/Accrual] Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]  
[Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 7(g)]

## PROVISIONS RELATING TO REDEMPTION

18. **Issuer Call:** [Applicable/Not Applicable]  
(Condition 7(d)) (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount(s) of each Note: [ ] per Calculation Amount
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [ ] per Calculation Amount
- (ii) Maximum Redemption Amount: [ ] per Calculation Amount
- (d) Notice period: [ ]
19. **Put Option:** [Applicable/Not Applicable]  
(Condition 7(e)) (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Optional Redemption Date(s): [ ]

- (b) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (c) Notice period: [ ]
20. **Make-whole Redemption:** [Applicable/Not Applicable]  
(Condition 7(f)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Parties to be notified by Issuer of Make-whole Redemption Date and Make-whole Redemption Amount (if other than set out in Condition 7(f)): [[•]/Not Applicable]
- (b) Make-whole Redemption Margin: [•]
- (c) Discounting basis for purposes of calculating sum of the present values of the remaining scheduled payments of principal and interest on Redeemed Notes in the determination of the Make-whole Redemption Amount: [Annual/Semi-Annual]
- (c) Reference Security: [Not Applicable]/[•]
- (d) Reference Dealers: [Not Applicable]/[•]
- (e) Quotation Agent: [•]/[Not Applicable]
21. **Final Redemption Amount of each Note:** [ ] per Calculation Amount
22. **Early Redemption Amount:** Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(g): [ ]  
[In case of Inflation Linked Notes, to be determined in accordance with Condition[s] 7(g) and 7(h)]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes: **Bearer Notes:**  
[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on an Exchange Event/on 60 days' notice at the option of any holder]

- [Temporary Global Note exchangeable for Definitive Notes on 60 days' notice]
- [Permanent Global Note exchangeable for Definitive Notes on an Exchange Event/on 60 days' notice at the option of any holder]
24. New Global Note: [Yes/No]
25. Financial Centre(s) or other special provisions relating to payment days: [Not Applicable/[•]]  
*(Note that this paragraph relates to the date and place of payment and not interest period end dates to which sub-paragraphs 14(b), 15(b) and 16(d) relate)*
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No]
27. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/[•]]
28. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [ ] ] apply]
29. Consolidation provisions: [Not Applicable/The provisions [in Condition [ ] ] apply]

## DISTRIBUTION

30. (a) If syndicated, names and addresses of Managers: [Not Applicable/[•]]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (b) Date of [Subscription] Agreement: [ ]
- (c) Stabilising Manager(s) (if any): [Not Applicable/[•]]
31. If non-syndicated, name and addresses of Dealer: [Not Applicable/[•]]
32. U.S. Selling Restrictions: [Reg. S Compliance Category 1; TEFRA C/TEFRA D/TEFRA not applicable]

Signed on behalf of the Issuer:

By:

Duly authorised

## PART B - OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission and trading [Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the official list and admitted to trading on the regulated market of [the *Bourse de Luxembourg*]/[*Euronext Paris*] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be listed and admitted to trading on [•]] with effect from [ ].] [Not Applicable.]  
*(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (ii) Estimate of total expenses related to the admission to trading: [•]

### 2. RATINGS

Ratings:

The Notes to be issued have been rated:  
[Standard & Poor's Credit Market Services France "S&P"] [•]  
[Moody's Investors Service Ltd. "Moody's"] [•]  
[Fitch: [•]]  
[[Other]:[•]]

*(\*The exact legal name of the rating agency entity providing the rating should be specified- for example "Standard & Poor's Credit Market Services Europe Limited", rather than just Standard and Poor's.)*

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

*(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.)*

#### **Option 1- CRA established in the EEA and registered under the CRA Regulation**

*[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**). As such [Insert legal name of particular credit rating agency entity providing rating] [is/are] included in the list of credit rating agencies published by the European Securities and markets Authority on its website*

<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs> in accordance with the CRA Regulation.

***Option 2 -CRA established in the EEA, not registered under the CRA Regulation but has applied for registration***

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the CRA Regulation), although notification of the corresponding registration decision has not yet been provided by European Securities and Markets Authority

***Option 3 - CRA established in the EEA, not registered under the CRA Regulation and not applied for registration***

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the CRA Regulation).

***Option 4 -CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the CRA Regulation).

***Option 5 -CRA is not established in the EEA and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the CRA Regulation).

***Option 6 -CRA neither established in the EEA nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the CRA Regulation) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.

### **3. NOTIFICATION**

The competent authority in Luxembourg has provided the *[names of competent authorities of host Member States]* with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

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

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in [**•**], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."*[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 Prospectus under Article 16 of the Prospectus Directive.)]*

### **5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

Estimated total expenses: [ ]

*[Include breakdown of expenses]*

### **6. FIXED RATE NOTES ONLY – YIELD**

Indication of yield: [ ]

Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

### **7. FLOATING RATE NOTES ONLY – HISTORIC INTEREST RATES**

Details of historic *[LIBOR/EURIBOR/other]* rates can be obtained from *[Reuters page]**[Include details of where past and further performance of the underlying and its volatility can be obtained]*.

### **8. OPERATIONAL INFORMATION**

ISIN Code: [•]

Common Code: [•]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/[•]]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [•]/[Not Applicable]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes/No]

[Note that the designation "Yes" 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. The Notes will be deposited initially upon issue with [one of the ICSDs acting as common safekeeper/[a non-ICSD]common safekeeper.] [Include this text if "Yes" selected in which case the Notes must be issued in NGN form]

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes to be issued by the Issuer which will be incorporated by reference into each global Note 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(s) at the time of issue but if not so permitted and agreed, such definitive Note will have endorsed upon or attached thereto such Terms and Conditions. In the case of any Tranche of Notes which are being (a) offered to the public in a Member State (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive) or (b) admitted to trading on a regulated market in a Member State, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may complete any information in this Base Prospectus.*

*The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form.*

This Note is one of a Series of Notes (the **Notes**, which expression shall mean (a) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination, or if different, the Calculation Amount, in the Specified Currency of issue, (b) any definitive Notes issued in exchange (or part exchange) for a global Note; and (c) any global Note) issued subject to, and with the benefit of, an amended and restated Agency Agreement dated 28 August 2013 (the **Agency Agreement**, which expression includes the same as it may be further updated or supplemented from time to time) between, *inter alia*, RCI Banque (the **Issuer**, which expression shall include any Substituted Debtor pursuant to Condition 13) and Citibank, N.A., London Branch, as issuing and principal paying agent (the **Agent**, which expression shall include any successor agent specified in the applicable Final Terms) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any successor or additional paying agents).

Interest bearing definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. If Notes have more than 27 Coupon payments, Talons may be required if, on exchange into definitive form, more than 27 Coupon payments are left. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global notes do not have Receipts, Coupons or Talons attached on issue.

Any reference herein to **Noteholders** shall mean the holders of the Notes, and shall, in relation to any Notes represented by a global Note held on behalf of Euroclear Bank SA/NV, as operator of the Euroclear System (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and 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 (the **Talontholders**).

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system (including, where applicable, Euroclear France and the *Intermédiaires financiers habilités* authorised to maintain accounts therein (together **Euroclear France**)) as may be approved by the Issuer and the Agent.

The final terms for this Note are set out in Part A of the Final Terms attached hereto, endorsed hereon or incorporated by reference in this Note which complete these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, complete these Terms and Conditions for the purposes of this Note. References herein to the **applicable Final Terms** are to Part A of the Final Terms (or other relevant provisions thereof) attached hereto, endorsed hereon or incorporated by reference in the Note.

As used herein, (a) **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are expressed to be consolidated and form a single series and the terms of which (save for the Issue Date, the Interest Commencement Date and/or the Issue Price (as indicated in the applicable Final Terms)) are identical (including as to listing and admission to trading); and (b) **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading).

Copies of the Agency Agreement are available for inspection free of charge, at the specified offices of the Paying Agents. Copies of the applicable Final Terms are available for viewing at [www.bourse.lu](http://www.bourse.lu) and copies may be obtained from the head office of the Issuer and the specified offices of the Paying Agents save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the Trustee or, as the case may be, the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms, which are binding on them. In relation to Notes held on behalf of Euroclear and/or Clearstream, Luxembourg, the Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the deed of covenant (the **Deed of Covenant**) dated 28 August 2013 and made by the Issuer. The original of the Deed of Covenant is held by a depositary on behalf of Euroclear and/or Clearstream, Luxembourg and copies may be obtained upon request during normal business hours from the specified offices of the Paying Agents.

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

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

The Notes are in bearer form and, in the case of definitive Notes, serially numbered in the Specified Currency and the Specified Denomination(s), or if different, the Calculation Amount. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination. No Notes may be issued under this Programme which have a minimum denomination of less than EUR1,000 (or nearly equivalent in another currency).

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Inflation Linked Note or a combination of any of the foregoing, depending upon the Interest/Redemption/Payment Basis shown in the applicable Final Terms, or such other type of Note as indicated in the applicable Final Terms.

This Note may also be a Senior Note or a Subordinated Note, as indicated in the applicable Final Terms.

Notes in definitive form are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not

applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer and any Paying Agent may deem and treat the bearer of any Note, Receipt 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 and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of 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 any Paying Agent as the holder of such nominal amount of Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer and any Paying Agent as the holder 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 held on behalf of Euroclear and/or Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system as may be approved by the Issuer and the Agent.

## **2. STATUS AND SUBORDINATION**

### **2.1 Status Notes (Senior Notes)**

If the Notes are Senior Notes, the Notes are direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and (subject as aforesaid) rank *pari passu*, without any preference or priority by reason of date of issue, currency of payment or otherwise, among themselves and, subject to such exceptions as are from time to time mandatory under the laws of France, with all other present or future unsecured and unsubordinated Indebtedness (as defined below) of the Issuer.

For the purpose of these Terms and Conditions, **Indebtedness** means any indebtedness in the form of, or represented by, bonds, notes, debentures or other securities which are, or are capable of being, quoted, listed, or ordinarily traded on any stock exchange.

### **2.2 Status (Subordinated Notes)**

If the Notes are Subordinated Notes, the Notes are direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu*, without any preference or priority by reason of date of issue, currency of payment or otherwise, among themselves and, subject to such exceptions as are from time to time mandatory under the laws of France, with all other present or future direct, unconditional, unsecured and subordinated Indebtedness (as defined above) of the Issuer, with the exception of *prêts participatifs* granted to the Issuer and *titres participatifs* issued by the Issuer.

Subject to applicable law, in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings, or any other similar proceedings affecting the Issuer, the rights of the Noteholders and the Couponholders to payment under the Notes and relative Coupons will be subordinated to the full payment of the unsubordinated creditors (including depositors) of the Issuer and, subject to such payment in full, such Noteholders and Couponholders will be paid in priority to *prêts participatifs* granted to the Issuer and *titres participatifs* issued by the Issuer and other securities of the Issuer (including share capital) subordinate to such *prêts participatifs* and *titres participatifs*.

### **3. NEGATIVE PLEDGE**

So long as any of the Notes remains outstanding, the Issuer will not create or permit to subsist any mortgage, pledge, lien or other charge or other security interest upon the whole or any part of its assets, present or future, to secure any present or future Indebtedness issued by the Issuer or any guarantee given by the Issuer in respect of any Indebtedness, unless the Notes are equally and rateably secured, so as to rank *pari passu* with such Indebtedness, provided that the Issuer may (i) grant such security interest in respect of an aggregate amount or amounts not representing 20 per cent. or more of the total assets of the Issuer as disclosed in the most recent audited financial statements of the Issuer and/or (ii) grant such security interest over a segregated pool of assets in respect of Indebtedness issued by the Issuer in the form of covered bonds.

This Condition does not apply to Subordinated Notes.

### **4. REDENOMINATION**

#### **4.1 Redenomination**

Where redenomination is specified in Part A, Item 28 of the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 14 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than

euro 1,000 or such smaller denominations as the Agent and the Trustee may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;

- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to Notes) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. 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 or, at the option of the payee, by a euro cheque;
- (f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to each Specified Denomination, or if different, the Calculation Amount, 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;
- (g) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest.

## 4.2 Definitions

In the Conditions, the following expressions have the following meanings:

**Established Rate** means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

**euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

**Redenomination Date** means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 4.1 above and which falls on or after the date on which the country of Specified Currency first participates in the third stage of European economic and monetary union; and

**Treaty** means the Treaty establishing the European Community, as amended.

## 5. INTEREST

### (a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from, and including, the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest so specified payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date so specified if that does not fall on an Interest Payment Date. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount. If the Maturity Date is not an Interest Payment Date, interest from, and including, the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to, but excluding, the Maturity Date will amount to the Final Broken Amount.

If interest is required to be calculated for a period ending other than on an Interest Payment Date, such interest shall be calculated by applying the Rate(s) of Interest to each Specified Denomination, or if different, the Calculation Amount, 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.

In these Conditions, **Day Count Fraction** means:

- (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 (x) the number of days in such Determination Period and (y) 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 (as specified in the applicable Final Terms) 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 12 30-day months) divided by 360;

In the 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, means one cent.

(b) **Interest on Floating Rate Notes and Inflation Linked Notes**

(i) Interest Payment Dates

Each Floating Rate Note and each Inflation Linked Note bears interest on its nominal amount from, and including, the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Interest Payment Date(s) in each year (the period from, and including, the Interest Commencement Date to, but excluding, the first Interest Payment Date and each successive period from, and including, an Interest Payment Date to, but excluding, the next Interest Payment Date each being an **Interest Period**); or
- (B) if no express Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an **Interest Payment Date**) which falls the number of months or other period specified as the Interest 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.

If a business day convention is specified in the applicable Final Terms and (x) 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:

- (I) in any case where Interest Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (1) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (bb) below shall apply *mutatis mutandis* or (2) 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 (aa) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (bb) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding applicable Interest Payment Date occurred; or
- (II) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (III) 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

- (IV) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition, **Business Day** means a day which is both:

- (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 London and any Additional Business Centre specified in the applicable Final Terms; and
- (b) either (i) in relation to interest payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open, or (iii) in relation to any sum payable in Renminbi, a day on which commercial banks and foreign exchange markets settle payments in Renminbi in Hong Kong and in the relevant Business Centre(s) (if any).

In these Conditions, **TARGET2 System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

- (ii) Rate of Interest for Floating Rate Notes

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

- (A) 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 sub-paragraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for the swap transaction under an interest rate swap transaction if the Agent under the terms of an agreement incorporating the 2000 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 or, if so specified in the applicable Final Terms, 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:

- (I) the Floating Rate Option is as specified in the applicable Final Terms;
- (II) the Designated Maturity is a period specified in the applicable Final Terms; and
- (III) the relevant Reset Date is either (1) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**) or on the Euro-zone inter-bank offered rate (**EURIBOR**) for a currency, the first

day of that Interest Period or (2) in any other case, as specified in the applicable Final Terms.

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

When this sub-paragraph (A) applies, in respect of each relevant Interest Period the Agent will be deemed to have discharged its obligations under Condition 5(b)(iv) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (A).

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(B) 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:

- I. the offered quotation; or
- II. the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page 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 Agent. If five or more 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 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 (I) above, no such quotation appears or, in the case of (II) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph the Agent shall request the principal London office of each of the Reference Banks (as defined below) to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency, for the relevant Interest Period to leading banks in the London inter-bank market at approximately 11.00 a.m. (London time), or, in the Euro-zone inter-bank market at approximately 11.00 a.m. (Brussels time), as the case may be, on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fourth decimal place with 0.00005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with such offered quotations as provided in the preceding

paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the London inter-bank market or in the Euro-zone inter-bank market, as the case may be, plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer and the Agent suitable for such purpose) informs the Agent it is quoting to leading banks in the London inter-bank market or in the Euro-zone inter-bank market, as the case may be, (or, as the case may be, the quotations of such bank or banks to the Agent) 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 by the Agent by reference to the most recent date upon which rates could have been determined in accordance with the above provisions.

As used herein, the expression **Reference Banks** means, in the case of (i) above those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of (ii) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than the London or, as the case may be, Euro-zone inter-bank offered rate, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(iii) Rate of Interest for Inflation Linked Notes

1. Consumer Price Index (CPI)

Where the consumer price index excluding tobacco for all households in metropolitan France, as calculated and published by the *Institut National de la Statistique et des Etudes Economiques* (the **INSEE**) (CPI) is specified as the Index in the relevant Final Terms, this Condition 5(b)(iii)(1) shall apply. Terms defined herein shall have the meanings set out below only when this Condition 5(b)(iii)(1) shall apply.

The Rate of Interest in respect of Inflation Linked Notes indexed to the CPI (the **CPI Linked Interest**) will be determined by the Calculation Agent on the following basis:

- (A) On the fifth Business Day before each Interest Payment Date (an **Interest Determination Date**) the Calculation Agent will calculate the Inflation Index Ratio.

For the purpose of this Condition 5(b)(iii)(1), the **Inflation Index Ratio** or **IIR** is the ratio between (i) the CPI Daily Inflation Reference Index (as defined below) applicable upon any Interest Payment Date or the redemption date, as the case may be and (ii) the base reference defined as the CPI Daily Inflation Reference Index (as defined below) applicable on the date specified in the applicable Final Terms (the **Base Reference**). Notwithstanding Condition 5(b)(xii)(C), the IIR will be rounded if necessary to five significant figures (with halves being rounded up).

**CPI Daily Inflation Reference Index** means (A) in relation to the first day of any given month, the CPI Monthly Reference Index of the third month preceding such month, and (B) in relation to a day (D) (other than the first day) in any given month (M), the linear interpolation of the CPI Monthly Reference Index pertaining respectively to the third month preceding such month (M-3) and the second month preceding such month (M-2) calculated in accordance with the following formula:

CPI Daily Inflation Reference Index =

$$\text{CPI Monthly Reference Index}_{M-3} + \frac{D-1}{\text{ND}_M} \times (\text{CPI Monthly Reference Index}_{M-2} - \text{CPI Monthly Reference Index}_{M-3})$$

With:

**ND<sub>M</sub>**: number of days in the relevant month M and, in the case of payment of principal and interest, shall be equal to 31;

**D**: actual day of payment in the relevant month M and, in the case of payment of principal and interest, shall be equal to 25;

**CPI Monthly Reference Index<sub>M-2</sub>**: price index of month M-2;

**CPI Monthly Reference Index<sub>M-3</sub>**: price index of month M-3.

Notwithstanding Condition 5(b)(xii)(C), the CPI Daily Inflation Reference Index will be rounded if necessary to five significant figures (with halves being rounded up).

For information purposes, such CPI Daily Inflation Reference Index appears on the *Agence Française du Trésor* Reuters Screen page OATINFLATION01 or on Bloomberg TRESOR <Go> pages and on the website [www.aft.gouv.fr](http://www.aft.gouv.fr). In the case of doubt in the interpretation of the methods used to calculate the Inflation Index Ratio, such methods shall be interpreted

by reference to the procedures selected by the French Treasury (*Trésor*) for its *obligations assimilables du Trésor indexées sur l'inflation*.

**CPI Monthly Reference Index** refers to the definitive consumer price index excluding tobacco for all households in metropolitan France, as calculated and published monthly by the INSEE as such index may be adjusted or replaced from time to time as provided herein.

- (B) The calculation method described in (C) below is based on the recommendation issued by the French Bond Association (*Comité de Normalisation Obligataire* — [www.cnofrance.org](http://www.cnofrance.org)) in its December 2010 Paper entitled "Inflation Indexed Notes" (*Obligations et autres instruments de taux d'intérêt en euro, Normes et usages des marchés de capitaux — Chapitre II: Les obligations indexées sur l'inflation*). In the case of any conflict between the calculation method provided below and the calculation method provided by the French Bond Association (*Comité de Normalisation Obligataire*), the calculation method provided by the French Bond Association (*Comité de Normalisation Obligataire*) shall prevail.

The CPI Linked Interest applicable from time to time for each Interest Period (as specified in the relevant Final Terms) will be equal to the rate per annum specified in the relevant Final Terms multiplied by the Inflation Index Ratio (as defined above).

(C)

- (1) If the CPI Monthly Reference Index is not published in a timely manner, a substitute CPI Monthly Reference Index (the **Substitute CPI Monthly Reference Index**) shall be determined by the Calculation Agent in accordance with the following provisions:

- (x) If a provisional CPI Monthly Reference Index (*indice provisoire*) has already been published, such index shall automatically be used as the Substitute CPI Monthly Reference Index. Such provisional CPI Monthly Reference Index would be published under the heading "*indice de substitution*". Once the definitive CPI Monthly Reference Index is released, it would automatically apply from the day following its release to all calculations taking place from this date.
- (y) If no provisional CPI Monthly Reference Index is available, a substitute index shall be calculated on the basis of the most recently published figure adjusted as set out in the following formula:

Substitute CPI Monthly Reference Index<sub>M</sub> =

$$\text{CPI Monthly Reference Index}_{M-1} \times \left[ \frac{\text{CPI Monthly Reference Index}_{M-1}}{\text{CPI Monthly Reference Index}_{M-13}} \right]^{\frac{1}{12}}$$

- (2) In the event INSEE decides to proceed with one or more base changes for the purpose of calculating the CPI Monthly Reference Index, the two CPI Monthly Reference Indexes which have been calculated on a different basis will be chained on the basis of the December CPI Monthly Reference Index of the last year of joint publications, which corresponds to the CPI Daily Inflation Reference Index for 1<sup>st</sup> March of the following year.

Such chaining will be carried out in accordance with the following equation:

$$\text{Key} = \frac{\text{CPI Monthly Reference Index}_{\text{pertaining to December calculated on the new basis}}}{\text{CPI Monthly Reference Index}_{\text{pertaining to December calculated on the previous basis}}}$$

Such that:

$$\text{CPI Monthly Reference Index}_{\text{Date D New Basis}} = \text{CPI Monthly Reference Index}_{\text{Date D Previous Basis}} \times \text{Key}$$

## 2. Harmonised Index of Consumer Prices (HICP)

Where the harmonised index of consumer prices excluding tobacco measuring the rate of inflation in the European Monetary Union excluding tobacco as calculated and published monthly by Eurostat (the **HICP**) is specified as the Index in the relevant Final Terms, this Condition 5(b)(iii)(2) shall apply. Terms defined herein shall have the meanings set out below only when this Condition 5(b)(iii)(2) shall apply.

The Rate of Interest in respect of Inflation Linked Notes indexed to the HICP (the **HICP Linked Interest**) will be determined by the Calculation Agent on the following basis:

- (A) On the fifth Business Day before each Interest Payment Date (an **Interest Determination Date**) the Calculation Agent will calculate the Inflation Index Ratio.

For the purpose of this Condition 5(b)(iii)(2), the **Inflation Index Ratio** or **IIR** is the ratio between (i) the HICP Daily Inflation Reference Index (as defined below) applicable upon any Interest Payment Date or the redemption date, as the case may be and (ii) the base reference defined as the HICP Daily Inflation Reference Index (as defined below) (the **Base Reference**) applicable on the date specified in the applicable Final Terms. Notwithstanding Condition 5(b)(xii)(C), the IIR will be rounded if necessary to five significant figures (with halves being rounded up).

**HICP Daily Inflation Reference Index** means (A) in relation to the first day of any given month, the HICP Monthly Reference Index of the third month preceding such month, and (B) in relation to a day (D) (other than the first day) in any given month (M), the linear interpolation of the HICP Monthly Reference Index pertaining respectively to the third month preceding such month (M-3) and the second month preceding such month (M-2) calculated in accordance with the following formula:

HICP Daily Inflation Reference Index =

$$\text{HICP MonthlyReferenceIndex}_{M-3} + \frac{D-1}{\text{ND}_M} \times (\text{HICP MonthlyReferenceIndex}_{M-2} - \text{HICP MonthlyReferenceIndex}_{M-3})$$

With:

**ND<sub>M</sub>**: number of days in the relevant month M and, in the case of payment of principal and interest, shall be equal to 31;

**D**: actual day of payment in the relevant month M and, in the case of payment of principal and interest, shall be equal to 25;

HICP Monthly Reference Index<sub>M-2</sub>: price index of month M-2;

HICP Monthly Reference Index<sub>M-3</sub>: price index of month M-3.

Notwithstanding Condition 5(b)(xii)(C), the HICP Daily Inflation Reference Index will be rounded if necessary to five significant figures (with halves being rounded up).

For information purposes, such HICP Daily Inflation Reference Index appears on the *Agence Française du Trésor* Reuters Screen page OATEI01, on the website [www.aft.gouv.fr](http://www.aft.gouv.fr) and on Bloomberg page TRESOR.

**HICP Monthly Reference Index** refers to the harmonised index of consumer prices excluding tobacco measuring the rate of inflation in the European Monetary Union excluding tobacco as calculated and published by Eurostat as such index may be adjusted or replaced from time to time as provided herein.

(B) The HICP Linked Interest applicable from time to time for each Interest Period (as specified in the relevant Final Terms) will be equal to the rate per annum specified in the relevant Final Terms multiplied by the Inflation Index Ratio (as defined above).

(C)

(1) If the HICP Monthly Reference Index is not published in a timely manner, a substitute HICP Monthly Reference Index

(the **Substitute HICP Monthly Reference Index**) shall be determined by the Calculation Agent in accordance with the following provisions:

- (x) If a provisional HICP Monthly Reference Index has already been published by Eurostat, such index shall automatically be used as the Substitute HICP Monthly Reference Index. Once the definitive HICP Monthly Reference Index is released, it would automatically apply from the day following its release to all calculations taking place from this date.
- (y) If no provisional HICP Monthly Reference Index is available, a substitute index shall be calculated on the basis of the most recently published figure adjusted as set out in the following formula:

Substitute HICP Monthly Reference Index<sub>M</sub> =

$$\text{HICP Monthly Reference Index}_{M-1} \times \left[ \frac{\text{HICP Monthly Reference Index}_{M-1}}{\text{HICP Monthly Reference Index}_{M-13}} \right]^{\frac{1}{12}}$$

- (2) In the event Eurostat decides to proceed with one or more base changes for the purpose of calculating the HICP Monthly Reference Index, the two HICP Monthly Reference Indexes which have been calculated on a different basis will be chained on the basis of the December HICP Monthly Reference Index of the last year of joint publications, which corresponds to the HICP Daily Inflation Reference Index for 1<sup>st</sup> March of the following year. Such chaining will be carried out in accordance with the following equation:

$$\text{Key} = \frac{\text{HICP Monthly Reference Index}_{\text{pertaining to December calculated on the new basis}}}{\text{HICP Monthly Reference Index}_{\text{pertaining to December calculated on the previous basis}}}$$

Such that:

$$\text{HICP Monthly Reference Index}_{\text{New Basis}}^{\text{Date D}} = \text{HICP Monthly Reference Index}_{\text{Previous Basis}}^{\text{Date D}} \times \text{Key}$$

- (iv) Minimum and/or Maximum Interest Rate and/or Rate Multiplier

If the applicable Final Terms specifies a Minimum Interest Rate 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 (ii) above is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate. If the applicable Final Terms specifies a Maximum Interest Rate 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 (ii) above is greater

then such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

If the applicable Final Terms specifies a Rate Multiplier for any Interest Period, then the Rate of Interest in respect of any such Interest Period shall be multiplied by the relevant Rate Multiplier, subject always to the Minimum and/or Maximum Rate of Interest as described above.

If  $n/N$  or  $n_b/N_b$  is specified as the Rate Multiplier in the applicable Final Terms the following definitions shall apply, unless otherwise specified in the applicable Final Terms:

**Benchmark** means, in respect of any calendar day (in respect of the definition of  $n$ ) or, as applicable, Business Day (in respect of the definition of  $n_b$ ) of an Interest Period, unless specified otherwise in the applicable Final Terms:

- if USD-LIBOR is specified as the applicable Benchmark in the Final Terms, the rate for deposits in United States dollars which is defined for such day under, and shall be determined by the Calculation Agent in accordance with, the Floating Rate Option "USD-LIBOR-BBA" (as defined in the ISDA Definitions) for a period (Designated Maturity) specified in the Final Terms (without reference to any Reset Date), except that the screen page for the Benchmark will be the Reuters page LIBOR01;
- if EURIBOR is specified as the applicable Benchmark in the Final Terms, the rate for deposits in euro which is defined for such day under, and shall be determined by the Calculation Agent in accordance with, the Floating Rate Option "EUR-EURIBOR-Telerate" (as defined in the ISDA Definitions) for a period (Designated Maturity) specified in the Final Terms (without reference to any Reset Date), except that the screen page for the Benchmark will be the Reuters page EURIBOR01;
- if EUR-CMS is specified as the applicable Benchmark in the Final Terms, the annual swap rate for a euro denominated interest swap transaction which is defined for such day under, and shall be determined by the Calculation Agent in accordance with, the Floating Rate Option "EUR-ISDA-EURIBOR Swap Rate-11.00" (as defined in the ISDA Definitions) for a period (Designated Maturity) specified in the Final Terms (without reference to any Reset Date), and appearing for the purpose of information only on Reuters Page "ISDAFIX2" as at 11.00 a.m. (Frankfurt time); or
- if USD-CMS is specified as the applicable Benchmark in the Final Terms, the annual swap rate for a United States dollar denominated interest swap transaction which is defined for such day under, and shall be determined by the Calculation Agent in accordance with, the Floating Rate Option "USD-ISDA-Swap Rate" (as defined in the ISDA Definitions) for a period (Designated Maturity) specified in the Final Terms (without reference to any Reset Date), and appearing for the purpose of information only on Reuters page "ISDAFIX1" as at 11.00 a.m. (New York time);

For the purposes hereof the value of the Benchmark on any calendar day of a relevant Interest Period which is not a Business Day shall be deemed to be (i) such value ascribed to the Benchmark on the immediately preceding Business Day and (ii) the value of the Benchmark on each of the last four Business Days of any Interest Period shall be deemed to be such value ascribed to the Benchmark on the fifth Business Day preceding the Interest Payment Date relating to such Interest Period.

**Minimum Rate of Interest** or **Lower Barrier** means, in respect of an Interest Period, such barrier specified in Part A, Item 15(k) of the applicable Final Terms.

**n** means the number of calendar days in a specified Interest Period on which the Benchmark has been equal to or greater than the Lower Barrier and equal to or lower than the Upper Barrier, as determined by the Calculation Agent.

**N** means the total number of calendar days within an Interest Period.

**n<sub>b</sub>** means the number of Business Days in a specified Interest Period on which the Benchmark has been equal to or greater than the Lower Barrier and equal to or lower than the Upper Barrier, as determined by the Calculation Agent.

**N<sub>b</sub>** means the total number of Business Days within an Interest Period.

**Maximum Rate of Interest** or **Upper Barrier** means, in respect of an Interest Period, such barrier specified in Part A, Item 15(l) of the applicable Final Terms.

(v) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent, in the case of Floating Rate Notes, 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 Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes in respect of each Specified Denomination, or if different, the Calculation Amount, for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, or if different, the Calculation Amount, multiplying such sum by the applicable Floating Day Count Fraction specified in Part A, Item 15(m) of the applicable Final Terms 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.

**Floating Day Count Fraction** means, in respect of the calculation of an amount of interest for any Interest Period:

- (a) if **Actual/365** 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 (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (b) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (c) 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;
- (d) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (e) 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 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months

(unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

- (f) if **30E/360** or **Eurobond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

Without prejudice to sub-paragraph (vi) below, the determination of the Rate of Interest and calculation of the Interest Amount by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on all parties.

- (vi) Notification of Rate of Interest and Interest Amounts

The 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, the Paying Agent 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 14 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. If the relevant Floating Rate Notes are listed on the Luxembourg Stock Exchange, the Agent will cause the Rate of Interest and the Interest Amount to be notified to the stock exchange no later than the first day of the relevant Interest Period. 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 be promptly 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 14 (*Notices*).

For the purposes of these Conditions, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

- (vii) 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 5(b), by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error or proven error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(viii) 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 of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to be calculated and to accrue as provided in this Condition 5 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 Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

(ix) Fixed Rate/Floating Rate Notes

Specific terms of any Notes bearing interest calculated by reference to any index, formula, changes in prices of such Notes, a reference rate, a fixed rate, any other factors as the Issuer and the Dealer(s) may agree, or any combination of the above, shall be set out in the applicable Final Terms.

(x) RMB Notes

Notwithstanding the foregoing, each RMB Note which is a Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate per annum equal to the Rate of Interest. For the purposes of calculating the amount of interest, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which case it shall be brought forward to the immediately preceding Business Day. Interest will be payable in arrear on each Interest Payment Date. The Calculation Agent will, as soon as practicable after 11.00 a.m. (Hong Kong time) on each Interest Determination Date, calculate the amount of interest payable per Specified Denomination, or if different, the Calculation Amount, for the relevant Interest Period. The determination of the amount of interest payable per Specified Denomination, or if different, the Calculation Amount, by the Calculation Agent shall (in the absence of manifest error and after confirmation by the Issuer) be final and binding upon all parties. The Calculation Agent will cause the amount of interest payable per Specified Denomination, or if different, the Calculation Amount, for each Interest Period and the relevant Interest Payment Date to be notified to each of the Paying Agents and to be notified to Noteholders as soon as possible after their determination but in no event later than the fourth Business Day thereafter. The amount of interest payable per Specified Denomination, or if different, the Calculation Amount, and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10 (*Events of Default*), the accrued interest per Specified Denomination, or if different, the Calculation Amount, shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this provision but no publication of the amount of interest payable per Specified Denomination, or if different, the Calculation Amount, so calculated need be made. Unless otherwise agreed in the relevant Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to the Specified Denomination, or if different, the Calculation Amount, and multiplying such product by the actual number of days in the relevant Interest Period or, as applicable, other period concerned and dividing it by 365, and rounding the resultant figure to the nearest Renminbi sub-unit, half of any such sub-

unit being rounded upwards or otherwise in accordance with applicable market convention.

(xi) **Calculation Agent**

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(xii) **Calculations and Adjustments**

- (A) The amount of interest payable shall be calculated in respect of any period by applying the Rate of Interest to the Calculation Amount and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure as set out below or otherwise in accordance with applicable market convention. Where the Nominal Amount of a Specified Denomination of a Note is divisible by more than one multiple of a Calculation Amount, the amount of interest payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each such multiple comprising the Specified Denomination without further rounding.
- (B) Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.
- (C) For the purposes of any calculations referred to in these Terms and Conditions, (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States Dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards, and (e) all Euro amounts will be rounded to the nearest cent, being Euro 0.01, with Euro 0.005 being rounded upwards.

**6. PAYMENTS, INTERPRETATION, EXCHANGE, REDENOMINATION AND CONSOLIDATION**

**(a) Method of Payment**

Subject as provided below:

- (i) payments in a currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency; and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred), specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

**(b) Presentation of Notes, Receipts and Coupons**

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against surrender of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States. Payments under paragraph (a) above made, at the option of the bearer of such Note or Coupon, by cheque shall be mailed or delivered to an address outside the United States furnished by such bearer. Subject to any applicable laws and regulations, such payments made by transfer will be made in immediately available funds to an account maintained by the payee with a bank located outside the United States. Subject as provided below, no payment in respect of any definitive Note or Coupon will be made upon presentation of such definitive Note or Coupon at any office or agency of the Issuer or any Paying Agent in the United States, nor will any such payment be made by transfer to an account, or by mail to an address, in the United States.

Notwithstanding the foregoing, U.S. dollar payments of interest in respect of the Notes (if any) will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

- (i) 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 interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such 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 interest in U.S. dollars; and

- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

Payments of instalment of principal (if any), other than the final instalment, will (subject as provided below) be made against presentation and surrender of the relevant Receipt. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

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 and otherwise in the manner specified in the relevant global Note against presentation or surrender, as the case may be, of such global Note at the specified office of the Agent. A record of each payment made against presentation or surrender, as the case may be, of such global Note, distinguishing between any payment of principal and any payment of interest, will be made on such global Note by the Agent and such record shall be *prima facie* evidence that the payment in question has been made.

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, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by a global Note must look solely to Euroclear or Clearstream, Luxembourg, 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. No person other than the holder of such global Note shall have any claim against the Issuer in respect of any payments due on that global Note.

Fixed Rate Notes in definitive form should be presented for payment together with all relative unmatured Coupons (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the full amount of any missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupon which the sum of principal so paid bears to the total amount of principal 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 twelve years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of the relevant Note (whether or not such Coupon would otherwise have become void pursuant to Condition 9 (*Prescription*)) or, if later, six years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all relative unmatured Talons (if any) will become void and no further Coupons will be issued in respect thereof.

Each Floating Rate Note in definitive form should be presented for payment together with all relative unmatured Coupons (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons). Upon the date on which any Floating Rate Note in definitive form becomes due and repayable, all unmatured Coupons and Talons (if any) appertaining to that Note (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 of such Coupons.

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

(c) **Payment Day**

If the date for payment of any amount in respect of any Note, Receipt 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, unless otherwise specified in the applicable Final Terms, **Payment Day** means any day which is:

- (i) 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:
  - (A) in the case of definitive notes, the relevant place of presentation;
  - (B) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (A) 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 in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(d) **Alternative Payment in U.S. Dollar**

If Inconvertibility, Non-transferability or Illiquidity (each as defined below) occurs, the Issuer, on giving not less than five nor more than 30 days irrevocable notice in accordance with Condition 14 (*Notices*) to the Noteholders prior to the due date for payment, shall be entitled to satisfy its obligations in respect of such payment by making such payment in U.S. dollars on the basis of the Spot Rate on the second FX Business Day prior to such payment or, if such rate is not available on such second FX Business Day, on the basis of the rate most recently available prior to such second FX Business Day.

Any payment made under such circumstances in U.S. dollars will constitute valid payment, and will not constitute a default in respect of the Notes.

**FX Business Day** shall mean a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in U.S. dollars in Hong Kong and New York.

**Governmental Authority** means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong.

**Illiquidity** means the general Renminbi exchange market in Hong Kong becomes

illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the RMB Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two CNY Dealers.

**Inconvertibility** means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the RMB Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation becomes effective on or after the issue date of such RMB Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

**Non-transferability** means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation becomes effective on or after the issue date of the relevant RMB Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

**CNY Dealer** means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong.

**Spot Rate** for a RMB Rate Calculation Date means the spot U.S. dollar/CNY exchange rate for the purchase of U.S. dollars with CNY in the over-the-counter Renminbi exchange market in Hong Kong for settlement on the relevant due date for payment, as determined by the RMB Rate Calculation Agent at or around 11.00 a.m. (Hong Kong time) on such RMB Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the RMB Rate Calculation Agent will determine the Spot Rate at or around 11:00 a.m. (Hong Kong time) on the RMB Rate Calculation Date as the most recently available U.S. dollar/CNY official fixing rate for settlement on the relevant due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

**RMB Rate Calculation Date** means the day which is two RMB Rate Calculation Business Days before the due date for payment of the relevant Renminbi amount under the Conditions.

**RMB Rate Calculation Business Days** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and in New York City.

**RMB Rate Calculation Agent** means the agent appointed from time to time by the Issuer for the determination of the Spot Rate or identified as such in the relevant Final Terms.

The Calculation Agent will not be responsible or liable to the Issuer or any holder of the Notes for any determination of any Spot Rate determined in accordance with this provision in the absence of its own gross negligence, bad faith or wilful misconduct.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 by the Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and all Noteholders.

(e) **Interpretation of Principal and Interest**

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

- (i) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*);
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts; and
- (vi) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in these 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 8 (*Taxation*).

(f) **Exchange of Talons**

On and after the Fixed Interest Date or the Interest Payment Date, as appropriate, 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 the Agent or any other 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 9 (*Prescription*). Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Fixed Interest Date or the Interest Payment Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

**7. REDEMPTION AND PURCHASE**

(a) **Final Redemption**

Unless previously redeemed or purchased and cancelled as provided below, each Note will be redeemed by the Issuer at its Final Redemption Amount which shall be the principal amount of such Note unless another amount is specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) **Redemption for Taxation Reasons**

If (i) as a result of any change occurring after the Issue Date of the Notes (or, if the Notes comprise more than one Tranche, the Issue Date of the first Tranche) in the laws of France, on the occasion of the next payment due in respect of the Notes, the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) and (ii) such requirement cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at its option but subject, in the case of Subordinated Notes, to the prior written approval of the *Secrétariat général de*

*l'Autorité de Contrôle Prudentiel* in France, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable) redeem, at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes), all of the Notes, but not some only, each at its Early Redemption Amount (which shall be stated in the notice) referred to in paragraph (f) together, if appropriate, with interest accrued to the date of such redemption, 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 then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Agent 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 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.

If (A) the Issuer has or will become obliged to pay additional amounts in accordance with Condition 8 (*Taxation*) and (B) the Issuer is prevented by law from paying such additional amounts, the Issuer shall subject, in the case of Subordinated Notes, to the prior written approval of the *Secrétariat général de l'Autorité de Contrôle Prudentiel* in France, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable), redeem, at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes), all of the Notes, but not some only, each at its Early Redemption Amount (which shall be stated in the notice) referred to in paragraph (f) together with, if appropriate, interest accrued to but excluding the date of redemption, 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 required to pay the additional amounts were a payment in respect of the Notes then due.

Upon the expiry of any such notice as is referred to above, the Issuer shall be bound to redeem the Notes to which such notice refers in accordance with the relevant sub-paragraph.

*For information only, Condition 14 (Notices) provides that the above notices to the Noteholders shall also be delivered in writing to the relevant stock exchange (or other relevant authority).*

(c) **Final Terms**

The applicable Final Terms indicates either:

- (i) that the Notes cannot be redeemed prior to their Maturity Date (except as otherwise provided in paragraph (b) and in Condition 10 (Events of Default));  
or
- (ii) that such Notes will be redeemable at the option of the Issuer and/or the holders of the Notes prior to such Maturity Date in accordance with the provisions of paragraphs (d) and/or (e) on the date or dates and at the amount or amounts indicated in the applicable Final Terms.

(d) **Redemption at the Option of the Issuer (Issuer Call)**

If Issuer Call is in the applicable Final Terms, the Issuer may, subject, in the case of Subordinated Notes, to the prior written approval of the *Secrétariat général de l'Autorité de Contrôle Prudentiel* in France, having given not more than 60 nor less

than 30 days' notice to the Agent (or such other period(s) as may be specified in the relevant final terms) and, in accordance with Condition 14 (*Notices*), the holders of the Notes (which notice shall be irrevocable), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to, but excluding, the Optional Redemption Date(s). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount nor more than a Higher 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 be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of such Redeemed Notes will be published in accordance with Condition 14 (*Notices*) not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, or if different, the Calculation Amount, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (d) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 (*Notices*) at least 10 days prior to the Selection Date.

(e) **Redemption at the Option of the Noteholders (Investor Put)**

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 (*Notices*) not more than 60 nor less than 30 days' notice (which notice shall be irrevocable) the Issuer (or such other period(s) as may be specified in the relevant final terms) will, upon the expiry of such notice, redeem (subject to, and in accordance with, the terms specified in the applicable Final Terms) in whole (but not in part) the Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms 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, Luxembourg, 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 (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 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, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depository for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

(f) **Make-whole Redemption by the Issuer**

Unless specified as not being applicable in the relevant Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14 (*Notices*); and
- (ii) not less than 15 days before the giving of notice referred to in (i) above, notice to the Fiscal Agent, the Quotation Agent and such other parties as may be specified in the Final Terms,

(which notices shall be irrevocable and shall specify the date fixed for redemption (each such date, a **Make-whole Redemption Date**) redeem, in whole or in part, the Notes then outstanding at any time prior to their Maturity Date at their relevant Make-whole Redemption Amount.

**Calculation Date** means the third Business Day (as defined in Condition 5) prior to the Make-whole Redemption Date.

**Make-whole Redemption Amount** means the sum of:

- (i) the greater of (x) the Final Redemption Amount of the Notes so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (excluding any interest accruing on the Notes to, but excluding, the relevant Make-whole Redemption Date) discounted to the relevant Make-whole Redemption Date on either an annual or a semi-annual basis (as specified in the relevant Final Terms) at the Make-whole Redemption Rate plus a Make-whole Redemption Margin; and
- (ii) any interest accrued but not paid on the Notes to, but excluding, the Make-whole Redemption Date,

as determined by the Quotation Agent and as notified on the Calculation Date by the Quotation Agent to the Issuer, the Fiscal Agent and such other parties as may be specified in the Final Terms.

**Make-whole Redemption Margin** means the margin specified as such in the relevant Final Terms.

**Make-whole Redemption Rate** means the average of the four quotations given by the Reference Dealers of the mid-market yield to maturity of the Reference Security on the third Business Day preceding the Make-whole Redemption Date at 11:00 a.m. (Central European Time (CET)) (**Reference Dealer Quotation**).

**Quotation Agent** means any Dealer or any other international credit institution or financial services institution appointed by the Issuer for the purpose of determining the

Make-whole Redemption Amount, in each case as such Quotation Agent is identified in the relevant Final Terms.

**Reference Dealers** means each of the four banks, as specified in the relevant Final Terms, selected by the Quotation Agent, which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

**Reference Screen Rate** means the screen rate specified as such in the relevant Final Terms.

**Reference Security** means the security specified as such in the relevant Final Terms. If a Reference Security is no longer outstanding, a Similar Security will be chosen by the Quotation Agent at 11:00 a.m. (CET) on the third Business Day preceding the Make-whole Redemption Date, quoted in writing by the Quotation Agent to the Issuer and published in accordance with Condition 14 (*Notices*).

**Similar Security** means a reference bond or reference bonds issued by the same issuer as the Reference Security having actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, 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.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Quotation Agent shall (in the absence of manifest error) be final and binding upon all parties.

In the case of a partial redemption of Notes, the relevant provisions of Condition 7(e) shall apply mutatis mutandis to this Condition 7(f).

(g) **Redemption of Inflation Linked Notes**

If so specified in Part A, Item 10 of the relevant Final Terms, the Final Redemption Amount in respect of Inflation Linked Notes will be determined by the Calculation Agent on the following basis:

Final Redemption Amount = IIR x nominal amount of the Notes

**IIR** being for the purpose of this Condition 7(g) the ratio determined on the fifth Business Day before the Maturity Date between either (i) if the CPI is specified as the Index applicable in the Final Terms, the CPI Daily Inflation Reference Index or (ii) if the HICP is specified as the Index applicable in the Final Terms, the HICP Daily Inflation Reference Index, on the Maturity Date and the Base Reference on the date specified in the relevant Final Terms.

If the Final Redemption Amount calculated as set out above is below par, the Notes will be redeemed at par.

(h) **Early Redemption Amounts**

For the purposes of paragraph (b) above and Condition 10 (*Events of Default*), unless otherwise specified in the applicable Final Terms, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or

- (ii) in the case of Notes (other than Zero Coupon Notes but including Instalment Notes) with a Final Redemption Amount which is or may be lesser or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount set out in, or determined in the manner set out in, the applicable Final Terms or, if no such amount or manner is set out in the Final Terms, at their nominal amount; or
- (iii) in the case of Zero Coupon Notes, at an amount (the **Amortised Face Amount**) equal to the sum of:
  - (A) the Reference Price; and
  - (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period of less than a full year, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed or such other calculation basis as may be specified in the applicable Final Terms.

- (iv) In the case of Inflation Linked Notes
  - (A) If the relevant Final Terms provides that Condition 7(g) shall apply in respect of Inflation Linked Notes, the Early Redemption Amount upon redemption of such Notes pursuant to Condition 7(b) or upon it becoming due and payable as provided in Condition 10 (*Events of Default*), or the Optional Redemption Amount in respect of such Notes will be determined by the Calculation Agent on the following basis:

Early Redemption Amount/Put Amount = IIR x nominal amount of the Notes

**IIR** being for the purposes of this Condition the ratio determined on the fifth Business Day before the date set for redemption between either (i) if the CPI is specified as the Index applicable in the Final Terms, the CPI Daily Inflation Reference Index or (ii) if the HICP is specified as the Index applicable in the Final Terms, the HICP Daily Inflation Reference Index on the date set for redemption and the Base Reference specified in the relevant Final Terms.

If the Early Redemption Amount calculated as set out above is below par, the Notes will be redeemed at par.

- (B) If the Inflation Linked Notes (whether or not Condition 7(g) applies) fall to be redeemed for

whatever reason before the Maturity Date, the Issuer will pay the Early Redemption Amount together with interest accrued to the date

set for redemption. Such accrued interest will be calculated by the Calculation Agent in respect of the period from, and including the immediately preceding Interest Payment Date or, as the case may be, the Interest Commencement Date to, but excluding, the date set for redemption of such Notes at a rate per annum on the basis of the provisions of Condition 5(b)(iii) above except that, for such purposes the relevant Interest Determination Date shall be the fifth Business Day prior to the relevant Early Redemption Date.

For the purposes of Condition 10 (*Events of Default*), the Issuer will deliver (no later than the redemption of the last outstanding Note of the relevant Series) a notice in writing to the relevant stock exchange (or other relevant authority) stating the applicable Early Redemption Amount(s).

*For information only, paragraph (b) above provides that the Early Redemption Amount shall be stated in the notices to the Noteholders and Condition 14 (Notices) provides that the notices to the Noteholders shall also be delivered in writing to the relevant stock exchange (or other relevant authority).*

(i) **Instalments**

If the Notes are repayable in instalments, they will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

(j) **Purchases**

The Issuer may (subject as provided below) at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts and Coupons appertaining thereto are attached thereto or surrendered therewith) in any manner at any price. If purchases are made by tender, tenders must be available to all Noteholders alike. Unless otherwise indicated in the Final Terms, Notes so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Notes, or cancelled.

In the case of Subordinated Notes, such purchase shall be subject to the prior written approval of the *Autorité de Contrôle Prudentiel* in France (i) if the total principal amount of the Notes so purchased exceeds 10 per cent. of the initial Aggregate Nominal Amount of the Notes or (ii) in the case of an *offre public d'achat* (cash take-over bid) or an *offre public d'échange* (paper take-over bid).

(k) **Cancellation**

All Notes which are redeemed or purchased by the Issuer to be cancelled, other than Notes purchased by the Issuer in the ordinary course of business carried on by it as a dealer in securities or otherwise than as beneficial owner, will be cancelled forthwith, together with all unmatured Receipts and Coupons attached thereto or surrendered or purchased therewith, and may not be resold or reissued.

(l) **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 paragraph (a), (b), (d) or (e) or upon its becoming due and repayable as provided in Condition 10 (*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 paragraph (f)(iii) as though the references therein to the

date fixed for redemption or the date upon which the Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and
- (ii) the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given in accordance with Condition 14 (*Notices*).

## 8. TAXATION

All payments of principal and interest (if any) by the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of France or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes, Receipts and Coupons after such withholding or deduction shall equal the respective amounts of principal and interest (if any) which would have been receivable in respect of the Notes, Receipts or, as the case may be, Coupons, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any payment in respect of any Note, Receipt or Coupon:

- (i) presented for payment by or on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with France other than the mere holding of the Note, Receipt or Coupon; or
- (ii) presented for payment by or on behalf of, a holder who would not be liable or subject to such withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (iii) 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 the expiry of such period of 30 days; or
- (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Union Directive 2003/48/EC or any law (whether within or outside the European Union) implementing or complying with, or introduced in order to conform to, such Directive; or
- (v) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein the **Relevant Date** means the date on which such payment first becomes due but, if the full amount of the money payable has not been received by the Agent on or prior to such due date, it means the date on which, the full amount of such money having been so received, notice to that effect shall have been duly published in accordance with Condition 14 (*Notices*).

## 9. PRESCRIPTION

The Notes, Receipts and Coupons will become void unless presented for payment within periods of twelve years (in the case of principal) and six years (in the case of interest) from the Relevant Date (as defined in Condition 8 (*Taxation*)), in respect thereof.

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 6(b) or any Talon which would be void pursuant to Condition 6(b).

## 10. EVENTS OF DEFAULT

### 10.1 Events of Default relating to Senior Notes

The holder of any Note may give notice to the Issuer that such Note is, and such Note shall accordingly immediately become, due and repayable at its Early Redemption Amount (as described in Condition 7(f)) together, if appropriate, with interest accrued to the date of repayment, in any of the following events:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and such default continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) if the Issuer fails to perform or observe any of its other obligations under these Terms and Conditions and (except where such failure is incapable of remedy when no such notice or continuation as is hereinafter mentioned will be required) such failure continues for the period of 30 days next following the service by any Noteholder on the Issuer of notice requiring the same to be remedied; or
- (c) if any Relevant Indebtedness (as defined below) of the Issuer becomes due and repayable prematurely by reason of an event of default (however described) or the Issuer fails to make any payment required under the terms of such Relevant Indebtedness on the due date for such payment as extended by any applicable grace period as originally provided or the security for any such Relevant Indebtedness becomes enforceable unless, in each case, the Issuer is contesting in good faith in a court of competent jurisdiction that such Relevant Indebtedness is due or that such security is enforceable; or
- (d) if any order shall be made by any competent court or resolution passed for the winding-up or dissolution of the Issuer; or
- (e) if the Issuer shall cease or threaten to cease to carry on the whole or the major part of its business, or the Issuer shall cease generally to pay, or shall be unable to, or shall admit inability to, service its debt as it falls due, or shall be adjudicated or found bankrupt or insolvent; or
- (f) if the Issuer applies for the appointment of a conciliator (*conciliateur*), or ceases to pay its debts generally as and when they fall due or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or for a transfer of the whole of its business (*cession totale de l'entreprise*), or if the Issuer is subject to similar proceedings, or in the absence of legal proceedings, if the Issuer makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors, or a resolution is passed for its winding-up or dissolution.

In this Condition 10.1:

**Relevant Indebtedness** means Indebtedness (as defined in Condition 2) which (either alone or when aggregated with the principal amount of any other such Indebtedness in respect of which any of the events described in (c) above have occurred) amounts to €50,000,000 (or its equivalent in other currencies) in aggregate principal amount.

## **10.2 Enforcement (Subordinated Notes)**

In the case of Subordinated Notes, the holder of any Note may give notice to the Issuer that such Note is, and such Note shall accordingly immediately become, due and repayable at its Early Redemption Amount (as described in Condition 7(f)) together, if appropriate, with interest accrued to the date of repayment, 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.

## **11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

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

## **12. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER**

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Terms and Conditions. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons present 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 of these Terms and Conditions, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders. In addition, in the case of an issue of Subordinated Notes, any proposed modification of any provision of the Notes affecting the ranking of the Notes or their status under applicable French regulations relating to own funds (*fonds propres*), can only be effected subject to the prior written approval of the *Secrétariat général de l'Autorité de Contrôle Prudentiel* in France.

The Agency Agreement contains provisions for convening a single meeting of the Noteholders and the holders of other notes issued subject to the provisions of the Agency Agreement in certain circumstances where the Agent so decides.

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

- (a) any modification (except as mentioned above) of the Agency Agreement which is not prejudicial to the interests of the Noteholders; or

- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

### 13. SUBSTITUTION

The Issuer may be replaced and any subsidiary of the Issuer may be substituted for the Issuer as principal debtor in respect of the Notes and Coupons without the consent of the Noteholders or Couponholders. If the Issuer shall determine that any such subsidiary shall become the principal debtor (in such capacity, the **Substituted Debtor**), the Issuer shall give not less than 30 nor more than 45 days' notice in accordance with Condition 14 (*Notices*) to the Noteholders of such event and, immediately on the expiry of such notice, the Substituted Debtor shall become the principal debtor in respect of the Notes and the Coupons in place of the Issuer and the Noteholders and the Couponholders shall thereupon cease to have any rights or claims whatsoever against the Issuer in its capacity as such. However, no such substitution shall take effect:

- (a) if the effect of such substitution would, at the time of such substitution, be that payments in respect of the Notes would be required to be made subject to any withholding or deduction which would not otherwise arise in the absence of such substitution;
- (b) until the Issuer, as guarantor, shall have entered into an unconditional and irrevocable guarantee in respect of the obligations of such Substituted Debtor;
- (c) in any case, until the Substituted Debtor shall have provided to the Agent such documents as may be necessary to make the Notes and the Agency Agreement its legal, valid and binding obligations; and
- (d) until such Substituted Debtor shall have been approved by the relevant authorities (including, in the case of Notes listed on a stock exchange, the relevant stock exchange) as able to issue the relevant Notes.

Upon any such substitution, the Notes and Coupons will be modified in all appropriate respects and, in the case of Notes listed on a stock exchange, the appropriate documentation will be filed with the relevant stock exchange.

### 14. NOTICES

All notices to the Noteholders will be valid if published in (a) a leading English language daily newspaper of general circulation in the United Kingdom (which is expected to be the *Financial Times*) and (b) if and for so long as the Notes are listed on the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or the *Tageblatt* in Luxembourg). Such notices shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange (or other relevant authority) on which the Notes are for the time being listed. Notices to the Noteholders may also be published on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

Until such time as any definitive Notes are issued, there may (provided that, in the case of Notes listed on any other stock exchange, the rules of the relevant stock exchange

(or other relevant authority) permit), so long as the global Note(s) is or are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given by Euroclear and Clearstream, Luxembourg.

All notices given to Noteholders (irrespective of how given) shall also be delivered in writing to Euroclear and/or Clearstream, Luxembourg and, in the case of Notes listed on a stock exchange, to the relevant stock exchange (or other relevant authority).

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the 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 Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve.

## **15. FURTHER ISSUES**

The Issuer may from time to time without the consent of the Noteholders, Receiptholders or Couponholders issue further notes with the benefit of the Agency Agreement, such notes being assimilated (*assimilables*) with the Notes as regards their financial service, provided that such notes and the Notes carry rights identical in all respects (or in all respects save for the first payment of interest thereon) and that the terms of such notes provide for such assimilation.

## **16. AGENT AND PAYING AGENTS**

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below. The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) 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);
- (b) there will at all times be a Paying Agent with a specified office in a city in continental Europe;
- (c) there will at all times be an Agent; and
- (d) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the second paragraph of Condition 6(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days prior notice thereof shall have been given to the Noteholders in accordance with Condition 14 (*Notices*).

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

No person shall have any right to enforce any term or condition of any Notes under the Contracts (Rights of Third Parties) Act 1999.

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

The Notes, (except for Condition 2 to the extent applicable, which is governed by, and will be construed in accordance with, French law) the Receipts and the Coupons and all non-contractual obligations arising from or connected with them are governed by English law. The Issuer hereby irrevocably agrees for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders that the courts of England have exclusive jurisdiction to settle any dispute arising from or in connection with the Agency Agreement, the Notes, the Receipts or the Coupons (including a dispute relating to non-contractual obligations arising from or in connection with the Agency Agreement, the Notes, the Receipts or the Coupons, or a dispute regarding the existence, validity or termination of the Agency Agreement, the Notes, the Receipts or the Coupons or the consequences of their nullity) (**Proceedings**). The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in such Court and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any Proceedings brought in such Court shall be conclusive and binding upon the Issuer and may be enforced in the courts of any other jurisdiction. Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Issuer hereby appoints RCI Financial Services Ltd, currently of Eagle House, 78 St Albans Road, Watford, Hertfordshire, WD17 1AF, Great Britain to accept service of any Proceedings on its behalf and hereby undertakes that in the event of such person ceasing so to act it will appoint another person as its agent for service of process in England in respect of any Proceedings. If RCI Financial Services Ltd shall cease to have an office in England, the Issuer shall appoint another person with an office in England to accept such service. The Issuer will procure that, so long as any of the Notes remains outstanding, a person with an office in England shall be appointed to accept such service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

The Issuer hereby irrevocably waives with respect to the Notes, Receipts and Coupons any right which it may have to claim immunity from jurisdiction or execution and any similar defence, and irrevocably consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

## **USE OF PROCEEDS**

The net proceeds of each issue of Notes will be applied for the general financing purposes of the Issuer and its consolidated subsidiaries. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in Part B, Item 5 of the applicable Final Terms.

## DESCRIPTION OF RCI BANQUE AND THE RCI BANQUE GROUP

A full description of the Issuer and its consolidated subsidiaries (the **RCI Banque group**) is set out in the Issuer's Annual Report 2012 incorporated in this Base Prospectus by reference (see "*Documents Incorporated by Reference*"). Below is a list setting out certain specific items of information or stating where they may be found.

### General information

See Annual Report 2012, page 109 for the Issuer's legal name, place of registration, registration number, date of incorporation, length of life of the Issuer, domicile, legal form, governing law and country of incorporation.

### Principal activities and markets

See Annual Report 2012, pages 109 and 114 for overview information on the RCI Banque group's principal activities, including main products and services.

See Annual Report 2012, pages 16-28 and 109 for further information on its principal activities and for information on its principal markets.

See Annual Report 2012 pages 6 and 16-28 for a brief review of 2012.

### Organisational structure

The Issuer is the French holding company of the RCI Banque group. The Issuer is, directly or indirectly, the ultimate holding company of all the companies in the RCI Banque group and its assets are substantially comprised of shares in such companies. It does not conduct any other business and is accordingly dependent on the other members of the RCI Banque group and revenues received from them.

See Annual Report 2012, pages 1 and 111 for a brief description of the RCI Banque group and the Issuer's position within the RCI Banque group.

### Management

See Annual Report 2012, pages 111-112 for the names and functions of the Issuer's Executive Committee and relevant external activities of members of the Issuer's Board of Directors. Their business address is at the registered office of the Issuer. There are no potential conflicts of interest between the duties to the Issuer of the members of its Board of Directors above and their private interests or others duties.

### Shareholders

See Annual Report 2012, page 100 for information on ownership and control of the Issuer. The major shareholder in the Issuer is bound, in its relations with the Issuer, by French law provisions relating to the Issuer's status as a credit institution (*réglementation bancaire*).

### Financial information

See Annual Report 2012, pages 46-89 for the RCI Banque group's consolidated financial statements for the year ended 31 December 2011 and 2012 (including balance sheet, Income statement and notes) and the auditors' report thereon.

See Annual Report 2012, page 49 for the RCI Banque group's consolidated audited cash flow statement for the years ended 31 December 2011 and 2012.

## **Indebtedness**

Consistent with RCI Banque activity and regulation applicable to the banking business in France, new loans granted during the period are partially or fully financed through an increase of debt. Increase in new loans are closely linked to the general economic situation in the car industry and the sales performance of the Renault and Nissan Alliance. Depending on these factors, a variation of 10% of debt (increase or decrease) over a six-month period is not considered unusual given RCI Banque's activities. Debt increases are usually performed through:

- (i) public issues under existing EMTN programme, which are all publicly disclosed,
- (ii) as well as bank loans, ABS transactions and private debt issuance abroad or not, all of which are not publicly disclosed.

## TAXATION

### France

The following is only an overview of certain of the implications of an investment in Notes based on current French law and does not purport to constitute legal advice. Prospective purchasers are urged to consult with their own tax advisers prior to purchasing the Notes to determine the tax implications of investing in the Notes in light of each purchaser's circumstances.

- (a) Following the introduction of the French *loi de finances rectificative pour 2009 no. 3* (n° 2009-1674 dated 30 December 2009) (the **Law**), payments of interest and other revenues made by the Issuer with respect to Notes (other than Notes (described below) which are consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued prior to 1 March 2010 having the benefit of Article 131 *quater* of the French General Tax Code) will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (a **Non-Cooperative State**). If such payments under the Notes are made in a Non-Cooperative State, a 50% withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French General Tax Code. The 2013 Finance Act (*loi n°2012-1509 du 29 décembre 2012 de finances pour 2013*) increases the 50 per cent. to 75 per cent. as from 1 January 2013.

Furthermore, interest and other revenues on such Notes are not deductible from the Issuer's taxable income, if they are paid or accrued to persons established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French General Tax Code, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French General Tax Code, at a rate of 30% or 55% subject to the more favourable provisions of a tax treaty, if applicable. The 2013 Finance Act (*loi n°2012-1509 du 29 décembre 2012 de finances pour 2013*) increases the 55% rate to 75% as from 1 January 2013.

Notwithstanding the foregoing, the Law provides that neither the 50% withholding tax nor the non-deductibility will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel de Finances Publiques-Impôts* BoI-ANX-000364-20120912 and BOI-ANX-000366-20120912, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411.1 of the French Monetary and Financial Code or pursuant to an equivalent offer made in a State or territory other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.
- (b) Payments of interest and other revenues on Notes which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued (or deemed issued) outside France as provided under Articles 131 *quater* of the French General Tax Code before 1 March 2010, will continue to be exempt from the withholding tax set out under Article 125 A III of the French General Tax Code.

In addition, interest and other revenues paid by the Issuer on Notes which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued before 1 March 2010, will not be subject to the withholding tax set out in Article 119 *bis* of the French General Tax Code solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

- (c) Pursuant to Article 9 of 2013 Finance Law (*loi n°2012-1509 du 29 décembre 2012 de finances pour 2013*) subject to certain exceptions, interest and other similar revenues received from 1 January 2013 by individuals who are fiscally domiciled in France are subject to a 24 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 other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and other similar revenues paid to individuals who are fiscally domiciled in France.

## **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the **EU Savings Directive**), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income (within the meaning of the EU Savings Directive) paid by a person located within its jurisdiction to an individual resident or certain types of entities called "*residual entities*", within the meaning of Article 4.2 of the EU Savings Directive, (the **Residual Entity** or the **Residual Entities**) established in that other Member State (or certain dependent or associated territories). However, for a transitional period, Luxembourg and Austria are instead permitted (unless during that period they elect otherwise) to apply an optional information reporting system whereby if a beneficial owner, within the meaning of the EU Savings Directive, does not comply with one of two procedures for information reporting, the relevant Member State will levy a withholding tax on payments to such beneficial owner. The withholding tax system applies for a transitional period during which the rate of the withholding is 35% as from 1 July 2011 (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories have adopted similar measures.

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

## **Luxembourg Taxation**

*The following is a general description of certain Luxembourg withholding tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. This overview is based upon the law as in effect on the date of this Base Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.*

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Notes, which are not profit sharing, can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (i) the application of the Luxembourg law of 21 June 2005 implementing the EU Savings Directive and several agreements concluded with certain dependent or associated territories and providing for the possible application of a withholding tax (of 35 per cent. as from 1 July 2011) on interest paid to certain non Luxembourg resident investors (individuals and Residual Entities) (see, paragraph "*EU Savings Directive*" above, which may be applicable in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned EU Savings Directive or agreements).
- (ii) the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005 which has introduced a 10 per cent. withholding tax (which is final when Luxembourg resident individuals are acting in the context of the management of their private wealth) on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg law of 21 June 2005 implementing the EU Savings Directive) paid by a paying agent within the meaning of the EU Savings Directive established in Luxembourg.
- (iii) In addition, pursuant to the law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals who are the beneficial owners of savings income paid by a paying agent within the meaning of the EU Savings Directive established outside Luxembourg, in a Member State of either the European Union or the European Economic Area, or in a jurisdiction having concluded an agreement with Luxembourg in connection with the EU Savings Directive, can opt to self declare and pay a 10% tax on these savings income. This 10% tax is final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

## **PRC Taxation**

The holders of RMB Notes who are not resident in the PRC for PRC tax purposes will not be subject to withholding tax, income tax or any other taxes or duties imposed by any

governmental authority in the PRC in respect of their RMB Notes or any repayment of principal and payment of interest made thereon.

## **Hong Kong Taxation**

*The following is an overview of certain Hong Kong tax considerations relating to the purchase, ownership and disposition of the Notes by a beneficial owner of the Notes. This overview is based on the tax laws of Hong Kong and their published interpretation as currently in effect and which are subject to change. This overview is for general information only and does not address all of the Hong Kong tax considerations that may be relevant to specific holders in light of their particular circumstances.*

### *Withholding tax*

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

### *Profits tax*

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the **Inland Revenue Ordinance**), interest on the Notes may be subject to profits tax and is received by or accrued to:

- (i) a corporation, other than a financial institution (as defined in the Inland Revenue Ordinance), carrying on a trade, profession or business in Hong Kong and where such interest is derived from Hong Kong;
- (ii) a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business and where such interest is derived from Hong Kong; or
- (iii) a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrued are made available outside Hong Kong.

Any capital gains arising from the sale, disposal or redemption of the Notes will not be subject to profits tax in Hong Kong unless such sale, disposal or redemption is or forms part of the revenue or profits of such trade, profession or business carried on in Hong Kong and arise in or are derived from Hong Kong.

Sums received by or accrued to a financial institution by way of gain or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax.

### *Stamp Duty*

Stamp duty will not be payable on the issue of the bearer Notes provided either:

- (i) such Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

- (ii) such Notes constitute loan capital (as defined in the Stamp Duty Ordinance) (Cap. 117 of the Laws of Hong Kong) (**Stamp Duty Ordinance**).

If stamp duty is payable, it is payable by the Issuer on the issue of bearer Notes at a rate of three (3) per cent. of the market value of the Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of bearer Notes.

No stamp duty is payable on the issue of registered Notes. Stamp duty may be payable on the transfer of registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of registered Notes provided that either:

- (i) the registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) the registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance)

If stamp duty is payable in respect of the transfer of registered Notes, it will be payable at the rate of 0.1 per cent. each by the seller and the purchaser (i.e. a total of 0.2 per cent.) normally by reference to the value of the consideration or to the value on the contract notes for such sale (whichever is higher). If, in the case of either the sale or purchase of such registered Notes, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for the late payment. If stamp duty is not paid on or before the due date (two (2) days after the sale or purchase if effected in Hong Kong or thirty (30) days if effected elsewhere) a penalty of up to ten (10) times the duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the registered Notes if the relevant transfer is required to be registered in Hong Kong.

#### *Estate Duty*

No estate duty is payable in respect of the Notes in Hong Kong.

#### *Capital gains tax*

There is no capital gains tax in Hong Kong and no capital gains tax is chargeable or payable on the transfer or disposal of the Notes.

### **Belgium**

*The following is a general description of certain Belgian tax considerations relating to an investment in the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of the Notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Belgium of acquiring, holding and disposing of the Notes. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.*

For the purpose of the summary below, a Belgian resident is (i) an individual subject to Belgian personal income tax (i.e., an individual who has his domicile in Belgium or has his seat of wealth in Belgium, or a person assimilated to a Belgian resident), (ii) a company subject to Belgian corporate income tax (i.e., a company that has its registered office, its main establishment, its administrative seat or its seat of management in Belgium), or (iii) a legal entity subject to Belgian legal entities tax (i.e., an entity other than a company subject to corporate income tax having its registered office, its main establishment, its administrative seat or its seat of management in Belgium).

A non-resident is a person who is not a Belgian resident.

### Belgian withholding tax

The interest component of payments on the Notes made by or on behalf of the Issuer and which is collected through a financial intermediary in Belgium is subject to Belgian withholding tax, currently at a rate of 21% on the gross amount. For Belgian resident individuals, an additional levy of 4% may apply to the interest on the Notes.

Interest on the Notes collected by Belgian resident companies may benefit from an exemption of withholding tax if the company receiving the interest delivers a specific residence certificate. This withholding tax exemption does not apply to zero coupon notes.

For Belgian income tax purposes, interest includes (i) periodic interest income, (ii) any amounts paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer), and (iii) if the Notes qualify as fixed income securities pursuant to Article 2, §1, 8 of the Belgian Income Tax Code 1992 (ITC 1992), in case of a sale of the Notes between interest payment dates to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the detention period.

### Belgian income tax treatment

#### *Belgian resident individuals*

For Belgian resident individuals holding the Notes as a private investment and who opt to submit the interest on the Notes, in addition to the withholding tax of 21%, to an additional levy of 4% withheld at source, the taxes withheld fully discharges them from their personal income tax liability with respect to these interest payments. This means that they do not have to declare the interest obtained on the Notes in their personal income tax return.

For Belgian resident individuals holding the Notes as a private investment and who do not opt to submit the interest on the Notes, in addition to the withholding tax of 21%, to an additional levy of 4% withheld at source, the taxes withheld do not fully discharge them from their personal income tax liability with respect to these interest payments. In such case, the interest amount on the Notes will be communicated to a special contact centre operated by the competent service of the Belgian tax administration who may exchange certain information to the Belgian tax authorities, and the individual will need to declare the interest amount in its personal income tax return. The interest amount so declared will normally be taxed at the interest withholding tax rate of 21% plus local surcharges (the Ministry of Finance has declared that the local surcharges would not be applicable, but this does not follow from the laws currently in force) or at the progressive personal income tax rates plus local surcharges taking into account the taxpayer's other declared income (whichever is lower).

If the gross amount of all interest and dividend income declared and/or communicated to the contact centre, exceeds EUR 20,020 on a yearly basis (threshold applicable for assessment year 2013, income year 2012), the interest declared on the Notes exceeding this threshold will be subject to an additional levy of 4% in the personal income tax declaration. Certain specific categories of interest and dividends are exempt and not taken into consideration in order to calculate whether the threshold is exceeded. Some other categories of interest and dividends are exempt, but are taken into consideration in order to calculate whether the threshold is exceeded.

If the interest payment is declared, the withholding tax retained and, if applicable, the additional levy of 4%, may be credited.

If the payment of interest is not made through a Belgian intermediary and withholding tax is not withheld, the investors must report the interest income in their annual tax return and pay tax thereon at the rate of 21 %, possibly increased with the additional levy of 4%.

Capital gains realised on the disposal of the Notes are as a rule tax exempt, unless these Notes are held for professional purposes or if the capital gain is realised outside the normal management of one's private estate. Capital losses realised upon the disposal of the Notes held as non-professional investment are in principle not tax deductible. If the Notes qualify as fixed income securities pursuant to Article 2, §1, 8 ITC 1992, in case of a sale of the Notes between interest payment dates to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the detention period does not constitute a capital gain, but interest, which may be subject to withholding tax (see section "Belgian withholding tax").

Specific tax rules apply to Belgian resident individuals who do not hold the Notes as a private investment.

#### *Belgian resident companies*

Holders of Notes which are Belgian resident companies will be subject to Belgian corporate income tax on the interest payments made on the Notes at the ordinary corporate income tax rate of in principle 33.99%, any Belgian withholding tax withheld at source being fully creditable and refundable. Capital gains realised in respect of the Notes will be part of the company's taxable income. Capital losses realised upon the sale of the Notes are in principle tax deductible.

#### *Belgian legal entities*

A Belgian resident investor subject to the non-profit legal entities tax (*impôt des personnes morales / rechtspersonenbelasting*) who receives interest without the intervention of a Belgian intermediary free of Belgian withholding tax, is itself liable to declare and pay the withholding tax of 21%.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gains qualify as interest (as defined in the section "Belgian Withholding Tax"). Capital losses are in principle not tax deductible.

#### *Non-residents*

Payments of interest made to investors who are not residents of Belgium will not be subject to Belgian withholding tax if the payments are not collected through a Belgian financial intermediary (unless these investors have a permanent establishment in Belgium through which they hold the Notes). Income collected through regulated financial intermediaries is exempt provided that the investor delivers to its financial intermediary an appropriate certificate of exemption.

#### Tax on stock exchange transactions

Secondary market trades in respect of the Notes will give rise to a stock exchange tax (*Taxe sur les opérations de bourse / Taks op de Beursverrichtingen*) if they are carried out in Belgium through a professional intermediary. The rate applicable for secondary sales and purchases is 0.09%. The tax is due separately from each party to any such transaction, i.e., the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary. The amount of the transfer tax is, however, capped at EUR 650 per transaction per party.

However, the tax referred to above will not be payable by exempt persons acting for their own account including all non-residents of Belgium, subject to the delivery of an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors, as defined in article 126/1, 2° of the Code of various duties and taxes (*Code des droits et taxes divers / Wetboek diverse rechten en taksen*).

#### **Denmark**

*The following relates only to Danish withholding tax and does not deal with any other Danish tax implications of acquiring, holding or disposing of the Notes.*

As the Issuer is not resident in Denmark, payments of interest or principal on the Notes will not be subject to Danish withholding tax.

As a matter of Danish domestic tax law, payments of interest or principal made by a Danish borrower to a creditor under a loan are, as a rule, not subject to any Danish withholding tax.

However, interest payments and certain principal payments made by a Danish borrower pursuant to an intra-group loan to an affiliated foreign company (as defined in Section 3B of the Danish Tax Control Act of 27 June 2011, as amended) are subject to a Danish withholding tax of 25 per cent., unless it falls under at least one of the following categories under Danish tax law:

- the affiliated foreign creditor has a permanent establishment in Denmark to which such interest income is attributed;
- withholding tax must be waived or reduced under the Interest/Royalty Directive (2003/49/EU), provided that the Danish borrower and the foreign creditor are associated as defined under this Directive for a consecutive period of a minimum of one year, during which the interest payments are effected;
- withholding tax must be waived or reduced under a tax treaty to which Denmark is a party;
- the affiliated foreign creditor is directly or indirectly controlled by a Danish parent company as defined in section 31 C of the Danish Company Taxation Act for a consecutive period of minimum one year, during which the interest payments are effected;
- the affiliated foreign creditor is controlled by an entity resident in a country that has concluded a tax treaty with Denmark, provided that such entity is subject to CFC taxation on the interest payments pursuant to the CFC taxation rules of that country; or
- the affiliated foreign creditor can demonstrate that the foreign taxation of the interest payments corresponds to at least  $\frac{3}{4}$  of the Danish corporate tax rate and it does not forward payments of interest to another foreign company which is taxed on such interest payments at a rate of less than  $\frac{3}{4}$  of the Danish corporate tax rate.

Payments may be subject to Danish withholding tax irrespective of the above if the beneficiary of the payments is not the beneficial owner (e.g. if the beneficiary of the payments reassigns the payments to a person or entity resident in a jurisdiction other than Denmark).

## **Germany**

*This section summarizes certain major withholding taxation principles under German tax law which are or may become relevant in connection with the acquisition, holding or transfer of the Notes. The information herein does not purport to be exhaustive and does not provide a complete explanation of all possible relevant withholding or any other tax issues in this area and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. The summary is based on current German tax law, including typical provisions from double taxation treaties ("**DTT**") concluded between the Federal Republic of Germany and other states. It should be considered that the current law may – under certain circumstances even retroactively – be changed.*

*Potential investors should consult their tax advisor with regard to tax consequences which may arise in connection with the purchase, receipt, holding and sale or transfer by way of inheritance or gift of the Notes. The same applies to rules regarding a potential refund of*

*German withholding tax (Kapitalertragsteuer). The specific tax situations of the individual shareholder can only be considered in a sufficient manner by means of individual professional tax advice.*

The Issuer does not assume responsibility for the withholding of German taxes at the source.

### **German Tax Residents**

Persons resident in the Federal Republic of Germany are subject to income taxation (income tax or corporate income tax, as the case may be, and solidarity surcharge) on their worldwide income, regardless of its source, including interest from debt instruments, such as the Notes. Where the Notes form part of the assets of a German trade or business interest income and capital gains will also be subject to trade tax.

If (i) Notes are held in a custodial account which the Holder of the Notes maintains with a German credit institution or a German financial services institution, each as defined in the German Banking Act (*Gesetz über das Kreditwesen*) (including a German branch of a foreign credit institution or of a foreign financial services institution, but excluding a foreign branch of a German credit institution or a German financial services institution) or a German securities trading firm (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbanken*) or such entity executes the sale of the Notes or of interest coupons and (ii) the relevant custodian pays or credits the relevant payments under the Notes (a "**German Paying Agent**") and (iii) the respective payments qualify as interest payments on bonds and claims, which are publicly registered or entered into a foreign register or for which collective global notes or partial debentures were issued, or qualify as capital gains from the sale or redemption of coupons, if the relevant bonds are not subject to the sale or the redemption, or qualify as capital gains from the sale or redemption of other capital claims within the meaning of Section 20 para. 1 no. 7 of the German Income Tax Act, or qualify as profits arising under or from the sale of financial instruments designed as forward transactions (*Termingeschäfte*) the German Paying Agent would withhold or deduct German withholding tax at a rate of 26.375 per cent. (including solidarity surcharge).

In case (i) interest payments on bonds and claims, which are publicly registered or entered into a foreign register or for which collective global notes or partial debentures were issued, or (ii) proceeds from the sale or redemption of coupons, if the relevant bonds are not subject to the sale, or (iii) proceeds from the sale or redemption of other capital claims within the meaning of Section 20 para. 1 no. 7 of the German Income Tax Act or (iv) profits arising under or from the sale of financial instruments designed as forward transactions (*Termingeschäfte*) are paid out or credited by a German Paying Agent to a Holder other than a foreign credit institution or foreign financial services institution against handing over the Notes or interest coupons ("**Over-the-counter Transaction**") the German Paying Agent is obliged to withhold tax at a rate of 26.375 per cent. (including solidarity surcharge) if – in case of interest coupons – the German Paying Agent does not hold the partial debentures in custody or – in case of other securities – the credit institution does not hold the securities in custody.

Generally income deriving from capital investments (e.g. interest income under the Notes and also capital gains) is subject to a final flat tax of 25 per cent. plus a solidarity surcharge thereon, which is currently levied at 5.5 per cent., resulting in an aggregate tax burden of 26.375 per

cent.), if the Holder is an individual and does not hold the Notes as a business asset for tax purposes. If the Holder of the Notes holds the Notes with a German Paying Agent, then such flat tax will be directly withheld by such German Paying Agent (see above). An individual Holder may in addition be subject to church tax. Upon written application of the resident Holder, the German Paying Agent is obliged to withhold also church tax. If the resident Holder by means of a written application chooses that the church tax should be taken into account within the withholding tax procedure by the German Paying Agent, the flat tax is to be reduced by 25 per cent. of the church tax applying to the respective taxable income. Such reduced withholding tax amount is the assessment base for the church tax to be withheld by the German Paying Agent. The church tax rate varies between the German federal states. Upon application by the respective taxpayer, the tax authorities will tax capital investment income, such as income deriving from the Notes, with the individual tax rate of the Holder if such tax rate is lower than the flat tax rate.

The tax base depends upon the nature of the respective income:

With regard to current interest income, the gross interest the resident Holder receives is subject to the flat tax upon accrual of the interest (i.e. once the Holder can dispose over such interest).

Regarding the sale or redemption of the Notes, the capital gain is calculated on the difference between the proceeds from the redemption, transfer or sale after deduction of expenses directly related to the transfer, sale or redemption and the acquisition costs, if the Notes were purchased or sold by the German Paying Agent and had been held in a custodial account since. In case the resident Holder transfers the Notes to another account, the initial German Paying Agent has to inform the new German Paying Agent about the acquisition costs of the Notes, otherwise 30 per cent. of the proceeds are deemed as assessment base for the withholding tax.

Apart from an annual lump-sum deduction (*Sparer-Pauschbetrag*) for investment type income of € 801 (€ 1,602 for married couples filing jointly) investors holding the Notes as private assets will not be entitled to deduct expenses incurred in connection with the investment in the Notes from their income. In addition, such Holders could not offset losses from the investment in the Notes against other types of income (e.g., employment income).

In general, no withholding tax will be levied if the Holder of Notes is an individual (i) whose Notes do not form part of the property of a German trade or business nor gives rise to income from the letting and leasing of property and (ii) who filed a certificate of exemption (*Freistellungsauftrag*) with the German Paying Agent but only to the extent the interest income derived from the Notes together with other investment income does not exceed the maximum exemption amount shown on the certificate of exemption. Similarly, no withholding tax will be deducted if the Holder of Notes has submitted to the German Paying Agent a certificate of non assess sent (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office.

If the Notes are not held as a private asset but as a German business asset, gains relating to a sale, transfer or redemption of the Notes and payments of interest are subject to German corporation tax or income tax and in any case trade tax as part of current operating profit. Losses incurred under the Notes may only be limited tax deductible.

The withholding tax will also apply with regard to proceeds of the Holders of the Notes as

business assets, provided the requirements as set forth above are met, unless in cases of profits deriving from forward transactions (*Termingeschäfte*) or from the sale of the Notes (i) the Holder of the Notes qualifies as corporation being subject to unlimited taxation in Germany or (ii) the capital gains are business income of a German business and the investor declares this fact to the German Paying Agent by ways of an official form. If the Notes are held as business assets, a withholding tax charge will not be a final tax, but will be credited against the assessed tax charge.

### **Non-residents**

Non-residents of Germany are, in general, exempt from German income taxation, unless the respective payments qualify as taxable income from German sources within the meaning of Section 49 of the German Income Tax Act, e.g. if the Notes are held in a German permanent establishment or through a German permanent representative or payments are paid within the scope of an Over-the-counter Transaction (see above) or if the Notes are profit participating or convertibles.

Such limited tax liability will, with certain exceptions applying, also be incurred if the Notes are secured by German real estate or by ships which have been entered into a domestic register. In this case a Holder will be subject to limited taxation in Germany and income tax (or corporation income tax, as the case may be) and solidarity surcharge on the respective income may become due. Such limited tax liability may be assessed by withholding tax by applying the principles for German residents or in addition, in the sole discretion of the German tax authorities, if they assess such withholding as appropriate to secure Germany's tax claim on such income. Under certain circumstances non-residents may benefit from tax reductions or tax exemptions available under double taxation treaties, entered into with Germany, if any.

In addition, interest income and capital gains may be subject to trade tax if the Notes belong to a German permanent establishment of the Holder.

### **Italy**

Interest on Notes issued by the Issuer is subject to a 20 per cent. substitute tax if it is received by Italian recipients who are included among the following categories of Italian residents: individuals, non-commercial partnerships, non-profit organisations, the Italian State and public entities or entities that are exempt from IRES. This substitutive tax can be levied by Italian resident intermediaries which intervene in the payment of the Interest. For the sake of clarity, this is not a withholding tax at source applicable by the Issuer. If no Italian resident intermediaries intervene in the payment of the Interest the 20 per cent. tax would be applied by the Noteholder in the relevant tax return.

Interest accrued on Notes issued by the Issuer held by Italian resident companies, Italian investment funds, foreign open-ended investment funds and SICAV are not subject to the 20 per cent. substitute tax provided that the Notes are deposited directly or indirectly (i) with a bank or a SIM resident in Italy, (ii) with the Italian permanent establishment of a non-resident bank or brokerage company which is electronically connected with the Italian Ministry of Finance, or (iii) with a non-resident entity or company which has an account with a centralised clearance system (such as Euroclear or Clearstream, Luxembourg) which has a direct relationship with the Italian Ministry of Economy and Finance. If the Notes are not deposited, the 20 per cent. substitute tax will be applicable.

## **The Netherlands**

*The following summary of certain Dutch withholding tax considerations is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of a Note. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.*

*Where this summary refers to "The Netherlands", it refers only to the European part of the Kingdom of the Netherlands. Where this summary refers to a Note, such reference is also considered to include a Coupon, Talon and Receipt.*

*Investors are advised to consult their professional advisers as to the tax consequences of purchase, ownership and disposition of the Notes.*

All payments made by the Issuer of interest and principal under the Notes can be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

## **The proposed financial transactions tax ("FTT")**

The European Commission has published a 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).

The proposed FTT has very broad scope and could, if introduced in its current form, 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 current proposals 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 (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

The Dealers have in a Programme Agreement dated 28 August 2013 (the **Programme Agreement**, which expression includes the same as it may be updated or supplemented from time to time) 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 for any particular purchase by a Dealer will extend to those matters stated under *Terms and Conditions of the Notes* and *Form of the Notes* above. The Issuer may pay the Dealers commissions from time to time in connection with the sale of any Notes. In the Programme Agreement the Issuer has agreed to reimburse and indemnify the Dealers for certain of their expenses and liabilities in connection with the establishment of the Programme and the issue of the Notes. The Dealers are entitled to be released and discharged from their obligations in relation to any agreement to issue and purchase Notes under the Programme Agreement in certain circumstances prior to payment to the Issuer.

### (a) **United States**

The Notes have not been and will not be registered under the U.S. Securities Act of 1993 (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered or sold within the United States or to U.S. persons. Each of the Dealers has agreed that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes within the United States or to U.S. persons. In addition, until 40 days after the commencement of any offering, an offer or sale of Notes from that offering within the United States by any dealer whether or not participating in the offering may violate the registration requirements of the Securities Act.

### (b) **Public Offer Selling Restriction under the Prospectus Directive**

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

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

subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive;

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

For the purposes of this provision, the expression **an offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **2010 PD Amending Directive** means Directive 2010/73/EU to the extent it has been implemented into the Relevant Member State and the expression **Prospectus Directive** means Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 and the 2010 PD Amending Directive and includes any relevant implementing measure in each Relevant Member State.

**(c) Selling Restrictions addressing Additional United Kingdom Securities Laws**

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

- (i) 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 would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

**(d) Japan**

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the **Financial Instruments and Exchange Act**) and has agreed or will agree, as the case may be, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

**(e) France**

Each Dealer and the Issuer has represented and agreed and each further Dealer appointed under the Programme shall represent and agree that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in the Republic of France and

that offers and sales of Notes will be made in the Republic of 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*), as defined in Article L.411-1, Article L.411-2 and Article D.411-1 of the French *Code monétaire et financier*.

Each Dealer and the Issuer has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, the Base Prospectus or any other offering material relating to the Notes other than to those investors (if any) to whom offers and sales of the Notes in the Republic of France may be made as described above.

**(f) Republic of Italy**

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that, save as set out below, it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy unless in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Accordingly, each of the Dealers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Base Prospectus and any other document relating to the Notes in the Republic of Italy except:

- (1) to "*qualified investors*", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Decree No. 58**) and in Articles 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended (**Regulation No. 11971**).
- (2) that it may offer, sell or deliver Notes or distribute copies of any prospectus relating to such Notes in an offer to the public in the period commencing on the date of publication of such prospectus, provided that such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Directive 2003/71/EC of 4 November 2003 (the **Prospectus Directive**) and the Directive 2010/73/EU of 24 November 2010 (the **Amending Directive**), as implemented in Italy under Decree 58 and Regulation No. 11971, and ending on the date which is 12 months after the date of approval of such prospectus; and
- (3) in any other circumstances where an express exemption from compliance with the solicitation restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007, as amended and any other applicable laws and regulations; and
- (b) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

*Provisions relating to the secondary market in Italy*

Investors should also note that, in any subsequent distribution of the Notes in the

Republic of Italy, Article 100-*bis* of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Notes are placed solely with "*qualified investors*" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under Decree No. 58 applies.

**(g) Netherlands**

For selling restrictions in respect of The Netherlands, see "*Public Offer Selling Restriction Under the Prospectus Directive*" above and in addition:

- (a) *Specific Dutch selling restriction for exempt offers*: 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 make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive unless:
- (i) such offer is made exclusively to persons or legal entities which are qualified investors (as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the **FSA**) and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands; or
  - (ii) standard exemption logo and wording are disclosed in the Final Terms as required by Article 5:20(5) of the FSA; or
  - (iii) such offer is otherwise made in circumstances in which Article 5:20(5) of the FSA is not applicable,

**provided that** no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an **offer of Notes to the public** in relation to any Notes in The Netherlands; and (ii) **Prospectus Directive**, have the meaning given to them above in the paragraph headed with "*Public Offer Selling Restriction Under the Prospectus Directive*".

- (b) *Compliance with Dutch Savings Certificates Act*: Zero Coupon Notes (as defined below) in definitive form of the Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon

Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein **Zero Coupon Notes** are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

**(h) Hong Kong**

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

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

**(i) People's Republic of China**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes are not being offered or sold and may not be offered or sold directly or indirectly in the PRC, for such purpose, not including the Hong Kong and Macau Special Administrative Regions or Taiwan, except as permitted by the securities laws and regulations of the PRC.

**(j) Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an

institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA.

**(k) Denmark**

An offer of the Notes may only be made in Denmark (i) if this Base Prospectus and any supplements hereto have been approved by a competent financial regulator in another EU/EEA Member State, if the Danish Financial Supervisory Authority and the European Securities and Markets Authority (**ESMA**) have been notified pursuant to Section 18 of the Prospectus Directive, and if the Base Prospectus is valid pursuant to Part 5 of the Danish Executive Order no. 643/2012 or (ii) in reliance on one or more of the exemptions from the requirement to prepare and publish a prospectus in the Danish Securities Trading Act or any Executive Orders issued pursuant thereto. This Base Prospectus or any material relating hereto may not otherwise be made available nor may the Notes otherwise be marketed and offered for sale in Denmark.

**(l) General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree (to the best of its knowledge and belief) to comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes the Base Prospectus and to 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 Dealers shall have responsibility therefore.

None of the Issuer and any of 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 any such sale

With regard to each Tranche, the relevant Dealer will be required to comply with such additional restrictions as the Issuer and the relevant Dealer shall agree.

## GENERAL INFORMATION

### Authorisation and consents

No authorisation procedures are required of the Issuer by French law for the update of the Programme. However, to the extent that Notes issued by the Issuer under the Programme may constitute *obligations* under French law, the issue of such Notes will be authorised in accordance with article L.228-40 of the French *Code de commerce*, as more fully described in the applicable Final Terms.

All necessary consents for the issue of Notes have been obtained by the Issuer.

### Listing and admission to trading of Notes

Application has been made for Notes issued under the Programme to be admitted to the official list and traded on the regulated market of the Luxembourg Stock Exchange and/or Euronext Paris.

### Conditions for determination of price

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

### Material or significant change

There has been no material adverse change in the financial position or prospects of RCI Banque and the RCI Banque group since 31 December 2012, being the date of the latest published annual audited accounts of RCI Banque and the RCI Banque group, respectively and there has been no significant change in the financial or trading position of RCI Banque and the RCI Banque group since 30 June 2013, being the date of the latest published interim accounts, of RCI Banque and the RCI Banque group, respectively.

### Litigation

Neither RCI Banque nor any member of the RCI Banque group are or have been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have or have had in the 12 months preceding the date of this document a significant effect on the financial position or profitability of RCI Banque or the RCI Banque group.

### Auditors

Both DELOITTE & ASSOCIES of 185, avenue Charles de Gaulle BP 136, 92200 Neuilly-sur-Seine, France and Ernst & Young Audit of 1/2, place des Saisons, 92037 Paris-La Défense Cedex, France, members of the *Compagnie Régionale de Versailles* have, without qualification, audited the accounts of the Issuer in accordance with generally accepted auditing standards in France for each of the financial years ended 31 December 2011 and 2012. The auditors of the Issuer have no material interest in the Issuer.

### Documents available for inspection and collection

For the period of 12 months following the date of this Base Prospectus copies of:

- (a) the *Statuts* of the Issuer;

- (b) the Issuer's Annual Reports 2011 and 2012, respectively including the audited consolidated annual financial statements for each of the financial years ended 31 December 2011 and 2012, the Issuer's consolidated unaudited interim financial statements for such years and at any time the consolidated annual financial statements of the Issuer for the two immediately preceding financial years and all consolidated unaudited interim financial statements as may subsequently be published by the Issuer, including the Semi-Annual Report 2013. The Issuer currently produces (i) interim financial statements on a consolidated unaudited semi-annual basis only and (ii) non-consolidated financial statements on an audited annual basis only;
- (c) this Base Prospectus and any supplements thereto;
- (d) any future base prospectuses, Final Terms in respect of listed Notes (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) and the documents incorporated herein and therein by reference; and
- (e) the Programme Agreement and any supplement thereto, the Agency Agreement and any supplement thereto (which contains the forms of the global Notes, the definitive Notes, the Receipts, the Coupons and the Talons) and the Deed of Covenant,

may be obtained when published at the registered office of the Issuer, the principal office of the Agent in London and the principal office of the Paying Agent in Luxembourg. English translations of the documents referred to under (a) and (b) above will also be obtainable at such places. The documents referred to under (c) and (d) above will also be obtainable on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

### **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The ISIN or other appropriate codes for each Tranche allocated by Euroclear and Clearstream, Luxembourg and details of any other agreed clearing system (including Euroclear France) will be specified in the applicable Final Terms. Transactions will normally be effected for settlement not earlier than two days after the date of the transaction. 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 1, boulevard du Roi Albert II, B-1210, Brussels, Belgium and the address of Clearstream, Luxembourg is 42, avenue J F Kennedy, L-1855, Luxembourg.

### **Post-issuance information**

The Issuer does not intend to provide post-issuance information, if not otherwise required by all applicable laws and regulations.

## **RCI BANQUE**

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