

THIS DOCUMENT IS A FREE TRANSLATION OF THE FRENCH LANGUAGE “PROSPECTUS DE BASE” DATED THE DATE OF THIS DOCUMENT PREPARED BY REGION ILE-DE-FRANCE. IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED IN THESE DOCUMENTS, THE RELEVANT STATEMENTS OR ITEMS OF THE FRENCH LANGUAGE “PROSPECTUS DE BASE” SHALL PREVAIL.

BASE PROSPECTUS



Région Ile-de-France

Euro 7,000,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme described in this Base Prospectus (the “**Programme**”), Région Ile-de-France (the “**Issuer**” or “**Région Ile-de-France**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the “**Notes**”). The aggregate nominal amount of Notes outstanding will not at any time exceed Euro 7,000,000,000 (or the equivalent in other currencies).

This Base Prospectus supersedes and replaces the Base Prospectus dated 27 May 2016.

Application will be made in certain circumstances for Notes issued under the Programme to be admitted to trading on a regulated market of Euronext Paris (“**Euronext Paris**”). Euronext Paris is a regulated market in the sense of directive 2004/39/EC of 21 April 2004, as amended (a such market being designated as “**Regulated Market**”). The Notes may also be admitted to trading on another Regulated Market of the European Economic Area or a unregulated market of the European Economic Area or another unregulated market or not be admitted to trading. The relevant Final Terms (as defined in the chapter “Principal characteristics of the Notes and the principal risks associated with the Notes”) (the form of which is contained in this Base Prospectus) in respect of the issue of any Notes will specify whether or not such Notes will be admitted to trading and will state, as the case may be, the relevant Regulated Market. Notes admitted to trading on a regulated market will have a face value equal or higher than EUR 100,000 (or the exchange value of this amount in any other currency) or any higher amount which should be authorised by any relevant competent authority or any applicable law or regulation. The French version of this Base Prospectus has been submitted to the clearance procedures of the *Autorité des marchés financiers* (“**AMF**”) and has been approved by the AMF under visa n°17-375 granted on 20 July 2017.

Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in materialised form (“**Materialised Notes**”), as more fully described in this Base Prospectus.

Dematerialised Notes will at all times be in book entry form in compliance with Article L.211-4 of the French *Code monétaire et financier*. No physical documents of title will be issued in respect of the Dematerialised Notes. Dematerialised Notes may, at the option of the Issuer, be (a) in bearer dematerialised form (*au porteur*) inscribed as from the issue date in the books of Euroclear France (“**Euroclear France**”) (acting as central depository – as defined in chapter “Terms and Conditions of the Notes – Interest and other Calculations) which shall credit the accounts of Account Holders (as defined in the chapter “Terms and Conditions of the Notes – Form, Denomination, Title and Redenomination”) including Euroclear Bank S.A./ N.V. (“**Euroclear**”) and the depository bank for Clearstream Banking, SA (“**Clearstream, Luxembourg**”) or (b) in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 1(c)(iv)) of the Terms and Conditions of the Notes, in either fully registered form (*nominatif pur*), in which case they will be inscribed either with the Issuer or with a registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (*nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a “**Temporary Global Certificate**”) will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for Definitive Materialised Notes in bearer form (“**Definitive Materialised Notes**”) with, where applicable, coupons for interest attached, on or after a date expected to be on or about the 40th calendar day after the issue date of the Notes (subject to postponement as described in “Temporary Global Certificates issued in respect of Materialised Notes”) upon certification as to non-U.S. beneficial ownership, as more fully described in this Base Prospectus.

Temporary Global Certificates will (a) in the case of a Tranche (as defined in the chapter “General Characteristics of the Programme”) intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

The Issuer has been rated AA with stable outlook by Fitch Ratings and its short-term debt has been rated F1+ by Fitch Ratings. The Issuer has been rated AA with a stable outlook by Standard & Poor's and its short-term debt has been rated A1+ by Standard & Poor's. The Programme has been rated AA by Fitch Ratings and AA by Standard & Poor's. As at the date of the Base Prospectus, each of such credit rating agencies is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies as amended (the “**CRA Regulation**”) and is included in the list of credit rating agencies published by the European Securities and Market Authority on its website (www.esma.europa.eu) in accordance with the CRA Regulation. When an issue of Notes is rated, such rating will not necessarily be the same as the rating assigned under the Programme. Notes issued under the Programme may be rated or unrated. The rating of Notes, if any, will be disclosed in the Final Terms. 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 credit rating agency.

This Base Prospectus will be published (a) on the websites of the AMF (www.amf-france.org), and the Issuer (<https://www.iledefrance.fr/finances-budget/financement-region> and <https://www.iledefrance.fr/region-funding> in English) (b) available for inspection and copy, without charges, during normal business days and hours, any business day of the week, at the registered office of the Issuer and at the specified offices of any Paying Agent set out at the end of this Base Prospectus.

BNP PARIBAS	Arrangers	HSBC
BNP PARIBAS DEUTSCHE BANK NATIXIS SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING	Dealers	CREDIT AGRICOLE CIB HSBC MORGAN STANLEY UBS INVESTMENT BANK

The date of this Base Prospectus is 20 July 2017.

This Base Prospectus (as well as any supplement relating thereto) constitutes a base prospectus pursuant to article 5.4 of Prospectus Directive (as defined below) entailing all information which is necessary to enable investors to make an informed assessment of the assets, the activity, the financial position, the profits and prospects of the Issuer, as well as of the rights attaching to the Notes, as well as information required by annexes , XIII and XVI of the European Regulation 809/2004/EC, as amended by Commission Delegated Regulation (EU) n°486/2012 of 30 March 2012 and Commission Delegated Regulation (EU) n°862/2012 of 4 June 2012 . Each Tranche (as defined in chapter "General Description of the Programme") of Notes will be issued in accordance with the provisions set out in chapter "Terms and Conditions of the Notes" of this Base Prospectus, as supplemented by the provisions of the relevant Final Terms agreed between the Issuer and the relevant Dealers (as defined in chapter "General Description of the Programme") upon issue of such Tranche.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arrangers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes may include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Materialised Notes in bearer form, delivered within the United States. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "Subscription and Sale".

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers or the Arrangers to subscribe for, or purchase, any Notes.

The Arrangers and the Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers or the Arrangers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arrangers or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arrangers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

For the purposes of this Base Prospectus, the expression "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading on a Regulated Market, as amended by Directive 2010/73/EU, and includes any relevant implementing measure in the Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**").

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "EUR" or "euro" are to the lawful currency of the member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community as amended, references to "£", "pounds sterling", "GBP" and "Sterling" are to the lawful currency of the United Kingdom, references to "\$", "USD" and "U.S. Dollars" are to the lawful currency of the United States of America, references to "¥", "JPY", "Japanese yen" and "Yen" are to the lawful currency of Japan and references to "Swiss francs" or "CHF" are to the lawful currency of the Helvetic Confederation.

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RISK FACTORS

The Issuer believes that the following factors are important for any decision to invest in the Notes and/or may affect its ability to fulfil its obligations under the Notes. All of these contingencies 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. Investors are informed that the value of their investment may be affected by certain factors or events (it being specified that the risk incurred by the investor is limited to the value of its investment).

The Issuer believes that the factors described below represent the principal risks inherent in Notes issued under the Programme, but the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The risks described below are not the only risks that an investor in the Notes faces. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on the risks relating to an investment in the Notes. 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. In particular, investors should make their own assessment as to the risks associated with the Notes prior to investing in the Notes.

The Issuer believes that Notes should only be purchased by investors who are (or are purchasing under the guidance of), financial institutions or other professional investors that are in a position to understand the special risks that an investment in the Notes involves.

Any reference below to a Condition is a reference to the correspondingly numbered condition in the Terms and Conditions of the Notes.

Risk Factors relating to the Issuer

Risks relating to Issuer's activities, operations and assets

The asset risks of the Ile-de-France Region are related to any damage, accident, destruction, or physical loss that may be incurred in relation to any tangible or intangible asset. The operation and the organization of the Issuer are subject to risks, in particular risks associated with its vehicles fleet or related to the status of its agents or its elected officials.

The insurance policies of the Ile-de-France Region cover any building owned or occupied irrespective of title whatsoever, for risks caused, in particular, by natural disaster, fire, terrorist attack or act of vandalism, as well as any of the Region's vehicles. In addition, the civil liability of the Region and its services, including ancillary activities of any nature and those covered by ancillary budgets, is the subject of a specific insurance policy.

Financial risks

In relation to financial risks (including excessive debt risk and non-payment risk), the legal framework governing borrowings by territorial units limits the risk of insolvency.

Article 2 of the Law N° 82-213 of 2 March 1982, setting out the rights of municipalities, departments and regions, discontinued the direct control of the central government of the actions of territorial units. This change also gives the territorial units full freedom to evaluate and determine their financing needs and to liberalise and normalise the terms applying to their borrowings. As a result, territorial units can freely borrow, and their relationships with lenders are based on private law and the right to enter into contractual agreements.

This freedom can be exercised in conformity with the following principles:

- Borrowings may only finance investments;
- Reimbursement of the capital of borrowings must be covered by the territorial unit's own resources.

Furthermore, according to article L. 1611-3-1 of the French *Code Général des Collectivités Territoriales* (the "CGCT") created by Law n°2013-672 on 26 July 2013, the subscription of a loan by the Issuer from a credit institution is subject to limitations relating to the currency, the interest rate and the hedging instruments that can be used. However, this article is not applicable to bond loan as specified in the parliamentary work (Report n° 1091 on behalf of the Finance Committee of the National Assembly deposited on 29 May 2013, amendment n° 160 on 19 March 2013).

Risks relating to the non repayment of the debts by the Issuer

If the debt of the Issuer is increasing over the last years from 2.2 billion euro in 2006 to 5.6 billion euro in 2016, the debt burden (interest and nominal) represents less than 15 percent of the permanent revenue. The debt service is a mandatory expenditure (*dépense obligatoire*), whether it concerns interest or repayment of capital. Interest on the debt and the reimbursement of the principal on borrowings constitute, according to the French law (article L. 4321-1 of the CGCT), mandatory expenditure (*dépenses obligatoires*) for the Region. As a result, this expenditure must be included in the Region's budget. If this is not the case, the legislator has created a procedure (in Article L. 1612-15 of the CGCT) which allows the Prefect, after receiving the opinion of the Regional *Chambre des Comptes*, to procure the listing of the expenditure in the Region's budget. In addition, if the Region does not pay any mandatory expenditure, a procedure is also laid down by legislation (in Article L. 1612-16 of the CGCT) whereby the Prefect of the Region shall be entitled to procure payment of such expenditure.

The Note holders are exposed to the credit risk of the Issuer. By credit risk we mean the risk of not being able to meet its financial obligations under the Notes leading to a loss for the investor. However, the mandatory nature of the reimbursement of the debt (nominal and interest), in accordance with the provisions of article L. 4321-1 of the CGCT provide a strong protection for the note holders and makes this risk very hypothetical concerning a public territorial unit.

Risks relating to off-balance sheet operations and current investments of the Issuer

Guarantees or sureties granted to public or private entities are subject to the provisions of articles L. 4253-1, L.4253-2 and D. 4253-1 of the CGCT. As of 31 December 2016, The amount of debt secured by a guarantee granted by the amounts to 498,000 euro representing 0.01% of its own debt 'see paragraph 3.2.4 of the section "Description of the Issuer" of the Base Prospectus).

For the year 2016, the prudential ratio set up by article D. 1511-30 of the CGCT amounts to 11.7% (against 11.9 in 2015) for the Issuer, when the ceiling is set at 50%

Risks relating to derivative products

Beyond that, recourse to borrowings and to financial instruments (derivative products such as swaps, caps, tunnels...) is restricted by the inter-ministerial circular, n° NOR IOCB1015077C of 25 June 2010 relating to financial products offered to territorial units and to their public entities. This circular specifies the risks inherent in the management of debt by local authorities and repeats the state of the law regarding the recourse to financial products and financial risk hedging instruments. The text indicate that the use of financial instruments is authorised only for the purpose of hedging rate or currency risk. The Ile-de-France Region's policy in relation to interest rate risk is prudent: it aims to protect regional debt against an increase in rates whilst at the same time reducing cost.

Besides this, the Ile-de-France Region takes no exchange-rate risk because whenever it issues securities in a foreign currency it enters into contracts for the exchange of the currency into euro at the outset.

Furthermore, Decree n° 2014-984 of 28 August 2014 adopted pursuant to aforementioned law of 26 July 2013 sets out the conditions of the financial contracts concluded by the local authorities.

Risks relating to financial resources evolution

Regarding its revenue, the Issuer, as a local authority, is exposed to any evolution of its legal and regulatory environment which could modify such revenue's structure or yield. However, the Issuer is protected by the constitutional principle of financial autonomy (*autonomie financière*), article 72-2 of the Constitution providing that "*tax revenues and other own resources of local authorities represent for each category of local authorities, a significant part of their resources*".

Law n°2014-1653 of 29 December 2014 on Public Finance planning for 2014 to 2019 have resulted in a decrease until 2017 of one of the yearly financial contribution of the French state to territorial units.

In this context, the reduction planned of the financial contribution by the French state is likely to affect adversely the operating revenue of the Issuer. The budgetary balance to be respected is likely to lead the Issuer to adjust its expenses or to increases its other resources. In 2017 the general operating grant paid by the French state to the Issuer amount to 477.1 million euro (compared to 554.9 million euro in 2016).

Risks relating to financial statements

The Issuer as a territorial unit is not subject to the same accounting standards than a private issuer. Its financial statements (administrative accounts, budgets...) are subject to specific accounting rules set out in particular by Decree n° 2012-1246 of 7 November 2012 and the CGCT as described in detail pages 56 and following of this Base Prospectus.

The financial assessment of the Issuer by the investors required to take into account its specific accounting.

The accounts of the Issuer are subject to the controls of the state: (i) control of legality exercised by the prefect, (ii) financial and budgetary control exercised by the Regional Court of Accounts (iii) jurisdictional and management control exercised by the Regional Court of Accounts. Controls are described in detail pages 57 and following of this Base Prospectus. Issuer's accounts are not audited according to the same process than a private issuer but subject to assessment by the French state.

Legal risks relating to enforcement proceedings

The Issuer, as a local authority (*collectivité territoriale*), is not exposed to legal risks related to enforcement proceedings. As a legal entity governed by public law, the Issuer is not subject to enforcement proceedings, and its assets cannot be seized, reducing the availability of remedies for the investors as part of repayment of the Notes comparing to a private issuer. However, the recording and payment order of compulsory expenditures for the Issuer resulting from a final jurisdictional decision are governed by article 1 of law n°80-539 of 16 July 1980 and articles L 911-1 and following of the Administrative Justice Code.

Rating of Issuer

The rating of the Issuer by Fitch Ratings and Standard and Poor's Global Ratings constitute only the expression of an opinion on the level of credit risks associated with the Issuer and does not reflect all the risk in relation with the Issuer. This rating does not constitute a recommendation to buy, to sell or to hold the Notes, and can, at any time, be suspended, modified or removed by the rating agency.

Risk Factors relating to the Notes

Investors are informed that the value of their investment may be affected by certain factors or events (it being specified that the risk incurred by the investor is limited to the value of its investment).

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for debt securities issued by issuers is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

An active trading market for the Notes may not develop.

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. The Issuer is entitled to buy the Notes, as described in Condition 6(e), and the Issuer may issue further Notes, as described in Condition 14(a). Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

The Notes may be redeemed before maturity.

If, on the occasion of a repayment of principal or a payment of interest the Issuer would be obliged to pay Additional Amounts, in accordance with Condition 8(b) "Additional Amounts" the Issuer may in compliance with the provisions of Article 6 (d) "Repayment for tax reasons" redeem all outstanding Notes at the Early Redemption Amount together, unless otherwise specified in the relevant Final Terms, with interest accrued up to the date set for Redemption in accordance with the Terms and Conditions.

Any early redemption at the option of the Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield received by Noteholders to be considerably less than anticipated.

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. As a consequence, the yield received upon redemption may be lower than expected, and the redeemed amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholders. As a consequence, part of the capital invested by the Noteholders may be lost, so that the Noteholders in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

Partial redemption of Notes at the option of the Issuer or at the option of the Noteholders may make the market illiquid.

Depending on the number of Notes of the same Series in respect of which a partial redemption of the Notes at the option of the Issuer or at the option of the Noteholders is made, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid.

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

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is that if interest rates decline, investors will only be able to reinvest the interest income paid to them at the lower interest rates then prevailing.

Risks arising in relation with fixed rate Notes

It cannot be set aside that the value of fixed rate Notes be affected by future variations on the interest rate markets.

Risks arising from floating rate

An investment in Notes with floating rate consists of (i) the reference rate and (ii) of a margin to be added or to deducted, as the case may be, from this reference rate. Generally, the relevant margin will not evolve during the life of the Notes but there will be a periodic adjustment of the reference rate which will evolve according to the general conditions of the market. Consequently, the market value of the Notes with floating rate can be volatile if changes, particularly short-term changes, on the market of the interest rates applicable to the relevant reference rate can be applied to the interest rate of these Notes only in the next periodic adjustment of the relevant reference rate.

If the reference rate is at any negative, he could result from it, despite of the existence of a margin, that the actual floating rate is lower than the applicable margin. To avoid any doubt, if the relevant floating rate was to be negative a floor rate of 0% will apply and no sum will be due by the investors to the Issuer.

Exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Notes in the currency specified in the relevant Final Terms (the “**Specified Currency**”). This presents certain risks relating to currency conversions if an investor’s financial activities are 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.

Risks arising in relation with credit rating .

Independent credit rating agencies may assign credit ratings to Notes issued under this Programme. The rating may not reflect the potential impact of the risk factors described in this section, and of all the other risk factors that may affect the value of the Notes issued under this Programme. A credit rating is not recommendation to buy, sell or hold securities and may be revised or withdrawn by the credit rating agency at any time.

Modification of the Terms and Conditions.

The Noteholders will, in respect of all Tranches in any Series where provided in the relevant Final Terms, be grouped automatically for the defence of their common interests in a Masse, as defined in Condition 11 of the Terms and Conditions of the Notes “Representation of Noteholders”, and a General Meeting can be held. The Terms and Conditions permit in certain cases defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority. The General Meeting may deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subjects of judicial decisions, as more fully described in Condition 11.

Change of law.

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

Taxation.

Potential purchasers 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. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial notes such as the Notes. Potential investors are advised not to rely upon the tax information contained in this Base Prospectus (this tax information does not constitute a tax advice) 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 potential investor. This investment consideration has to be read in connection with the information contained in the section “General Information” of this Base Prospectus and, if any, contained in the relevant Final Terms.

Financial transaction tax

On 14 February 2013, the EU Commission adopted a proposal for a directive on a financial transaction tax (the “**FTT**”) to be implemented according to the cooperation procedure agreed between eleven Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain) (the “**Participating Member States**”). In March 2016 Estonia has officially confirmed that they will not be a part of the Members States.

The proposed FTT has a very broad scope and could, if it is adopted in the current format, apply in some circumstances to certain dealings in Notes (including secondary market transactions). The issuance and subscription of Notes should, however, be exempt.

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 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 proposed directive remains subject to negotiation between the participating Member States and the scope of such tax is uncertain. Additional EU Member States may decide to participate.

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

The Notes may not be a suitable investment for all investors

Each prospective investor in the Notes must determine based on its personal assessment and with the help of any adviser he may find to be useful depending on the circumstances, the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

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

A potential investor should not invest in Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Potential conflicts of interests

Potential conflicts of interests may exist between the Calculation Agent and the Noteholders (including the case where a Dealer acts as Calculation Agent) in particular within the framework of the determinations, the calculations and the judgments which such Calculation Agent could be brought to realise in accordance with the Terms and Conditions, these being able to have an influence on amounts to be perceived by the Noteholders during the detention of the Notes and it is true until their repayment.

The Issuer may appoint a Placement Agent as calculation agent for the issuance of Notes under issuance programme. In this case, the Calculation Agent may potentially be member of an international financial group involved in the Issuer's ordinary activity in a wide range of banking activities and conflict of interest may arise. Despite the implementation of barrier to accessing information and process to handle conflicts of interest the Calculation Agent may as part of its other banking activities be involved in operation including index or derivatives products which may have effects on the holders receivables during the holding period and on maturity of the Notes or on the market price, the liquidity or the value of the Notes which may adversely affect the holders interests.

Control of legality

The *Préfet* of the *Région Ile-de-France* has a two (2) month period, from the transmission to the *préfecture* of a resolution (*délibération*) of the *Région Ile-de-France* and the contracts the *Région* has entered into, to control the legality of those deliberations and/or the decision to sign such contracts and/or of such contracts to the extent that they were administrative contracts and, if they were considered illegal, defer them to the competent administrative jurisdiction and, if applicable, ask the court to order their suspension. The competent administrative judge may then, if the resolutions and/or the decision to sign such contracts and/or such contracts if they were administrative ones were considered illegal, suspend or revoke them, in whole or in part.

Third party action

A third party, having a cause for action may bring an annulment proceeding before the administrative courts against a resolution (*délibération*) or a decision of the *Région Ile-de-France* (other than a resolution or a decision considered as "detachable" from administrative contracts in relation with the contracts signed after the 4 April 2014) or any "detachable" act from the contracts of private law entered into by it within two (2) months from the date of their publication and, where appropriate, request the court to order suspension of such resolution.

In certain circumstances, and in particular if the appeal against the misuse of authority is preceded by an administrative remedy procedure before the administration, the above mentioned period of two (2) months may be extended. Moreover, if the applicable resolution, decision or act "detachable" act is not published in an appropriate manner, such actions may be carried out without time limits by any third party having a cause for action.

In the event of an appeal against the misuse of authority in respect of a resolution or a decision other than a decision or a resolution considered as "detachable" from an administrative contract or against any "detachable" act from the contracts of private law entered into, the administrative judge may, if it considers the administrative act illegal, void it in whole or in part, which may lead to the voiding of the contracts based on such resolution.

In the event that an administrative contract would be concluded by the *Région Ile-de-France*, a third party having a cause for action, may bring a "full remedy action" (*recours de pleine juridiction*) before the administrative courts against such a contract (if this contract has been signed after 4 April 2014) or some of its clauses, if these clauses are of a non regulatory nature and as such severable from the contract, within a two (2) months period from the appropriate publication and, if applicable request the court to order suspension of such contract. In addition, if the administrative contract were not appropriately published, the actions could be brought by any third party having a cause for action without time limits.

If the competent judge were to consider that the defect in the contract would impair its validity, it may, after having assessed the significance and consequences of such defects and taking into account, in particular, the nature of these defects, decide to terminate or rescind the contract.

SUPPLEMENTS TO THE BASE PROSPECTUS

If at any time after the date of this Base Prospectus a 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 appears or is noticed, a supplement to this Base Prospectus shall be prepared.

All supplements to this Base Prospectus will be published on the websites of (i) the AMF (www.amf-france.org), (ii) the Issuer (<https://www.iledefrance.fr/finances-budget/financement-region> and <https://www.iledefrance.fr/region-funding> in English) and (iii) any other relevant regulation authority and will be available for consultation and copy, free of charge, at the offices of each Paying Agent set out at the end of this Base Prospectus during normal business hours so long as any of the Notes are outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The present Base Prospectus should be read together with the following documents which have already been submitted to the AMF. These documents are incorporated into the present Base Prospectus and are considered as being an integral part of it:

The section "Terms and Conditions" of the base prospectus dated 25 July 2008 (approved by the AMF under number 08-0158 on 25 July 2008) (the "2008 Terms and Conditions");

The section "Terms and Conditions" of the base prospectus dated 11 September 2009 (approved by the AMF under number 09-0256 on 11 September 2009) (the "2009 Terms and Conditions");

The section "Terms and Conditions" of the base prospectus dated 16 November 2010 (approved by the AMF under number 10-0405 on 16 November 2010) (the "2010 Terms and Conditions");

The section "Terms and Conditions" of the base prospectus dated 29 November 2011 (approved by the AMF under number 11-0556 on 29 November 2011) (the "2011 Terms and Conditions");

The section "Terms and Conditions" of the base prospectus dated 4 December 2012 (approved by the AMF under number 12-0587 on 4 December 2012) (the "2012 Terms and Conditions");

The section "Terms and Conditions" of the base prospectus dated 6 December 2013 (approved by the AMF under number 13-0652 on 6 December 2013) (the "2013 Terms and Conditions");

The section "Terms and Conditions" of the base prospectus dated 24 March 2015 (approved by the AMF under number 15-0105 on 24 March 2015) (the "2015 Terms and Conditions"); and

The section "Terms and Conditions" of the base prospectus dated 27 May 2016 (approved by the AMF under number 16-210 on 27 May 2016) (the "2016 Terms and Conditions").

for the issue of fungible in accordance with the above Terms and Condition.

As long as the notes will be outstanding under the Programme, all the documents incorporated by reference in the present Base Prospectus (a) will be published on the web site of the issuer (<https://www.iledefrance.fr/finances-budget/financement-region>; <http://www.iledefrance.fr/conseil-regional/budget-2015>) and (b) and copies are available free of charge on the usual day of opening of offices, at the registered office of the Issuer and at the offices of the Paying Agent(s) as indicated at the end of the Present Base Prospectus.

The information incorporated by reference should be read in accordance with the table of concordance below. Any information which is not indicated in the table below, but being included in the documents incorporated by reference is provided by way of information only.

Modalités	Pages
2008 Terms and Conditions	20 to 39 of the base prospectus dated 25 July 2008
2009 Terms and Conditions	20 to 39 of the base prospectus dated 11 September 2009
2010 Terms and Conditions	22 to 41 of the base prospectus dated 16 November 2010
2011 Terms and Conditions	24 to 43 of the base prospectus dated 29 November 2011
2012 Terms and Conditions	25 to 44 of the base prospectus dated 4 December 2012
2013 Terms and Conditions	25 to 43 of the base prospectus dated 6 December 2013
2015 Terms and Conditions	25 to 43 of the base prospectus dated 24 March 2015
2016 Terms and Conditions	30 to 48 of the base prospectus dated 27 May 2016

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description is qualified by the remainder of this Base Prospectus. The Notes will be issued on such terms as shall be agreed between the Issuer and the relevant Dealer(s) and, unless specified to the contrary in the relevant Final Terms, will be subject to the Terms and Conditions set out on pages 18 to 33.

Issuer:	Région Ile-de-France
Description:	<p>Euro Medium Term Note Programme for the continuous offer of Notes (the “Programme”).</p> <p>The Notes will constitute <i>obligations</i> under French law.</p>
Arrangers:	BNP Paribas and HSBC France (the “ Arrangers ”)
Dealers:	<p>BNP Paribas</p> <p>Crédit Agricole Corporate and Investment Bank</p> <p>Deutsche Bank AG, London Branch</p> <p>HSBC France</p> <p>Morgan Stanley & Co. International plc</p> <p>NATIXIS</p> <p>Société Générale</p> <p>UBS Limited</p> <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to “Permanent Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p> <p>At the date of this Base Prospectus, only credit institutions and investment firms incorporated in a member state of the European Union (“EU”) and which are authorised by the relevant authority of such member home state to lead-manage bond issues in such member state may, in the case of Notes to be listed on Euronext Paris, act (a) as Dealers with respect to non-syndicated issues of Notes denominated in euro and (b) as lead manager of issues of Notes denominated in euro issued on a syndicated basis.</p>
Programme Limit:	Up to Euro 7,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Calculation Agent:	BNP Paribas Securities Services in respect of Dematerialised Notes. A specific calculation agent will be appointed in respect of any Series of Materialised Notes.
Consolidation Agent:	BNP Paribas Securities Services in respect of Dematerialised Notes. A specific consolidation agent will be appointed in respect of any Series of Materialised Notes.

Fiscal Agent:	<p>BNP Paribas Securities Services in respect of Dematerialised Notes.</p> <p>A specific fiscal agent will be appointed in respect of any Series of Materialised Notes.</p>
Principal Paying Agent:	<p>BNP Paribas Securities Services in respect of Dematerialised Notes (affiliated with Euroclear France under number 29106).</p> <p>A specific principal paying agent will be appointed in respect of any Series of Materialised Notes.</p>
Paris Paying Agent:	<p>BNP Paribas Securities Services in respect of Dematerialised Notes.</p> <p>A specific Paris paying agent will be appointed in respect of any Series of Materialised Notes.</p>
Redenomination Agent:	<p>BNP Paribas Securities Services in respect of Dematerialised Notes. A specific redenomination agent will be appointed in respect of any Series of Materialised Notes.</p>
Method of Issue:	<p>The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable (<i>fongibles</i>) with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the first payment of interest, will be identical (<i>assimilables</i>) to the terms of other Tranches of the same Series) will be set out in the final terms to this Base Prospectus (the “Final Terms”).</p>
Maturities:	<p>Subject to compliance with all relevant laws, regulations and directives, the Notes will have a maximum maturity of thirty (30) years from the date of original issue as specified in the relevant Final Terms.</p>
Currencies:	<p>Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in euro, U.S. Dollars, Japanese yen, Swiss francs, Sterling and in any other currency agreed between the Issuer and the relevant Dealer(s).</p>
Denomination(s):	<p>Notes shall be issued in the Specified Denomination(s) set out in the relevant Final Terms. Notes admitted to trading on a regulated market will have a face value equal or higher than EUR 100,000 (or the exchange value of this amount in any other currency) or any higher amount which should be authorised by any relevant competent authority and with all applicable legal and/or regulatory in respect of the specified currency.</p> <p>Dematerialised Notes shall only be issued in one Specified Denomination.</p> <p>Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) having a maturity of less than one year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) will have a minimum denomination of £100,000 (or its equivalent in other currencies).</p>

Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Status of the Notes:	The Notes and, on maturity, the relevant Coupons will constitute direct, unconditional, unsubordinated and (subject to the provisions relating to negative pledge) unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by French law) equally with all other present or future unsecured and unsubordinated obligations of the Issuer from time to time outstanding.
Negative Pledge:	So long as any of the Notes or, if applicable, any Coupons relating to them, remains outstanding, the Issuer will not create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest (<i>sûreté réelle</i>) upon any of its assets or revenues, present or future, to secure any present or future indebtedness for borrowed money in the form of, or represented by, bonds (obligations), notes or other securities with a maturity greater than one year and which are for the time being, or are capable of being, admitted to trading on a Regulated Market, unless the Issuer's obligations under the Notes and, if applicable, Coupons are equally and rateably secured therewith.
Events of Default:	The terms of the Notes will contain an event of default provision as further described in "Terms and Conditions of the Notes - Events of Default".
Redemption Amount:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) having a maturity of less than one year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Optional Redemption and Early Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and if so the terms applicable to such redemption.
Early Redemption:	Except as provided above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "Terms and Conditions of the Notes – Redemption, Purchase and Options".
Taxation:	<p>All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. Please refer to the chapter entitled "Tax" for a more detailed description of the French withholding tax</p> <p>If French law should require that payments of principal or interest in respect of any Note or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Coupon holders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, subject to some exceptions further set out in</p>

Condition 8 "Taxation".

Fixed Rate Notes:

Fixed interest will be payable in arrears on the date or dates in each year specified in the relevant Final Terms.

Floating Rate Notes:

Floating Rate Notes will bear interest determined separately for each Series as follows and as indicated in the relevant Final Terms:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency pursuant to the 2007 or 2013 Master Agreement of the *Fédération Bancaire Française* ("FBF") as specified in the Final Terms, relating to transactions on forward financial instruments (the "**FBF Master Agreement**") as supplemented by the Technical Schedules published by the *Association Française des Banques* or the FBF; or
- (ii) by reference to LIBOR, LIBID, LIMEAN, CMS or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms) in each case as adjusted for any applicable margin.

Interest Periods and Interest Rates:

Interest periods will be specified in the relevant Final Terms.

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

Redenomination:

Notes issued in the currency of any Member State of the EU which will participate in the single currency of the European Economic and Monetary Union may be redenominated into euro, all as more fully provided in the relevant Final Terms, pursuant to the "Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination".

Consolidation:

Notes of one Series may be consolidated with Notes of another Series as more fully provided in "Terms and Conditions of the Notes - Further Issues and Consolidation".

Form of Notes:

Notes may be issued in either dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").

Dematerialised Notes may, at the option of the Issuer, be issued in bearer dematerialised form (*au porteur*) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder, in either *au nominatif pur* or *au nominatif administré* form. No physical documents of title will be issued in respect of Dematerialised Notes. See "Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination".

Materialised Notes will be in bearer form only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Notes. Materialised Notes may only be issued outside France.

Governing Law:

French. The Issuer has submitted to the jurisdiction of the French courts. However, the assets and properties of the Issuer are not subject to legal process under private law or attachment

in France.

Clearing Systems:

Euroclear France as central depository in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

Notes which are admitted to trading on Euronext Paris will be cleared through Euroclear France.

Initial Delivery of Dematerialised Notes:

One Paris business day before the issue date of each Tranche of Dematerialised Notes, the *lettre comptable* relating to such Tranche shall be deposited with Euroclear France as central depository.

Initial Delivery of Materialised Notes:

On or before the issue date of each Tranche of Materialised Notes, the Temporary Global Certificate issued in respect of Such Tranche shall be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.

Admission to trading:

On Euronext Paris and/or any other Regulated Market or unregulated market in the European Economic Area and/or any other unregulated market as specified in the relevant Final Terms. The relevant Final Terms may specify that a Series of Notes will not be admitted to trading.

Rating:

The Programme has been rated AA by Fitch Ratings and AA by Standard & Poor's. Each of such credit rating agencies is established in the European Union and is registered under Regulation (EC) N°1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies as amended (the "**CRA Regulation**") and is included in the list of credit rating agencies published by the European Securities and Market Authority on its website (www.esma.europa.eu) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated. When an issue of Notes is rated, such rating will not necessarily be the same as the rating assigned under the Programme. The rating of Notes, if any, will be disclosed in the Final Terms. 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 credit rating agency.

Selling Restrictions:

There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See "Subscription and Sale". In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the relevant Final Terms.

The Issuer is Category 1 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.

Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") unless (i) the relevant Final Terms states that such Materialised Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or (ii) such Materialised Notes are issued other than in compliance with the TEFRA D Rules or the TEFRA C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA

is not applicable.

The TEFRA rules do not apply to Dematerialised Notes.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions (the "**Terms and conditions**") that, as supplemented in accordance with the provisions of the relevant Final Terms (as defined below).

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.

In the case of Dematerialised Notes, the text of the Terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as supplemented by the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these Terms and conditions together with the relevant provisions of the Final Terms (and subject to simplification by the deletion of non-applicable provisions), or (ii) these Terms and conditions as so supplemented, shall be endorsed on Definitive Materialised Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. References in the Conditions to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under the Programme. The Notes will constitute obligations under French law.

The Notes are issued by Région Ile-de-France (the "**Issuer**" or "**Région Ile-de-France**") with the benefit of an amended and restated agency agreement in the French language and translated into English for information purposes only (*contrat de service financier modifié et consolidé*) dated 20 July 2017 (the "**Agency Agreement**") between the Issuer, BNP Paribas Securities Services as, *inter alia*, fiscal agent in respect of Dematerialised Notes (as defined below) and the other agents named in it. The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below, respectively, as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Redenomination Agent**", the "**Consolidation Agent**" and the "**Calculation Agent(s)**". A Specific Fiscal Agent (acting also as Principal Paying Agent, Paris Paying Agent, Redenomination Agent and Consolidation Agent) will be, as the case may be, appointed by the Issuer in respect of any series of Materialised Notes (as defined below).

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

Certain defined terms contained in the 2007 or 2013 FBF Master Agreement as specified in the Final Terms, relating to transactions on forward financial instruments as supplemented by the Technical Schedules published by the *Association Française des Banques* or the *Fédération Bancaire Française* ("**FBF**") (together the "**FBF Master Agreement**") have either been used or reproduced in Condition 5 below.

Copies of the Agency Agreement, together with an English translation thereof, and of the FBF Master Agreement are available for inspection at the specified offices of each of the Paying Agents.

In these Conditions, reference to "day" is to calendar days unless otherwise specified.

The provisions of article 1195 of the French civil code do not apply to the Terms and conditions.

1. FORM, DENOMINATION(S), TITLE AND REDENOMINATION

(a) Form

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").

- (i) Title to Dematerialised Notes will be evidenced in accordance with Article L.211-3 of the French *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes (within the meaning of Article L.211-3 of the French *Code monétaire et financier*) are issued, at the option of the Issuer, in either bearer form (*au porteur*), which will be inscribed in the books of Euroclear France ("**Euroclear France**") (acting as central depositary) which shall credit the accounts of Account Holders, or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account maintained by the Issuer or a registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

For the purpose of these Conditions, "**Account Holder**" means any authorised financial intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and the depositary bank for Clearstream Banking, SA ("**Clearstream, Luxembourg**").

- (ii) Materialised Notes are issued in bearer form only. Materialised Notes in definitive form ("**Definitive Materialised Notes**") are serially numbered and are issued with interest coupons ("**Coupons**") (and, where appropriate, talons for further interest coupons ("**Talons**") attached.

In accordance with Article L.211-3 of the French Code monétaire et financier, Materialised Notes (when they constitute titres financiers) must be issued outside the French territory.

(b) **Denomination(s)**

Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the “**Specified Denomination(s)**”) on the understanding that the Notes admitted to trading on a regulated market will have a denomination equal or higher than EUR 100,000 (or the exchange value of this amount in any other currency) or any higher amount which should be authorised by any relevant competent authority and with all applicable legal and/or regulatory in respect of the specified currency.

Dematerialised Notes shall be issued in one Specified Denomination only.

(c) **Title**

- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be made through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be made through, registration of the transfer in the accounts of the Issuer or the Registration Agent.
- (ii) Title to Definitive Materialised Notes having, where appropriate, Coupons and/or a Talon attached thereto on issue, shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iv) In these Conditions, “**Noteholder**” or, as the case may be, “**holder of any Note**” means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Note and the Coupons or Talon relating to it.

Capitalised terms have the meanings given to them in the relevant Final Terms.

(d) **Redenomination**

The Issuer may (if so specified in the relevant Final Terms) without the consent of the holder of any Note, Coupon or Talon, by giving at least 30 days' notice in accordance with Condition 15, redenominated into euro all, but not some only, of the Notes of any Series on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the “**EC**”), as amended from time to time (the “**Treaty**”)), all as more fully provided in the relevant Final Terms.

2. **CONVERSION AND EXCHANGES OF NOTES**

(a) **Dematerialised Notes**

- (i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the French *Code monétaire et financier*. Any such conversion shall be effected at the cost of such Noteholder.

(b) **Materialised Notes**

Materialised Notes of one Specified Denomination may not be exchanged for Materialised Notes of another Specified Denomination.

3. **STATUS**

The Notes and Coupons relating to them constitute direct, unconditional, unsubordinated and (without prejudice to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

4. **NEGATIVE PLEDGE**

So long as any of the Notes or, if applicable, any Coupons relating to them, remains outstanding (as defined herein-after), the Issuer will not create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest (*sûreté réelle*) upon any of its assets or revenues, present or future, to secure any present or future indebtedness for borrowed money in the form of, or represented by, bonds (*obligations*), notes or other securities with a maturity greater than one year and which are for the time being, or are capable of being, admitted to trading on a Regulated Market, unless the Issuer's obligations under the Notes and, if applicable, Coupons are equally and rateably secured therewith.

For the purposes of this Condition:

“**outstanding**” means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised Notes in bearer form (*au porteur*) and in administered registered form (*au nominatif administré*), to the relevant Account Holders on behalf of the Noteholders as provided in Condition 7(a), (ii) in the case of Dematerialised Notes in fully registered form (*au nominatif pur*), to the account of the Noteholders as provided in Condition 7(a) and (iii) in the case of Materialised Notes, to the Fiscal Agent as provided in this Agreement and remain available for payment against presentation and surrender of Materialised Notes, and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in the Conditions, (e) in the case of Materialised Notes (i) those partially destroyed or defaced Materialised Notes that have been surrendered in exchange for replacement Materialised Notes, (ii) (for the purpose only of determining how many such Materialised Notes are outstanding and without prejudice to their status for any other purpose) those Materialised Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Materialised Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Notes, pursuant to its provisions.

5. **INTEREST AND OTHER CALCULATIONS**

(a) **Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Benchmark**” means the reference rate as set out in the relevant Final Terms;

“**Business Day**” means:

- (i) in the case of euro, a day on which the TARGET2 (Trans European Automated Real Time Gross Settlement Express Transfer, which uses a unique shared platform and which was launched on 19 November 2007 (or any successor) (“**TARGET2**”)) is operating (a “**TARGET Business Day**”); and/or
- (ii) in the case of a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency; and/or
- (iii) in the case of a Specified Currency and/or one or more business centre(s) specified in the relevant Final Terms (the “**Business Centre(s)**”), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified;

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the “**Calculation Period**”):

- (i) if “**Actual /365**”, “**Actual /365-FBF**” or “**Actual /Actual-ISDA**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual /Actual-ICMA**” is specified in the relevant Final Terms:
 - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (B) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year in each case where

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“Determination Date” means the date specified in the relevant Final Terms or, if none is so specified, the Interest Payment Date;

- (iii) if **“Actual /Actual-FBF”** is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period). If the Calculation Period is of a duration of more than one year, the basis shall be calculated as follows:

(x) the number of complete years shall be counted back from the last day of the Calculation Period;

(y) this number shall be increased by the fraction for the relevant period calculated as set out in the first paragraph of this definition.

For example, for a Calculation Period from 10.2.94 to 30.6.97 the following two periods shall be taken into consideration:

30.6.94 to 30.6.97 = 3 years

10.2.94 to 30.6.94 = 138/365

- (iv) if **“Actual /365 (Fixed)”** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (v) if **“Actual /360”** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (vi) if **“30 /360”, “360 /360”** or **“Bond Basis”** is specified in the relevant Final Terms the number of days in the Calculation 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 Calculation Period is the 31st day of a month but the first day of the Calculation 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 Calculation 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));
- (vii) if **“30/360-FBF”** or **“Actual 30A/360 (American Bond Basis)”** is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days calculated as for 30E/360-FBF, subject to the following exception:

where the last day of the Calculation Period is the 31st and the first day is neither the 30th or the 31st, the last month of the Calculation Period shall be deemed to be a month of 31 days.

Where:

D1 (dd1, mm1, yy1) is the date of the beginning of the period

D2 (dd2, mm2, yy2) is the date of the end of the period

If $dd^2 = 31$ et $dd^1 \neq (30, 31)$

then:

$x [(yy^2 - yy^1) \times 360 + (mm^2 - mm^1) \times 30 + (dd^2 - dd^1)]$

or:

$x [yy^2 - yy^1) \times 360 + (mm^2 \pm mm^1) \times 30 + \text{Min } dd^2, 30) - \text{Min } (dd^1, 30)];$

- (viii) if **“30E/360”** or **“Eurobond Basis”** is specified in the relevant Final Terms, the number of days in the Calculation 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 Calculation Period unless, in the case of a Calculation 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); and

- (ix) if “30E/360-FBF” is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days elapsed during such period, calculated on the basis of a year comprising 12 months of 30 days, subject to the following the exception:

if the last day of the Calculation Period is the last day of the month of February, the number of days elapsed during such month shall be the actual number of days.

Using the same abbreviations as for 30/360-FBF the fraction is:

$$1/360 \times [(yy^2 - yy^1) \times 360 + (mm^2 - mm^1) \times 30 + \text{Min}(dd^2, 30) - \text{Min}(dd^1, 30)];$$

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates;

“**Euroclear France**” means the central depository of French securities located 66, rue de la Victoire, 75009 Paris, France;

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union;

“**FBF Definitions**” means the definitions set out in the FBF Master Agreement or the Technical Schedules, which are available on the FBF internet website (www.fbf.fr), “Banking issues” chapter, “agreements & conventions” page;

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date ;

“**Interest Amount**” means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount as specified in the relevant Final Terms, as the case may be;

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms;

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in the city specified in the Final Terms for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro;

“**Interest Payment Date**” means the date(s) specified in the relevant Final Terms;

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

“**Interest Period Date**” means each Interest Payment Date or any other dates specified in the relevant Final Terms;

“**Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organization providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate;

“**Rate of Interest**” means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the relevant Final Terms;

“**Reference Banks**” means the institutions specified as such in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone);

“**Relevant Financial Centre**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro- zone) or, if none is so connected, Paris;

“Relevant Date” means, in respect of any Note or Coupon, the date on which payment in respect of it first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (in the case of Materialised Notes if earlier) the date seven days after that on which notice is duly given to the holders of such Materialised Notes that, upon further presentation of the Materialised Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation ;

“Relevant Rate” means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date ;

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose **“local time”** means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11.00 a.m. Brussels time;

“Representative Amount” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time;

“Specified Currency” means the currency specified as such in the relevant Final Terms.

“Specified Duration” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(c)(ii).

(b) **Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date except as otherwise provided in the relevant Final Terms.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

(c) **Interest on Floating Rate Notes**

- (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear (except as otherwise provided in the relevant Final Terms) on each Interest Payment Date.

Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either FBF Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) **FBF Determination for Floating Rate Notes**

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Agent as a rate equal to the relevant FBF Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), **“FBF Rate”** for an Interest Accrual Period means a rate equal to the Floating Rate that would be

determined by the Agent under a Transaction under the terms of an agreement incorporating the FBF Definitions and under which:

- a) the Floating Rate is as specified in the relevant Final Terms and
- b) the relevant Floating Rate Determination Date ("*Date de Détermination du Taux Variable*") is the first day of that Interest Accrual Period or any other date specified in the relevant Final Terms

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Agent**", "**Floating Rate Determination Date**" (*Date de Détermination du Taux Variable*) and "**Transaction**" have the meanings given to those terms in the FBF Definitions, provided that "**Euribor**" means the rate calculated for deposits in euro which appears on EURIBOR01.

In the applicable Final Terms, when the paragraph "Floating Rate Note Provisions" specifies that the rate will be determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by linear interpolation by reference to two (2) rates based on the relevant Floating Rate, one of which corresponding to a maturity next shorter than the length of the relevant Interest Period and the other of which corresponding to a maturity next longer than the length of the relevant Interest Period.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (a) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or
 - (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page, in each case appearing on such Page at the Relevant Time on the Interest Determination Date, subject as otherwise specified in the relevant Final Terms
- (b) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent and
- (c) if the Relevant Rate is an interbank offered rate and if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the euro-zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period),

in the applicable Final Terms, when the paragraph "Benchmark" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by linear interpolation by reference to two (2) rates based on the relevant Floating Rate Benchmark, one of which corresponding to a maturity next shorter than the length of the relevant Interest Period and the other of which corresponding to a maturity next longer than the length of the relevant Interest Period ; and

- (d) if paragraph (b) above applies and, in the case of a Relevant Rate other than a inter-bank offered rate, for any reason, the Relevant Rate is no longer published or if fewer than three (3) quotations are provided to the

Calculation Agent in accordance with paragraph (b) above, the Relevant Rate will be determined by the Calculation Agent in its sole discretion.

Unless a higher rate is stated in the relevant Final Terms, the minimum interest rate is deemed to be equal to zero.

(d) **Accrual of Interest**

Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.

(e) **Margin, Maximum/Minimum Rates of Interest, and Redemption Amounts, Rate Multipliers and Rounding**

- (i) If any Margin or Rate Multiplier is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph;
- (ii) If any Maximum or Minimum Rate of Interest, or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be. The Rate of Interest cannot be lower than zero; and
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (w) if FBF Determination is specified in the relevant Final Terms, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest ten-thousandth of a percentage point (with halves being rounded up), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

(f) **Calculations**

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts and Early Redemption Amounts**

As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are admitted to trading on a Regulated Market and the applicable rules of such market so require, it shall communicate such information also to such market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the 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. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(h) **Calculation Agent and Reference Banks**

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required by the Conditions) with offices in the Relevant Financial Centre and 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 (as defined in Article 4). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. 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, 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 or Luxembourg, as appropriate, 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.

6. REDEMPTION, PURCHASE AND OPTIONS

(a) Final Redemption

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount).

(b) Redemption at the Option of the Issuer and Partial Redemption

If a Call Option at the option of the Issuer is specified in the relevant Final Terms, the Issuer may subject to compliance by the Issuer by of all the relevant laws, regulations and directives applicable to the Issuer and Notes and on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem all or, if so provided, some, of the Notes on any Optional Redemption Date, as described in the Final Terms (the "Optional Redemption Date"). Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if any. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified in the relevant Final Terms and no greater than the maximum nominal amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption by the issuer in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Notes to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements.

In the case of a partial redemption in respect of Dematerialised Notes of any Series, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes that will not be redeemed shall be made in accordance with Article R.213-16 of the French *Code monétaire et financier* and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and stock exchange requirements.

(c) Early Redemption

The Early Redemption Amount payable in respect of any Note, upon redemption of such Note pursuant to Condition 6(d), or upon it becoming due and payable as provided in Condition 9 shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption unless otherwise specified in the relevant Final Terms.

(d) Redemption for Taxation Reasons

(i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8(b) below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with, unless otherwise specified in the relevant Final Terms, any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

- (ii) If the Issuer would, on the next payment of principal or interest in respect of the Notes, be prevented by French law from making payment to the Noteholders or, if applicable, holders of Coupons (“**Couponholders**”) of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) fourteen (14) calendar days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Coupons or, if that date is passed, as soon as practicable thereafter.

(e) **Repurchases**

The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or by tender offer or otherwise at any price in accordance with any applicable laws and stock exchanges' regulations. All Notes so purchased by the Issuer may be held and resold in accordance with Article L.213-0-1 of the French *Code monétaire et financier*, for the purpose of enhancing the liquidity of Notes (it being understood that in such a case, the Issuer shall not hold the Notes for a duration exceeding one (1) year from the date of their purchase, in accordance with Article D.213-1-A of the French *Code monétaire et financier*).

(f) **Cancellation**

All Notes redeemed or purchased for cancellation by or on behalf of the Issuer will be cancelled, in the case of Dematerialised Notes, as well as all rights relating to payment of interest and other amounts relating to such Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Notes, together with all unmatured Coupons and all unexchanged Talons attached to such Notes, by surrendering the Temporary Global Certificate to the Fiscal Agent and the Definitive Materialised Notes in question together with all unmatured Coupons and unexchanged Talons. Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged. Since the Notes are listed and admitted to trading on Euronext Paris, the Issuer will inform Euronext about such cancellation.

7 **PAYMENTS AND TALONS**

(a) **Dematerialised Notes**

Payments of principal and interest in respect of Dematerialised Notes shall be made (i) (in the case of Dematerialised Notes in bearer dematerialised form or administered registered form) by transfer to the account denominated in the relevant currency of the relevant Account Holder(s) for the benefit of the relevant Noteholder and (ii) (in the case of Dematerialised Notes in fully registered form) to an account denominated in the relevant currency with a Bank (as defined below) designated by the relevant Noteholder. All payments validly made to such Account Holders will constitute an effective discharge of the Issuer in respect of such payments.

(b) **Materialised Notes**

Payments of principal and interest in respect of Materialised Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Materialised Notes (in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a Bank.

“**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(c) **Payments in the United States**

Notwithstanding the foregoing, if any Materialised Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments Subject to Fiscal Laws**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents**

The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed by the Issuer in respect of Dematerialised Notes and their respective specified offices are listed at the end of this Base Prospectus. A Specific Fiscal Agent (acting also as Paying Agent affiliated to Euroclear France, Redenomination Agent and Consolidation Agent) will be, as the case may be, appointed by the Issuer in respect of any series of Materialised Notes. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Consolidation Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) a Paying Agent affiliated to Euroclear France so long as the Notes are admitted to trading on Euronext Paris and, in either case, so long as the rules applicable to the relevant market so require, (v) in the case of Dematerialised Notes in fully registered form, a Registration Agent and (vi) such other agents as may be required by the rules of the Regulated Market on which the Notes may be admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Notes denominated in U.S. Dollars in the circumstances described in paragraph (c) above.

On a redenomination of the Notes of any Series pursuant to Condition 1(d) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 14, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15.

(f) **Unmatured Coupons and unexchanged Talons**

- (i) Unless Materialised Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Materialised Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon prior to 1 January of the fourth year following the date on which such amount fell due
- (ii) If Materialised Notes so provide, upon the due date for redemption of any such Materialised Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Materialised Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Materialised Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Materialised Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Materialised Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Note. Interest accrued on a Materialised Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Notes.

(g) **Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).

(h) **Non-Business Days**

If any date for payment in respect of any Note or Coupon is not a business day, the Noteholders shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as “**Additional Financial Centres**” in the relevant Final Terms and (C) (i) (in the case of a payment in a currency other than euro), where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) (in the case of a payment in euro) which is a TARGET Business Day.

8 TAXATION

(a) Tax withholding

All payments of principal, interest and other revenue by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) Additional Amounts

If French law should require that payments of principal or interest in respect of any Note, or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, or Coupon, as the case may be:

- (i) **Other connection:** to, or to a third party on behalf of, a Noteholder or Couponholder who is liable to such taxes or duties, whatsoever in respect of such Note or Coupon by reason of his having some connection with the Republic of France other than the mere holding of the Note, or Coupon or
- (ii) **Presentation more than 30 calendar days after the Relevant Date:** in the case of Materialised Notes, more than 30 calendar days after the Relevant Date except to the extent that the Noteholder or Couponholder would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or

References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

9 EVENTS OF DEFAULT

The Representative (as defined in Condition 11) acting on behalf of the Masse may, upon written notice to the Fiscal Agent given on behalf of the Masse before all defaults have been cured, cause the Notes to become due and payable, whereupon the Notes shall become immediately due and payable at their Early Redemption Amount together with any accrued interest if any of the following events (each an “**Event of Default**”) shall occur:

- (a) the Issuer is in default for more than thirty (30) calendar days for any payment of principal of, or interest on, or any other amount in respect of, any Note (including the payment of any additional amounts in accordance with Condition 8), when and as the same shall become due and payable;
- (b) the Issuer is in default in the due performance of any other provision of the Notes and such default shall not have been cured within sixty (60) calendar days after receipt by the Fiscal Agent of written notice of default given by the Representative;
- (c) (i) any bank or bond indebtedness of the Issuer in excess individually or in aggregate of Euro 100 million (or its equivalent in any other currency) in principal is (are) not paid by the Issuer at its (their) stated maturity or as a result of a default thereunder after the expiry of any applicable grace period or
 - (ii) any guarantee(s) given by the Issuer for bank or bond indebtedness of others in excess individually or in aggregate of Euro 100 million (or its equivalent in any other currency) is (are) not honoured when due and called upon;

unless in any such event, the Issuer has disputed in good faith that such indebtedness is due and payable or that such guarantees are due and callable and such dispute has been submitted to a competent court, in which case default in payment shall not constitute an event of default hereunder so long as the dispute shall not have been finally adjudicated;

Provided that any event contemplated in (a), (b) or (c) above shall not constitute an Event of Default and the periods, if any, referred to above shall be suspended, in the event that the Issuer notifies the Fiscal Agent before the expiry of the relevant period, if any, of the need, in order to

cure such defaults, to adopt a budgetary decision for the payment of unforeseen or additional budget expenses in relation to debt service, until (and including) the date on which such budgetary decision is effective. The Issuer shall notify the Fiscal Agent of the date on which such budgetary decision is effective. The Fiscal Agent shall notify the Noteholders of any notification received from the Issuer under this Condition in accordance with Condition 15.

10 PRESCRIPTION

All claims against the Issuer in respect of any amounts due under the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed from 1 January of the fourth (4) year following the date on which such amount fell due (in accordance with the law n°68-1250 dated 31 December 1968, as amended).

11 REPRESENTATION OF NOTEHOLDERS

Except as otherwise provided by the relevant Final Terms, the Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the “**Masse**”).

The Masse will be governed by the provisions of the French Code of commerce with the exception of Article L.228-48, Article L.228-59, Article L.228-65 II, L.228-71, Article R.228-63, Article R.228-67 and Article R.228-69 and subject to the following provisions:

(a) Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the “**Representative**”) and in part through a general meeting of the Noteholders (the “**General Meeting**”).

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

(b) Representative

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

- (i) the Issuer, the members of its Conseil Régional or its employees as well as their ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d'administration*), Executive Board (*Directoire*), or Supervisory Board (*Conseil de Surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (iii) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the Masse and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties, payable on such date(s), as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by the alternate Representative.

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

(c) Powers of the Representative

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

(d) General Meeting

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the

Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 15.

Each Noteholder has the right to participate in a General Meeting in person, by proxy or by correspondence. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

(e) **Powers of the General Meetings**

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase amounts payable by Noteholders, nor establish any unequal treatment between the Noteholders.

General Meetings may deliberate validly on first convocation only if the Noteholders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by the Noteholders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 15.

(f) **Information to Noteholders**

Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.

(g) **Expenses**

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

(h) **Single Masse**

The Noteholders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first-mentioned Series in accordance with Condition 14, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of Notes will be the single Representative of all such Series.

In this Condition 11, the expression "outstanding" (as defined in Condition 4) does not include the Notes subscribed or purchased by the Issuer in accordance with Article L.213-0-1 of the French *Code monétaire et financier* which are held by the Issuer and not cancelled.

12 **MODIFICATIONS**

These Conditions may be amended, modified or supplemented by one or more supplements to this Base Prospectus.

The Agency Agreement will be capable of amendment or waiver by the parties thereto, without the consent of Noteholders or Couponholders, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the parties to the Agency Agreement mutually deem necessary or desirable and which does not, in the reasonable opinion of such parties, adversely affect the interests of the Noteholders or Couponholders.

13 **REPLACEMENT OF DEFINITIVE MATERIALISED NOTES, COUPONS AND TALONS**

If, in the case of any Materialised Notes, a Definitive Materialised Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Bearer Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the

amount payable by the Issuer in respect of such Definitive Materialised Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Notes, Coupons or Talons must be surrendered before replacements will be issued.

14 FURTHER ISSUES AND CONSOLIDATION

(a) Further Issues

Unless otherwise specified in the relevant Final Terms, the Issuer may from time to time without the consent of the Noteholders, or Couponholders create and issue further notes to be assimilated (*assimilées*) and form a single Series with the Notes provided such Notes and the further notes carry rights identical in all respects (or in all respects save for the issue date, the issue price and the first payment of interest specified in the relevant Final Terms) and that the terms of such further notes provide for such assimilation and references in these Conditions to “Notes” shall be construed accordingly.

(b) Consolidation

The Issuer may, with the prior approval of the Redenomination and Consolidation Agent, from time to time on any Interest Payment Date occurring on or after the date specified for a redenomination of the Notes pursuant to Condition 1 (d) on giving not less than 30 days' prior notice to the Noteholders in accordance with Condition 15, without the consent of the Noteholders or Couponholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in euro, provided such other Notes have been redenominated in euro (if not originally denominated in euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

15 NOTICES

(a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published in a leading economic and financial daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*); provided that, so long as such Notes are admitted to trading on any Regulated Market and the rules of such market so require, notices shall be valid if published in a leading economic and financial daily newspaper with general circulation in the city/ies where the regulated market on which such Notes is/are admitted to trading which in the case of Euronext Paris is expected to be *Les Echos*, and in any other manner required, as the case may be, by the rules applicable to such market.

(b) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published in a leading economic and financial daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are admitted to trading on any market (regulated or not), and so long as the rules applicable to the relevant market so require, in a leading economic and financial daily newspaper with general circulation in the city/ies where the regulated market on which such Notes is/are admitted to trading which in the case of Euronext Paris, is expected to be *Les Echos*, and in any other manner required, as the case may be, by the rules applicable to such market.

(c) If any such publication is not practicable, notice shall be validly given if published in a leading economic and financial daily English language newspaper with general circulation in Europe, and for the avoidance of doubt, insofar as the Notes remain admitted to trading on any Regulated Market, notices should be published in any other manner as may be required by the rules applicable to such Regulated Market. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Notes in accordance with this Condition.

(d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) (*au porteur* or *au nominatif*) pursuant to these Conditions may be given by delivery of the relevant notice to the Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 15 (a), (b), (c), above; except that (i) so long as such Notes are admitted to trading on any Regulated Market and the applicable rules of that market so require, notices shall also be published in a leading economic and financial daily newspaper with general circulation in the city/ies where the market on which such Notes is/are admitted to trading which in the case of Euronext Paris is expected to be *Les Echos*, and in any other manner required, as the case may be, by the rules applicable to such market and (ii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 11 shall also be published in a leading economic and financial newspaper of general circulation in Europe.

16 GOVERNING LAW, LANGUAGE AND JURISDICTION

(a) Governing Law

The Notes (and, where applicable, the Coupons and the Talons) and the Agency Agreement are governed by, and shall be construed in accordance with, French law. However, no private law enforcement steps or seizure procedures may be carried out in relation with the assets and goods of the Issuer.

(b) Language

This Base Prospectus has been prepared in English and in French but only the French version shall be regarded as binding.

(c) **Jurisdiction**

Any dispute relating to the Notes, Coupons or Talons will be submitted to the competent courts within the jurisdiction of the Court of Appeal of Paris (subject to the application of mandatory rules governing territorial competence of French courts). However, as a legal entity governed by public law, the Issuer is not subject to enforcement proceedings and its assets are exempted from seizure.

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED NOTES

Temporary Global Certificates

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Notes. Upon the initial deposit of such Temporary Global Certificate with a common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”), Euroclear or Clearstream, Luxembourg will credit the account of each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depository may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, a nominal amount of Notes that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Exchange

Each Temporary Global Certificate issued in respect of Materialised Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below), in whole, but not in part, for the Definitive Materialised Notes, upon (unless the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Summary of the Dealer Agreement - Selling Restrictions”)) certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement.

Delivery of Definitive Materialised Notes

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Notes. In this Base Prospectus, Definitive Materialised Notes means, in relation to any Temporary Global Certificate, the Definitive Materialised Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement.

Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Certificate, the day falling after the expiry of forty (40) calendar days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 14(a), the Exchange Date shall be postponed to the day falling after the expiry of forty (40) calendar days after the issue of such further Materialised Notes.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used to finance the Issuer's investments budget unless otherwise specified in the relevant Final Terms.

DESCRIPTION OF THE ILE-DE-FRANCE REGION

1. PERSONS ACCEPTING RESPONSIBILITY

1.1 IDENTITY OF PERSONS ACCEPTING RESPONSIBILITY

Issuer: Région Ile-de-France

Address of the Issuer:

33 rue Barbet de Jouy
75007 Paris
France

Person accepting responsibility

Mr Jean-Philippe de Saint-Martin Deputy Director General

Telephone : 01 53 85 51 90

Facsimile : 01 53 85 51 99

Finance Division

Ile-de-France Regional Council

35 boulevard des Invalides

75007 Paris

France

By a decision n°17-32 dated 28 February 2017, permanent delegation of authority was granted to Mr Jean-Philippe de Saint Martin to sign all documents, decisions, contracts, procurement contracts or agreements, as well as all documents required in connection with the execution of the above and falling within the scope of authority of the Finance Division, including those relating to borrowings, cash loans and advances entered into by the Région Ile-de-France (hereinafter also referred to as the “Region”), and loan guarantees granted by it, with the exception of decisions in respect of appointments to permanent or temporary positions and official assignments, reports to be delivered to and communications with the regional Council and standing committee.

2. INFORMATION RELATING TO THE ISSUER

2.1 Legal name of the Issuer

The Issuer is the Région Ile-de-France (the **Region**), a regional government.

2.2 Head office, geographical location, legal form

2.2.1 Head office

The Région Ile-de-France’s head office is 33 rue Barbet de Jouy in Paris (75007).

The telephone number of the head office of Région Ile-de-France is 01 53 85 53 85.

The website for the Région Ile-de-France is www.iledefrance.fr.

2.2.2 Geographical location



2.2.3 Legal form, organisation and powers

1° Legal form

For administrative purposes, the French territory is divided into three types of local and regional governments, also known as “*local authorities of the Republic*” since the decentralisation law dated 2 March 1982. These regional authorities, in respect of which a principle of self-government has been established under article 72 of the French Constitution (“*Under and in accordance with the provisions of the law, these local authorities shall govern themselves freely through elected councillors and shall have regulatory authority with respect to the exercise of their powers*”), are the *Région*, the *Département* and the *Commune*.

Each of these authorities, which covers a specific geographical area, is a separate legal entity with resources available for it to apply at its discretion.

The constitutional law no. 2003-276 dated 28 March 2003 relating to Government decentralisation, supplemented article 72 of the Constitution promoting the idea of specialisation whilst respecting the independence of each individual regional authority. Regional authorities therefore shall “*take the decisions that, pursuant to their powers, are best implemented at their level*”. This concept derives from the principle of European Community law known as subsidiarity. The object is to give local authorities the legal means to exercise the powers conferred upon them by law.

Regional authorities may implement projects in consultation with other local authorities, without one such authority having supervisory control over the other.

France is divided into 18 *Régions*, of which five are overseas, with each *Région* separated into several *Départements*, each of which in turn is divided into several *Communes*.

There are eight *Départements* in the Ile-de-France Region: Paris (which is both a *Commune* and a *Département*), three *Départements* forming Paris' inner circle (Hauts-de-Seine, Seine-Saint-Denis, Val-de-Marne) and four *Départements* forming an outer circle around the city (Val-d'Oise, Essonne, Yvelines, Seine-et-Marne). Ile-de-France contains 1,277 municipalities (*Communes*).

The law provides that *Communes* may group together with a view to drawing up joint plans for municipal, conurbation or urban inter-communities or metropolitan areas. Accordingly, as at 1st January 2017, in the *Région Ile-de-France*, there were 32 *communautés de communes* (municipal associations), 20 *communautés d'agglomérations* (conurbation associations) and one *communauté urbaine* (urban association), as well as the Metropolitan Area of Greater Paris, a special intercommunity created on 1st January 2016 (by French law 2014-58 of 27 January 2014 on the modernisation of regional public action and the creation of metropolitan areas), consisting of 11 regional and Paris authorities (source *Institut d'Aménagement et d'Urbanisme – Ile-de-France*).

The Ile-de-France Region is managed by a *regional Council* composed of 209 members elected by direct universal suffrage at the latest elections of 6 and 13 December 2015 for a six-year period. The regional Council runs the Region's affairs through its deliberations. Executive power is conferred on the President of the regional Council.

The *President of the regional Council* who is elected by the councillors, prepares and executes the decisions of the regional assembly. He authorises expenditures, decides how regional income will be allocated, manages the Region's assets and heads up the services set up by the Region for the exercise of its powers. He may be assisted by vice-presidents with responsibility for a particular area of regional activity.

The *Standing Committee*, whose members are elected by regional councillors, emanates from the regional Council. Some of its powers are delegated to it by the regional Council, with the exception of those relating to voting the budget and approving the authority's administrative accounts, in particular.

The regional Council and its President are advised by the *regional economic, social and environmental Council (CESER)*. It “*assists, through its opinions, in the administration of the Région*”.

It issues opinions addressed to the regional Council in the following cases:

(a) upon referral:

- prior to their examination by the regional Council, the CESER is mandatorily consulted on:

- the Region's Draft Contract and its annual implementation report, as well as all other planning documents and action blueprints that affect the Region,
- the Region's various budgetary documents;
- the general guidelines of the Region in all the areas of authority of the CESER and any other blueprint, programme or report on actions undertaken.
- regional actions with regard to the environment.

- the President of the regional Council may refer any economic, environmental or cultural project to the CESER, although it is not mandatory to do so.

(b) upon self-referral:

- the CESER can issue an opinion on any question within the scope of the *Region's* powers and, for this purpose, it relies on various committees.

2° Organisation and operations

The Ile-de-France Region is a descendant of the Paris region district. It became a public entity by virtue of the law no. 76-394 of 6 May 1976 and, since 16 March 1986, when the first election of regional councillors by universal suffrage was held, the Ile-de-France Region is now a fully autonomous local authority in the same way as *Départements* or *Communes*.

- The regional Council

The Ile-de-France regional Council comprises 209 members, who were elected by direct universal suffrage at the latest elections, held on 6 and 13 December 2015, for a period of six years.

The 209 members of the Ile-de-France regional Council belong to the following political parties as at 20 February 2017:

- (a) Republicans Group: 79;
- (b) Socialist, Republican Group and affiliated: 36;
- (c) Democrats and Independents Union Group: 28;
- (d) FN Group / IDF Bleu Marine: 21;
- (e) Europe Ecology Group – Greens and affiliated: 13;
- (f) Group of the Centre and Democrats: 13;
- (g) Left Front Group, French Communist Party, Party of the Left, Republic & Socialism Assembly: 11;
- (h) Radical Citizen Democratic Green Party and Centrists: 7;
- (i) Non-affiliated: 1.

- The President

The President of the regional Council is Ms Valérie Pécresse.

There are 15 vice presidents who have been delegated powers for specific aspects of regional policy.

1st Vice President: Mr Jérôme CHARTIER, responsible for the economy and employment;

2nd Vice President: Ms Chantal JOUANNO, responsible for the environment and sustainable development;

3rd Vice President: Mr Stéphane BEAUDET, responsible for transport;

4th Vice President: Ms Anne CHAIN-LARCHE, responsible for rural affairs and agriculture;

5th Vice President: Mr Frédéric PECHENARD, responsible for security;

6th Vice President: Ms Stéphanie VON EUW, responsible for European affairs;

7th Vice President: Mr Stéphane SALINI, responsible for finance;

8th Vice President: Ms Agnès EVREN, responsible for education and culture;

9th Vice President: Ms Farida ADLANI, responsible for social action, health and the family;

10th Vice President: Mr Patrick KARAM, responsible for sport, youth and community life;

11th Vice President: Ms Faten HIDRI, responsible for higher education and research;

12th Vice President: Mr Geoffroy DIDIER, responsible for housing and urban policy;

13th Vice President: Ms Marie-Carole CIUNTU, responsible for general administration;

14th Vice President: Mr Didier BARIANI, responsible for Greater Paris and inter-regional cooperation.

15th Vice President: Mr Othman NASROU, responsible for international action and tourism.

The President of the Region is also assisted by ten delegates:

- Mr David DOUILLET, special delegate responsible for major projects and major investments
- Mr Pierre-Yves BOURNAZEL, special delegate responsible for the Olympic Games;
- Mr Laurent LAFON, special delegate responsible for the World's Fair;
- Ms Babette de ROZIERES, special delegate responsible for the City of Gastronomy;
- Mr Thierry MEIGNEN, special delegate responsible for the relocation of the central office;
- Mr Pierre DENIZIOT, special delegate responsible for disability issues;
- Ms Béatrice de LAVALETTE, special advisor responsible for community dialogue;
- Ms Marie-Pierre BADRE, special delegate responsible for equality of the sexes;
- Mr Arnaud RICHARD, special delegate responsible for the social and solidarity economy;
- Ms Charlotte BAELE, special delegate responsible for the trades campuses.

- *The Standing Committee*

The Standing Committee has 60 members:

- President Valérie Pécresse;
- The 15 Vice-presidents;
- and 44 additional members.

- *Thematic committees*

For the purposes of studying business brought before it, and of preparing the necessary decisions, the regional Council has set up 19 committees, each specialising in a specific area (in addition to the payments and procurement committees (the *Commission du Règlement* and the *Commission d'appels d'offres*)). Each committee has between 15 and 17 standing members.

Furthermore, committees may be set up at the request of the elected representatives on specific subjects in accordance with the internal regulations of the assembly.

- *The regional Economic, Social and Environmental Council*

The Ile-de-France Economic, Social and Environmental Council has 128 members, appointed for 6 years, including:

- (a) 41 representatives of businesses and independent non-salaried professions in the Region;
- (b) 41 representatives of salaried employee trade union organisations;
- (c) 41 representatives of bodies, associations and foundations which participate in community affairs of the region; and
- (d) 5 qualified persons appointed by order of the prefect (*Préfet*) of the Region, who by virtue of their capacity or activities contribute to the development of the Ile-de-France Region.

The Council establishes reports and issues opinions on topics within the Region's areas of authority and, more broadly, on any matters relating to its development and the living conditions of its population. It is a consultative assembly and matters may be referred for its consideration by the president of the regional Council, either on a mandatory or optional basis.

- *The regional civil service*

As of 31 December 2016, there are 10,494 permanent civil servants (posts filled) of which 8,682 teaching establishment technical staff.

The services of the Region are composed of the general directorate service and ten divisions:

- (a) **There are 6 operating divisions:**
 - High schools (*lycées*);
 - Housing and transport;
 - Territorial cohesion;
 - Transfer, research, higher education and orientation into networks;

- Economic development, employment and training;
- European affairs, international cooperation and tourism.

(b) **4 functional divisions:**

- Finance;
- Human resources;
- Assets and general resources;
- Purchasing, performance, markets and legal

The Ile-de-France Region also has an inspectorate-general, which provides, in particular, advice and monitoring of the organisation and operation of regional services and assessment of regional policies.

Also, the external audit and management control department, within the Finance Division, monitors the use of regional funds for the implementation of regional policies, by the services of the Region or by external bodies and develops tools and recommendations enabling the working of the regional institution to be enhanced.

The Region's associated organizations

The regional Council relies for part of its activities on external affiliated organizations. Such organizations act within their areas of authority such as planning and development, the economy, employment, training, culture or health, within the framework of the policies laid down by the regional Council.

The main associated organizations of the Region are:

- the Institute for Urban Planning and Development of the Ile-de-France Region (I.A.U. Ile-de-France). The purpose of this organization is to assist regional managers in decision-making with respect to urban planning, habitat, infrastructure, economic development, the environment, transport and health;
- the Agency for Parks and the Green Belt (A.E.V.). This agency implements the Region's policies with respect to the green belt including parks, forests, public footpaths and hiking trails. It makes acquisitions and carries out planning and maintenance of the Region's parks and green belt on the Region's behalf. It coordinates the French government's investment programmes and allocates financial aid for the acquisition and planning of parks and the green belt;
- Paris Region Companies, the Ile-de-France's economic development agency, responsible for attracting new international investors to Ile-de-France and assisting the projects of companies which create long-term jobs;
- The Regional Tourist Board (C.R.T.). It implements the Region's policies in relation to tourism and provides technical consultancy services to the regional Council with respect to tourism infrastructure and investment. It coordinates the activities of organisations in the leisure sector and implements promotional activities relating to tourism in France and abroad;
- The national orchestra of Ile-de-France (ONDIF). It is a symphony orchestra whose principal remit is to perform musical works throughout the region's territory and especially before new audiences. This orchestra is one of the most dynamic ensembles in the country.
- The regional Centre for Awareness and Prevention of AIDS in Ile-de-France (CRIPS). It is a fund of resources for those involved in Ile-de-France in preventing AIDS, hepatitis and in reducing the risks of drug abuse. This centre organises national and international events, training programmes suited to various audiences, including health prevention and education events for school children to help reduce risk-taking by young people.

3° The Region's powers and authority

Since the creation of the regional public institution in 1972, which became a full and complete regional authority with the decentralisation law of 2 March 1982, the regions have seen the scope of their jurisdiction expanded and diversified over time through the decentralisation process.

Article L4221-1 of France's General Code for Regional and Local Authorities (CGCT) states that "through its deliberations, the regional council resolves regional matters in the areas of jurisdiction attributed to it by law. It is empowered to promote economic, social, health, cultural and scientific development in the region, support for access to housing and housing improvements, support for urban affairs and urban redevelopment policy, and support for educational policies and the development and equality of its regions, as well as to ensure preservation of regional identity and promote regional languages, while respecting the integrity, autonomy and formal responsibilities of the *départements* and the *communes*." The Region's principal areas of jurisdiction are as follows:

- Economic development

Economic development is a major area of jurisdiction for the regions, which are responsible for defining general economic strategy. Accordingly, they prepare a regional plan for economic development, innovation and internationalisation (SRDEII in its French acronym) which specifies policies with regard to business grants, support for internationalisation, aid for property development, aid for innovation and policies on the region's attractiveness for investment. Any actions taken by the regional authorities and their cooperative organisations within the region must be compatible with the SRDEII. The Regional Council is solely competent to define aid mechanisms and decide on subsidies to be awarded to regional businesses. The regions also support and

participate in the steering of the competitiveness offices, which bring together businesses, research laboratories and training institutions devoted to a given topic at a single site within the region.

- Regional development

With regard to regional development, the regions prepare a regional plan for development, sustainability and regional equality (SRADDET), which sets regional objectives on regional balance and equality, the construction of various infrastructure of regional interest, reducing rural isolation, housing, budget management for land and intermodal transport, and transport development.

The *Ile-de-France Region* does not create an SRADDET, since it already prepares a planning document: the *Ile-de-France Region* Blueprint (SDRIF), approved in 2013. It defines the major strategic objectives for the Region's development up to the year 2030. In particular, it is used to manage urban and demographic growth and land use while ensuring the Region's continuing international influence. It specifies the resources to be mobilised in order to correct geographical, social and economic disparities within the region, coordinates transport options, and preserves rural and natural areas so as to ensure regional sustainable development. The urban planning documents for regional authorities within the Region's limits must be compatible with the SDRIF.

- Regional passenger transport

The French law N° 2000-1208 of 13 December 2000 relating to urban regeneration and solidarity implemented as from 1 January 2002 the transfer of responsibility for financing and organising regional passenger rail services to the regions, with the exception of the *Ile-de-France Region* and Corsica, which have a separate status. Each region became the authority for organizing regional rail transport as from 1 January 2002.

The *Ile-de-France Region* on the other hand has a specific status. The French law N° 76-394 of 6 May 1976 had already granted this region special power of authority in matters of road traffic and public transport.

As a result of the Law of 13 December 2000, the Region *Ile-de-France* joined the S.T.I.F executive board (*Ile-de-France Transport Syndicate*), a Government public administrative entity, established in 1959, with responsibility for running public transport facilities within the region of the Capital.

Law n° 2004-809 of 13 August 2004 on local freedoms and responsibilities consolidated the Region's role with regard to transport. The *Ile-de-France Region* now holds the majority of seats (51%) on the S.T.I.F., which has been made a local authority with administrative powers.

- Secondary schools and management of their technical personnel

With regard to public instruction, the regions are responsible for the construction, renovation, equipment, maintenance and operation of general and agricultural secondary schools and institutes. Since adoption of Law n° 2004-809 of 13 August 2004, they hire and manage technical personnel, labourers and service personnel who perform their duties in secondary schools.

- Employment, vocational training and apprenticeships

The regions play a primary role in continuing vocational training and apprenticeships. They contribute to the public employment service by helping to finance organisations devoted to vocational support and integration.

Law n° 2002-276 of 27 February 2002 relating to local democracy created an "adult" component of the regional professional training development programme and transferred power to the regions in relation to fixed compensation paid to businesses employing apprentices.

The law n° 2004-809 of 13 August 2004 concerning local authorities' rights and duties gave regions the power to define and implement apprenticeship and vocational training policy for young people and adults seeking employment or a career change, and to implement the regional development plan for vocational training with the aim of outlining a medium-term timetable for vocational training schemes. The law n° 2004-809 of 13 August 2004 also gave the regions responsibility for approving and financing training establishments for paramedics and social workers as well as the aid provided to students in those professions.

- Management of European Union funds

The law no. 2014-58 of 27 January 2014 conferred management authority on the regions for part of the European structural funds. Accordingly, the *Île-de-France* regional council will directly manage 540 million euro of funds over the period 2014-2020 in four main priority areas decided by Europe: employment and economic competitiveness, management of natural resources, ecological and energy transition, development of social and physical infrastructure and equality of locality and opportunity.

The *Ile-de-France Region* also takes proactive steps with regard to the environment, sustainable development, research, youth, sport and culture.

Regional budgets in mainland France have thus increased greatly over time, reaching €27.5 billion in 2016 (an increase of 3.4 per cent compared to 2015, source Local Authorities Directorate General - DGCL).

2.3 Solvency of the Issuer

2.3.1 The legal framework for regional authority borrowing reduces the risk of insolvency

Article 2 of the Law N° 82-213 of 2 March 1982, setting out the rights of municipalities, departments and regions, discontinued the direct control of the central government of the actions of territorial units. This change also gives the territorial units full freedom to evaluate and determine their financing

needs and to liberalise and normalise the terms applying to their borrowings. As a result, territorial units can freely borrow, and their relationships with lenders are based on private law and the right to enter into contractual agreements.

This freedom can be exercised in conformity with the following principles:

- Borrowings may only finance investments;
- Reimbursement of the capital of borrowings must be covered by the territorial unit's own resources.

Budgetary and financial controls are also carried out after the event by the prefect under the supervision of the Regional *Chambre des Comptes*. These controls are exercised in the following five situations: voting the budget out of time; failure to list a compulsory item of expenditure (in accordance with Article L.1612-15 of the French *Code Général des Collectivités Territoriales*, it being specified that under Article L.4321-1 of the same code, "Interest on the debt and the reimbursement of the principal on borrowings" constitute mandatory expenditures); lack of real balance in the budget; administrative accounts deficit; failure to provide the administrative account.

Moreover, article L.1611-3-1 of the French *Code Général des Collectivités Territoriales* ("**CGCT**"), created by law N° 2013-672 of 26 July 2013, subject the Region's borrowings with credit institutions to certain limits related to the currency, the interest rate and the relevant hedging instruments. However, this article is not intended to apply to bonds as specified in the parliamentary proceedings (Report No. 1091 on behalf of the Finance Committee of the National Assembly, tabled on 29 May 2013, amendment N° 160 of 19 March 2013).

2.3.2 The Region's rating

The *Ile-de-France Region* has been attributed a credit rating since 1993 initially by one, and since 1998 by two, credit rating agencies. Since 2011, the two credit rating agencies appointed by the Region are Standard & Poor's and Fitch Ratings. The Region has, each year and without interruption, been ranked amongst the most financially sound entities.

On 5 May 2017, the rating agency Standard & Poor's confirmed the long-term issuer default rating of AA with a stable outlook for the *Ile-de-France Region*. On 12 May 2017, the rating agency Fitch Ratings confirmed the AA long-term issuer default rating, with a stable outlook attributed to the *Ile-de-France Region*.

The Region's short-term benchmark ratings F1+ (Fitch Ratings) and A1+ (Standard & Poor's) were also confirmed.

2.4 The demographic and economic environment of the Issuer

2.4.1 The population of Ile-de-France

With an estimated population of 12,142,802 inhabitants as at 1 January 2016, the *Ile-de-France Region* is the most densely populated French region, accounting for nearly 19 per cent of the French mainland population inhabiting only 2 per cent of the national land mass (12,012 km²). The demographic weight of the *Ile-de-France Region* has been stable since the 1960s, at 18.8% of the French mainland population in 2016 (18.2% of the population of the whole of France).

The *Ile-de-France Region* therefore has on average 1,011 inhabitants per km² and in 2016 had a population greater than countries such as Belgium (11.4 million), Portugal (10.3 million), Sweden (9.9 million) and Austria (8.6 million).

Comparative Population of French Regions as at 1st January 2016

	Census 2009	Census 2014	2014/2009	Estimate 2016 (p)	Compared to France as a whole
Auvergne-Rhône-Alpes	7,518,004	7,820,966	4.0%	7,940,652	11.9%
Bourgogne-Franche-Comté	2,810,648	2,820,623	0.4%	2,820,150	4.2%
Bretagne	3,175,064	3,276,543	3.2%	3,310,341	5.0%
Centre-Val-de-Loire	2,538,590	2,577,435	1.5%	2,587,004	3.9%
Corse	305,674	324,212	6.1%	330,354	0.5%
Grand Est	5,531,118	5,554,645	0.4%	5,558,304	8.3%
Hauts-de-France	5,944,354	6,006,156	1.0%	6,030,309	9.0%
Île-de-France	11,728,240	12,027,565	2.6%	12,142,802	18.2%
Normandie	3,303,822	3,335,645	1.0%	3,343,247	5.0%
Nouvelle Aquitaine	5,708,497	5,879,144	3.0%	5,943,096	8.9%
Occitanie	5,473,597	5,730,753	4.7%	5,830,166	8.7%
Pays de la Loire	3,539,048	3,690,659	4.3%	3,743,982	5.6%
Provence-Alpes-Côte d'Azur	4,889,053	4,983,438	1.9%	5,024,192	7.5%
Provincial France	50,737,469	52,000,219	2.5%	52,461,797	78.6%
Mainland France	62,465,709	64,027,784	2.5%	64,604,599	96.8%
Guadeloupe	401,554	400,186	-0.3%	395,725	0.6%
Martinique	396,404	383,911	-3.2%	376,847	0.6%
Guyane	224,469	252,338	12.4%	262,527	0.4%
La Réunion	816,364	842,767	3.2%	850,996	1.3%
Mayotte*		220,300		235,132	0.4%
Overseas regions	1,838,791	2,099,502	14.2%	2,121,227	3.2%
France as a whole	64,304,500	66,127,286	2.8%	66,725,826	100.0%

(p) provisional figures as at end of 2016; Data updated as of 17 January 2017

Source : "Estimations de population", Institut National de la Statistique et des Etudes économiques (INSEE).

*Mayotte became an overseas region in 2011

Between 2009 and 2014 census, the rate of demographic growth of the Ile-de France region is of the same scale as that of mainland France, on average 0.5 per cent per year. Within the Ile-de-France region, the sole reason behind the increase in population is the Region's inherent dynamism, linked to the youthfulness of its population. The surplus of births over deaths translates into an average population growth of 0.9 per cent per year over the period 2009-2014. This increase is offset by the negative net migration from the Ile-de-France Region (an average annual reduction of 0.4% over the period 2009-2014).

In 2015 the Region recorded a natural surplus of 105,300 persons (i.e., 179,800 births and 74,500 deaths) and accounted for 60% of the natural balance for mainland France.

The départements of the outer perimeter (Essonne, Val-d'Oise, Yvelines and Seine-et-Marne) now host 44 per cent of the regional population (compared with 43.5 per cent in 2009 and 56 per cent in 2009). The proportion of Paris and of the inner perimeter (Hauts-de-Seine, Seine-Saint-Denis and Val-de-Marne) is thus down from 56.5 per cent in 2009 to 56 per cent in 2016.

Change in population distribution by Département

	2009	2014	2016 (p)
Paris	19.0%	18.5%	18.1%
Hauts-de-Seine	13.3%	13.3%	13.2%
Seine-Saint-Denis	12.9%	13.1%	13.2%
Val-de-Marne	11.2%	11.3%	11.4%
Total inner perimeter and Paris	56.5%	56.2%	56.0%
Essonne	10.3%	10.5%	10.7%
Val-d'Oise	10.0%	10.0%	10.1%
Yvelines	12.0%	11.8%	11.7%
Seine-et-Marne	11.2%	11.5%	11.6%
Total outer perimeter	43.5%	43.8%	44.0%

(p) provisional figures as at end of 2016, data updated as of 17 January 2017

Source : "Estimations de population", INSEE.

As at 1st January 2016, the population of the Ile-de-France Region is younger than the average for France as a whole with a higher proportion of the population aged under 39 (54 per cent compared to 48.5 per cent on average in France as a whole). At the same time, the proportion of persons aged over 60 is lower (19.4 per cent compared to 24.9 per cent on average in France as a whole).

Regional population distribution by age as at 1st January 2016 (p)

	Ile-de-France		France as a whole	
0 to 19 years	3,144,315	25.9%	16,395,627	24.6%
20 to 39 years	3,424,584	28.2%	15,980,281	23.9%
40 to 59 years	3,210,477	26.5%	17,740,976	26.6%
60 to 74 years	1,547,590	12.7%	10,512,851	15.8%
75 and over	815,836	6.7%	6,096,091	9.1%
Total	12,142,802	100%	66,725,826	100%

(p) provisional figures as at end of 2015; Data updated as of 19 January 2017

Source : "Estimations de population", INSEE.

2.4.2 The economy of the Issuer

1° Gross Domestic Product

With a gross domestic product (GDP) of 649.6 billion euro in 2014, around 4.7 per cent of the 28 member European Union's GDP, the Ile-de-France Region as an economic region is one of the main European centres and one of the largest in the world.

At the crossroads of European and global trade, the Ile-de-France Region stands at the top of the economic leader board compared with other French regions due not only to the scale of its productive capacity but also to the presence of the main economic decision-making centres. The GDP of the Ile-de-France Region represented 30.4 per cent of the GDP of France in 2014, this percentage having remained relatively stable (at between 29.9 per cent and 30.5 per cent between 2010 and 2014).

Evolution of GDP in value from 2010 to 2014

GROSS DOMESTIC PRODUCT	2010	2011	2012	2013	2014 (p)
GDP (€Bn)					
Ile-de-France	610.0	615.8	629.5	643.6	649.6
France as a whole	1,998.5	2,059.3	2,086.9	2,115.3	2,140.0
Ile-de-France / France as a whole (as %)	30.5%	29.9%	30.2%	30.4%	30.4%
GDP/inhabitant (K€)					
Ile-de-France	51.6	51.8	52.8	53.7	53.9
Mainland France	30.8	31.5	31.8	32.1	32.3

(p) Provisional figures

Sources : "PIB régionaux de 1990 à 2014", base 2010, INSEE, "Estimations de population", INSEE.

Following a contraction in 2009 due to the economic crisis, economic activity within the Ile-de-France Region returned to positive growth in the following years. In 2014, the Ile-de-France Region's GDP increased by 0.9 per cent according to *Institut National de la Statistique et des Etudes Economiques* – INSEE provisional figures.

With a GDP per inhabitant of 53,921 euros, 67 per cent higher than the GDP per inhabitant of mainland France as a whole, and gross disposable income¹ per inhabitant in 2014 of 23,839 euro, compared to 19,401 euros for provincial France, the Ile-de-France Region is the leading French Region and one of the leading in the European zone – (sources INSEE and Eurostat).

Great disparities both socially and territorially are however evident in the Ile-de-France Region. Thus, 10.5 per cent of jobs in the Ile-de-France Region were precarious jobs in 2014 (fixed-term contracts, temporary work, internships and assisted contracts). Moreover, 13 per cent of the regional population live in a "Politique de la ville"² district, compared with 8 per cent in mainland France. Whereas 6 per cent of the Hauts-de-Seine département live in a Politique de la ville district, the figure is 39 per cent for the Seine-Saint-Denis département.

2° Principal sectors

- *A diverse and dynamic economic make up*

The Ile-de-France Region stands out from the world's other capital cities by the diversity of its economic make up. Particularly innovative sectors (information and communication technologies, biotechnologies, nanotechnologies and even 3D graphic animation) and creative industry (luxury goods, fashion) sit alongside more traditional sectors such as the aeronautical or automobile industries. It is a pivotal location for high value-added services, as well as for principal decision-making centres, corporate headquarters and the main government and administrative offices.

The Ile-de-France Region is home to around one fifth of the active establishments (i.e. producers of goods or providers of services) listed by INSEE in France.

¹ Gross disposable income represents the income which remains available to households for spending and saving. It includes all income from work, income from assets and social security payments, from which are subtracted direct taxes and social security contributions.

² The "Politique de la ville" is a policy of urban cohesion and solidarity with poor districts and their inhabitants. The Politique de la ville districts are characterised by a major economic and social development discrepancy with the rest of the conurbations in which they are located.

Number and distribution of establishments per département and business sector as at 31 December 2014

	Agriculture, Forestry and fishing	Industry	Construction	Trade, transport, miscellaneous services	Public administration, education, health and social action	Combined
Paris	0.1%	2.8%	4.4%	83.8%	8.9%	551,952
Seine-et-Marne	3.0%	4.8%	12.5%	66.7%	13.0%	107,832
Yvelines	1.1%	3.6%	9.3%	71.6%	14.4%	120,114
Essonne	1.1%	4.0%	12.5%	68.8%	13.6%	94,926
Hauts-de-Seine	0.1%	3.1%	6.9%	78.5%	11.4%	175,166
Seine-Saint-Denis	0.1%	3.6%	16.4%	70.4%	9.6%	131,150
Val-de-Marne	0.2%	3.3%	10.7%	73.7%	12.2%	116,336
Val-d'Oise	0.9%	4.3%	13.4%	68.6%	12.9%	90,092
IDF	0.5%	3.3%	8.6%	76.6%	10.9%	1,387,568

Scope: Establishments active as at 31 December 2014, excl. Defence

Source: Insee, *Connaissance Locale de l'Appareil Productif*

In 2016, 162,155 new businesses were created in the Region (including 75,280 sole traders) in the services sector in particular, i.e. 30 per cent of new business start-ups in France.

Businesses created in 2015 and 2016 (including sole traders)

	2015	2016	Evolution 2016/2015
Ile-de-France	143,622	162,155	12.9%
Provence-Alpes-Côte d'Azur	54,825	55,878	1.9%
Auvergne-Rhône-Alpes	62,569	64,945	3.8%
Mainland France	509,550	538,338	5.6%

Source : Insee - *répertoire des entreprises et des établissements*

As regards business failures, there were 12,357 in 2016 in the Ile-de-France region. Business failures are down 2.8 per cent on 2015 in the Ile-de-France region, compared with a fall of 8.1 per cent in all of mainland France.

The well-diversified real estate assets of the Ile-de-France Region and the quality of its workforce are factors that are very attractive to businesses. The Region has the largest stock of commercial real estate in Europe with nearly 52.6 million m² of office space, 1,000 business activity zones covering more than 30,000 hectares (in the year 2015).

- *Services: drivers of the Region's economic activity*

Services, along with research & development, finance and tourism, are the key sectors that drive and stimulate the Region and where innovation efforts are focused.

At the end of 2016, INSEE estimated that there were 3.5 million salaried jobs in the commercial tertiary sector (including transport, commerce, business services, household services and real estate and financial business). Eight out of ten salaried jobs are in the services sector. Business services including support and advisory services (0.94 million jobs), have the lead over the information and communications sectors (0.39 million jobs) and financial services (0.33 million jobs).

As regards added value, commercial tertiary represented, in 2014, 71 per cent of the value-added generated by the Ile-de-France Region.

The headquarters of the large utilities groups (electricity, telephone, water, etc.), whether publicly or privately owned, are in Paris (Electricité de France (EDF), Veolia Environnement, Orange).

- *A leading French industrial region.*

The industrial sector of the Ile-de-France Region represented, in 2016, 14 per cent of salaried jobs (i.e. 442,000 salaried jobs) in industry in France and over 15 per cent of firms in 2015 (i.e. 42,000 firms).

Today therefore the Ile-de-France Region is one of the leading worldwide centres both for industry and the high-level tertiary sector.

It also plays a major role in the sectors of airline traffic, business tourism, higher education, culture and research.

- *One of the world's most developed transport infrastructures*

The Region has one of the best developed passenger transport networks in the world (with 205 km of underground (*métro*), 1,820 km of railways, more than 100km of tramlines, added to which 454 km of rapid urban highways). It is also a major continental European air traffic hub with two international airports, one of which, Charles-de-Gaulle, is the second in Europe for passenger transport, and the leading business travel airport in Europe - (source: Paris Regional Companies (Economic Development Agency of the Ile-de-France)). The Region is less than two hours flight from most large European cities. It has been a pioneer of air and rail travel inter-modality, with both the high-speed train (TGV) and the regional express network (RER)).

- *A welcoming region*

The Ile-de-France Region is the leading tourist region in the world with more than 66 million hotel room nights occupied in 2015 (almost a quarter of which were overseas tourists) and has one of the largest hotel room capacities in the world (153,000rooms) (source INSEE and Ile-de-France Regional Tourism Committee).

The Region is one of the world leaders for business meetings and events (business seminars, international conventions and scientific and cultural symposia) as well as for trade fairs and exhibitions. With one of the largest exhibition capacities in the world, it attracts several million business visitors each year at its exhibitions. 1,004 conferences were held throughout the territory in 2015.

359 international investment projects were carried out in the Ile-de-France Region in 2016, of which 70 per cent. Relate to new business start-ups. The main investors originate from the United States (21 per cent of new establishments), Germany (13 per cent) and Italy (11 per cent) The Ile-de-France region principally attracts decision-making centres and high value-added activities.

In 2016, the value of imports into the Ile-de-France Region totalled 138 billion euro whilst exports totalled 84 billion euro. Automobile manufacturing products were the leading imported products for the Region (13.4 per cent) followed by telephones and communication equipment (6.1 per cent). Aeronautics and space manufacturing products were the leading export products (12.5 per cent) ahead of automobile manufacturing products (11.4 per cent).

In 2016 the United States was the number one client of the Ile-de-France Region (11.5 per cent of exports) ahead of Germany (11.1 per cent), the United Kingdom (6.8 per cent). As regards imports, China is the Region's largest supplier (13.6 per cent), followed by Germany (12.1 per cent), then the United States (8.9 per cent).

- *A highly qualified population and major centre for research and development*

The Ile-de-France Region accounts for more than one quarter of higher education students in France (663,000 out of a national student population of nearly 2.5 million, i.e. 27 per cent in 2015). In total, the Ile-de-France Region boasts 17universities and 70 *grandes écoles*. The region is therefore very attractive to young adults who are continuing their education or seeking employment.

The concentration in the Ile-de-France Region of individuals highly qualified in scientific and technological areas encourages businesses to locate their research and development facilities there. The Region is one of the European and world leaders in research both in terms of workforce: 155,000 people working in research and development, and in terms of expenditure: €18.7 billion in 2013. Thus 37.1 percent of the French research and development workforce is located in the Region and its internal research and development expenditure represents 39.3 per cent of national expenditure. A total of 2,940 European patents were filed in 2013 in the region.

3° **Employment**

In 2015 employment in the Ile-de-France accounted for 2.4 per cent of that of the 28 European Union countries and 23,1 per cent of employment in mainland France, representing over 6 million salaried and non-salaried jobs.

The predominance of the service sector in total employment is more significant in the Ile-de-France Region than in mainland France as a whole.

Breakdown of employment by business sector

	2015	
	Ile-de-France	Mainland France
Agriculture	0.2%	2.4%
Industry	7.4%	12.2%
Construction	4.9%	6.1%
Commercial service sector	62.0%	48.2%
Commercial non-service sector	25.5%	31.1%
TOTAL	100.0%	100%

Source : INSEE, estimations d'emploi

Salaried employment in the Ile-de-France Region is largely centred in Paris as well as in the Hauts-de-Seine *département* where, in particular in the La Défense district, the headquarters of the largest French businesses are located.

Distribution of salaried and non-salaried employment in Ile-de-France in 2015

	Salaried Employment	Non-salaried Employment	Total Employment
Paris	31.0%	37.0%	31.4%
Seine-et-Marne	7.9%	9.0%	7.9%
Yvelines	9.4%	10.1%	9.4%
Essonne	7.8%	7.6%	7.8%
Hauts-de-Seine	17.8%	12.6%	17.5%
Seine-Saint-Denis	10.4%	7.9%	10.2%
Val-de-Marne	9.3%	9.0%	9.3%
Val-d'Oise	6.5%	6.9%	6.5%
TOTAL	100.0%	100.0%	100.0%

2015 provisional data

Source : Insee, Estimations d'emploi localisées (Estel)

Despite an unfavourable economic background, the rate of unemployment in the Ile-de-France region remains lower than the national average, at 8.6 per cent in the Region in the fourth quarter of 2016 compared to 9.7 per cent in mainland France as a whole.

Change in the unemployment rate in Ile-de-France by département and in mainland France (percentage)
Seasonally adjusted average quarterly data

	Fourth quarter 2012	Fourth quarter 2013	Fourth quarter 2014	Fourth quarter 2015	First quarter 2016	Second quarter 2016	Third quarter 2016	Fourth quarter 2016 (p)
Paris	8.1	8.1	8.3	8.0	7.9	7.7	7.8	7.8
Seine-et-Marne	7.7	8.0	8.2	8.1	8.0	7.9	8.0	7.9
Yvelines	7.0	7.2	7.5	7.4	7.4	7.3	7.4	7.4
Essonne	7.2	7.5	7.8	7.7	7.8	7.6	7.7	7.7
Hauts-de-Seine	7.6	7.7	8.0	7.8	7.7	7.5	7.6	7.5
Seine-Saint-Denis	12.4	12.8	13.2	12.9	12.9	12.5	12.7	12.7
Val-de-Marne	8.4	8.7	9.1	8.9	8.9	8.7	8.8	8.8
Val-d'Oise	9.8	9.9	10.4	10.2	10.2	9.9	10.1	10.0
Ile de France	8.5	8.7	9.0	8.8	8.7	8.5	8.7	8.6
Mainland France	9.7	9.8	10.1	9.9	9.9	9.6	9.8	9.7

Source : Insee – Taux de chômage localisés

(p) provisional data

2.5 Description of the political system

Cf. 2.2.3 Legal form, organization and powers.

3. PUBLIC FINANCES AND EXTERNAL TRADE

3.1 Tax and budgetary system

3.1.1 The Region's revenues

The Region's revenues derive from:

- *Direct and indirect taxation*

Direct regional tax revenue comprises:

- a fraction of the Ile-de-France enterprise value-added contribution (CVAE), increased by amended article 89 of the initial finance law for 2016 from 25 per cent to 50 per cent;
- the flat-rate network corporation tax (IFER) relating to rolling stock used on the national rail network for passenger transport operations (IFER "rolling stock");
- the IFER relating to the principal copper local loop telephone exchanges and the subscriber connection units of the switched telephone network (IFER "telecoms").

Calculation of the CVAE for each region uses two successive rebalancing mechanisms.

- Since 2011 the revenue of those regions for which the revenue derived from new tax system is greater than the 2010 benchmark tax revenue, is capped at 2010 levels, to support the national individual resources guarantee fund ("FNGIR"), which re-allocates collected revenue to the under-compensated Regions. The *Ile-de-France Region* is the only region subject to actual levy by the FNGIR. The annual amount of the levy has theoretically been fixed once and for all (however several corrective adjustments to the margin have since been made, but since 2013 the amount has been frozen);

- Since 2013, a re-balancing mechanism relating to growth of the regions' CVAE has been introduced. A region is the subject of a levy if its new post-reform tax revenue increases at a rate greater than the overall average for all regions. The entire amount of the difference is then levied for re-balancing, subject to a cap of 50 per cent of the total variation in such revenues, such variations being calculated on a cumulative basis by reference to 2011. The *Ile-de-France Region* was the subject of a levy under this new system.

Indirect taxation includes vehicle registration certificate tax, for which the Regional Council sets the rate based on horsepower, and driving license tax, which has been set at 0 euro since 1999.

- *Miscellaneous taxes attributed to the Region by law.*

The revenue from special taxes: Tax on the creation of office, retail and warehouse space in Ile-de-France, supplemental tax for stamp duty and cadastral tax on transfers for consideration of business property, the supplemental local amenities tax¹ levied on works involving construction, reconstruction and extension of all types of buildings, 50 per cent of the revenues from the tax on its portfolio of offices and commercial and storage space capped at 212,938,800 euros) (after retrocession by the State of €30,000,000 in compliance with the provisions of article 47 of the initial finance law for 2017) was allocated by law to the Ile-de-France Region to compensate for the specific expenditure assumed by it, principally in the area of transportation and development in the Paris region.

In accordance with Article 41 of the 2014 finance law, regions shall as from 2014 benefit from a new source of tax income: management fees relating to the business real estate contribution (CFE), the CVAE and the residence tax. This new tax revenue and also an additional percentage of the internal tax on the consumption of energy products (TICPE) replaced, as of 2014, the general decentralization endowment (DGD) relating to vocational training (cf. below).

The 2015 finance law established as from 2015 two new sources of tax revenue specific to the Ile-de-France Region to be used to finance investment in public transport:

- an "annual car parking space tax": the assessment basis of this tax is identical to that of the office space tax (TSB) linked to car parking space (car parking space adjoining office, commercial and storage premises attracting the office space tax). Like the TSB, the applicable rates of this tax are fixed by district and are indexed to the construction cost index (ICC). The rates set for this new tax in 2015 are 1.85 times greater than those of the TSB on parking spaces for 2014. These rates are updated on 1st January of each year, based on the most recent construction code index published by the *Institut national de la statistique et des études économiques* (INSEE)
- an "annual special additional tax": this new tax is a distributional tax inspired by the local equipment taxes (TSE). The Region must adopt a level of tax revenue for year N by deliberation taken before 31/12/N-1, within the limits of a cap fixed at 80 million euro².

The contribution to the development of apprenticeships (CDA) was replaced in 2015 with the new Regional Revenue for Apprenticeship (RRA) comprising a percentage of the apprenticeship tax (51 per cent of the tax) and a new percentage of TICPE.

The power to fix the rate or ceilings for these taxes remains Parliament's prerogative.

- *A portion of the TICPE, formerly TIPP).*

To compensate for the transfers of power implemented by law no. 2004-809 of 13 August 2004, the Government has allocated to the regions a portion of the TICPE. Since 2006, the percentage attributed to each region has varied. The percentage payable to the Ile-de-France Region was set for 2017 at €17.82² per hectolitre on unleaded petrol and €12.59 per hectolitre on diesel.

Since 2007, the regions can modulate this rate up to certain limits ("2007 modulation"). The Ile-de-France Region has decided to apply the maximum upwards modulation, i.e. an increase of 1.77 euro/hl on unleaded petrol and an increase of 1.15 euro/hl on diesel. Article 89 of the rectifying finance law for 2016 ended the system of modulation by the regions, setting the amount of the fractions at the level of the ceiling.

The finance law 2010 (as amended by the supplemental finance law 2011) also introduced a new option to increase the regional TICPE tariff (+0.73 euro/hl on unleaded petrol and +1.35 euro/hl on diesel) provided that the proceeds of such increase are applied to the "financing of sustainable rail or river transport infrastructure, as referred to in articles 11 and 12 of the planning law no. 2009-967 of 3rd August 2009 relating to implementation of the "*Grenelle de l'environnement*" or improvement of the urban transport network in Ile-de-France". Ile-de-France has adopted this new so-called "Grenelle" part of the TICPE as from 2012 at the maximum tariff.

In addition, since 2014, the Region Ile-de-France has, like the other regions, received two new TICPE fractions:

¹ As from 1st March 2012, the supplemental local amenities tax (TLE) was replaced by the regional portion of the development tax that the Region may by deliberation decide to introduce and in respect of which it may fix the rate (subject to a maximum of 1 per cent, the current rate of supplemental tax to the TLE).

¹ However unlike the TSE, this additional tax is added only to the land(basic) tax on the built properties and to the land(basic) contribution of companies; the people liable for the local residence tax and for the land(basic) tax on undeveloped properties are not thus concerned by this new tax.

² Article 34 of the initial finance law updates this TICPE fraction.

- one fraction, aim at compensating the responsibilities placed on regions in the area of Vocational Training: the relevant tariff percentages are 0.79 euro/hl for unleaded petrol and 0.56 euro/hl for diesel, and, unlike the "modulation 2007" and the "TICPE Grenelle", apply to total national consumption and are therefore not assessed on a regional basis (article 41 of the 2014 finance law). The total revenue collected nationally is handed over to the regions prorata the 2013 distribution of the vocational training DGD, an endowment that was abolished in 2014.
- one fraction aimed at compensating for the responsibilities placed on regions in respect of financing premiums payable to employers of apprentices (article 140 of the 2014 finance law) in replacement of the former "apprentice fixed compensatory indemnity" (IFC) endowment abolished in 2014. These tariff fractions are set for 2017 at 0.61 euro/hl for unleaded petrol and 0.43 euro/hl for diesel, and also apply to total national consumption and are therefore also not assessed on a regional basis (article 40 of the 2014 finance law).

Since 2015, the Region has been collecting an additional percentage of the TICPE (these rate percentages were defined for the regions in the 2017 finance act at 0.40¹ euro/hl for premium unleaded fuel and 0.28 euro/hl for diesel fuel), which, together with a percentage of the new apprenticeship tax directly allocated to the regions (derived from the combined apprenticeship tax and CDA), shall form the "RRA" (rectifying finance law of August 2014). The RRA shall replace the former FNDMA (National apprenticeship development and modernization) Special Allocation Account and the CDA taxation.

Lastly, two new portions of TICPE were established to benefit the region in the initial finance law for 2016:

- one portion to be used to finance the payment of apprentice hiring grants: the final amount and the distribution of the compensation are defined in the amending finance law for the year, based on the number of subsidies granted by the regions between 1st July of the previous year and 30 June of the current year. The rate fractions (not regionalized) have been set at 0.25 euro/hl for premium unleaded fuel and 0.18 euro/hl for diesel fuel with a flash point lower than 120°C.
- one portion to be used to offset expenses borne by the regions for the transfers of skills defined in II of Article 91 of law no. 2014-58 of 27 January 2014 on the modernization of regional public action and affirmation of metropolitan areas as well as II of Article 133 of law no. 2015-991 of 7 August 2015 on a new regional organization for France. The (non-regionalized) rate fractions are set at 0.123 euro/hl for premium unleaded fuel and 0.092 euro/hl for diesel fuel with a flash point lower than 120°C.

- *Central Government grants (for operating and capital expenditure).*

The allocations for operating expenses have been incorporated within the global operating endowment (*dotation globale de fonctionnement* – "DGF") introduced in 2004.

Furthermore, article 41 of the 2014 finance law has abolished the DGD relating to vocational training and its replacement by new tax revenues derived from, on the one hand, management fees relating to direct taxation and, on the other hand, a new percentage of the TICPE revenue. The law guarantees the regions a minimum level of revenue. The total revenue in compensation for the abolition of the DGD (management expenses and TICPE) may not be less than the amount of the 2013 grant. A TICPE guarantee-floor mechanism has been implemented.

As regards the financing of apprenticeship premiums the system has been fundamentally changed since 2013 with the gradual replacement of endowments collected through tax revenue (TICPE and RRA).

Also, article 33 of the finance law for 2017 removed the contribution for lack of compensations of direct local taxation. This measure was dictated by the acknowledgement that this contribution represented 3 per cent of the department and regions' income whereas the economic taxation is dynamic by more than 3 per cent.

Finally, in 2017 an exceptional support fund of €450 million was created (article 7 of law no. 2015-991 of 7 August 2015 and article 149 of the finance law for 2017) to reinforce economic development actions. The amount of the Ile-de-France Region's share is €55,058,323 euros.

- *Repayments of loans granted to certain companies and advances granted to local authorities.*

These repayments are essentially on loans made by the Region under its public transport policies to the Paris Metropolitan transit system (RATP) and the French national railway (*Société Nationale des Chemins de Fer* or S.N.C.F. Mobilité et Réseau).

- *Other revenues, primarily including:*

- a portion of the revenues from fines for traffic violations and parking fines and, since 2006 a portion of the fines derived from speed trap radars;
- reimbursements provided by the central government to all regional authorities through the Value-Added Tax (VAT) Compensation Fund (FCTVA), designed to offset the VAT paid on capital expenditure and, since the initial finance law for 2016, on certain operating expenses;
- remainders of payments by the European Union Social Fund (ESF) from the previous 2007-2013 programme for certain vocational training initiatives;
- since 2015, payments of European structural funds (ESF, European regional development fund (FEDER) and the European agriculture rural development fund - FEADER) as part of the transfer to regions of authority for management of EU funds under the new 2014-2020 programme (law

¹ Article 34 of the finance law for 2017

no. 2014-58 of 27 January 2014 for the modernization of regional public action and affirmation of metropolises). Part of these funds will be paid by way of subsidy to third party beneficiaries and part will be paid directly to the Ile-de-France Region, as part of European co-financing (50 per cent) of projects or initiatives for which it is directly responsible or which it implements through a public procurement process.

3.1.2 The budgetary and accounting framework

The **initial budget** (BP) is the document that sets out and approves the revenues and expenditure of local authorities in France.

The initial budget for regional authorities must be approved before 15th April of the fiscal year to which it applies or prior to 30 April in deliberative assembly election years.

If the budget is not approved, the Law (Article L.1612-2 of the CGCT) sets out a procedure which allows the regional *Préfet*, as the State's representative in the region, to fix the budget of the local authority after consultation with the regional audit office (*Chambre régionale des comptes*) – CRC) Adoption of the budget authorises the executive body of the local authority to collect the revenue and undertake the expenditure.

The budgets of France's regional authorities must respect the following five budgetary principles:

- **unity:** all revenue and expenditure must be contained in a single document;
- **annual Basis:** the authorisation given to the executive body of the local authority to collect revenue and undertake expenditure is given for a single year, which runs from 1st January to 31 December;
- **universality:** the budget for the fiscal year includes all revenue and expenditure without offsetting;
- **balance:** this means that, on the basis of a true and fair estimation, projected revenues must equal projected expenses, both for the operating budget (ordinary expenses) and the capital expenditure budget. Reimbursement of the principal on borrowings should be covered by income excluding borrowings;
- **the principle of specialism of expenditure:** this means that expenditure is only authorized for a specific department or purpose. Accordingly, credits are allocated to a department, or to a group of departments, and are specialized by chapter grouping together all expenditure depending on its type or purpose. However, this principle may be relaxed if authorization is given by the Assembly to the President of the regional Council to transfer payment credits between chapters, subject to a maximum of 7.5 per cent of actual expenditure in each section.

Corrective or supplementary budgets may adjust the revenue and expenditure approved in the BP.

The **administrative accounts**, reviewed before 30 June of the following fiscal year, recapitulate the revenue and expenditure of the fiscal year.

These accounts, published by the local authority (originator), must be in conformity with the management accounts drawn up by the public auditor who is responsible for payment of expenses and collection of all revenue owed to the local authority.

The result of this practice, which is applied by all regional authorities and derives from the principle (established by the general law governing public accounting rules and practices in France) that the originator should not also be the accountant, is that public funds are handled by the public auditor and an annual external audit is carried out on all authorizations for payment issued each year by the local authority.

The role thus conferred on the public auditor serves as a guarantee for the financial integrity of the local authority.

Three types of control therefore exist under law no. 82-213 of 2 March 1982: administrative or legal compliance control, budgetary and financial control, jurisdictional and management control.

Administrative or legal compliance controls of regional authorities' acts are carried out after the event by the prefect (*Préfet*). Once such acts are in force and have been notified to the prefect, they may be referred by the prefect to the administrative tribunal within a period of two months.

Budgetary and financial controls are also carried out after the event by the prefect under the supervision of the CRC. These controls are exercised in the following five situations: voting the budget out of time; failure to list a compulsory item of expenditure (in accordance with Article L.1612-15 of the French *Code Général des Collectivités Territoriales*, it being specified that under Article L.4321-1 of the same code, "Interest on the debt and the reimbursement of the principal on borrowings" constitute mandatory expenditures); lack of real balance in the budget; administrative accounts deficit; failure to provide the administrative account.

Jurisdictional accounting controls are carried out by the CRC: they opine on the conformity of public auditor's accounts; they also carry out controls in relation to officials who have powers to authorize expenditure in cases of de facto management. Management controls are exercised in relation to the proper utilization of public funds by regional authorities: They take the form of observations delivered by the CRC on the regional authorities' management.

3.2 Gross public debt, historical summary of the debt, maturity structure of debt outstanding showing residual maturities (including where less than one year) and debt repayments and debt outstanding in foreign currencies

The borrowings policy pursued by the Ile-de-France Region is led by the desire to control the amount of existing borrowings, limit the cost of new borrowings and reduce finance charges in order to direct available resources in priority to responsibilities conferred on the Region.

3.2.1 Current position and management of debt

(a) Existing financing instruments

- A long-term revolving credit facility (CLTR)

The Region has one CLTR with Groupe Caisse d'Épargne for a total amount since 30 December 2015 of 587 million euros.

- The Euro Medium Term Notes programme

In May 2001, the Region, which has regularly issued on the financial markets, established an EMTN programme in an amount of 1 Bn euro, since increased to 7 Bn euros, with a term of 30 years. The Region was also the first French regional authority to make use of this type of instrument.

This programme, whilst significantly enhancing the Region's reputation, exposes it to an even wider investor base and enables it to take market or private placement opportunities, over all maturities, with greater flexibility and speed due to the pre-existence of contractual terms and conditions governing these financing operations.

With these various instruments, the Region is able to choose between bank finance and issuing securities for its medium and long-term financing.

- A diverse borrowing strategy

The Ile-de-France Region actively issues green and sustainable bonds. Since 2012 it has been heavily involved in this market, consistent with its financial strategy and commitment to sustainable development. In 2016 these issues accounted for 100 percent of the loans mobilized by the Region.

In 2012, the Ile-de-France Region was the first local authority in Europe to launch a green and socially responsible bond issue. The Region has begun ex-ante targeted theme fund allocation and produced a report on its fund allocation the following year.

In the spring of 2014, the Region once again launched a green and socially responsible bond issue on the green bonds market, which is now rapidly expanding. The Region expanded its initiative by preparing more detailed selection criteria that have been vetted by an independent agency.

In 2015, the Region conducted a public issue and subscription, and created its first "green and socially responsible private equity fund". The Region undertook to request an independent, outside verification of its reporting on these 2015 issues.

In 2016 and 2017 the Region once again issued green and responsible bonds.

Ile-de-France wishes to highlight the model nature of its policies regarding balanced, sustainable development for its region.

The Region is notable for:

- its funding of green and sustainable projects, i.e., projects that incorporate the full range of concerns regarding economic, social and environmental responsibility;

- its commitments to investors, in advance of any transaction, based on best practices and appropriate standards.

The Region has subscribed to the Green Bond Principles (GBP) from the International Capital Market Association (ICMA) since July 2015. In 2016 it received the "First Municipal Green Bond" award given by the NGO Climate Bond Initiative and the "Best local public issuer" award and "Best public bond issue of the year" awards for its 2016 issue, awarded by Global Capital.

The Region's goal of serving as a model is supplemented by a commitment to transparency in its actions. It has been evaluated by an extra-financial rating agency, Vigeo, on its performance in terms of environmental, social and governance criteria (Environmental, Social and Governance (ESG) criteria). Since 2012, this agency has rated the Region as one of the leading responsible operators amongst the major European local authorities analyzed (29 in 2016). In its latest report, the agency considered that the Region's performance is at an "advanced" stage in the six chosen areas of analysis (environment, human resources, human rights, territorial development and solidarity, public procurement and governance) with scores above the sector average.

(b) Debt characteristics

(i) Outstanding debt

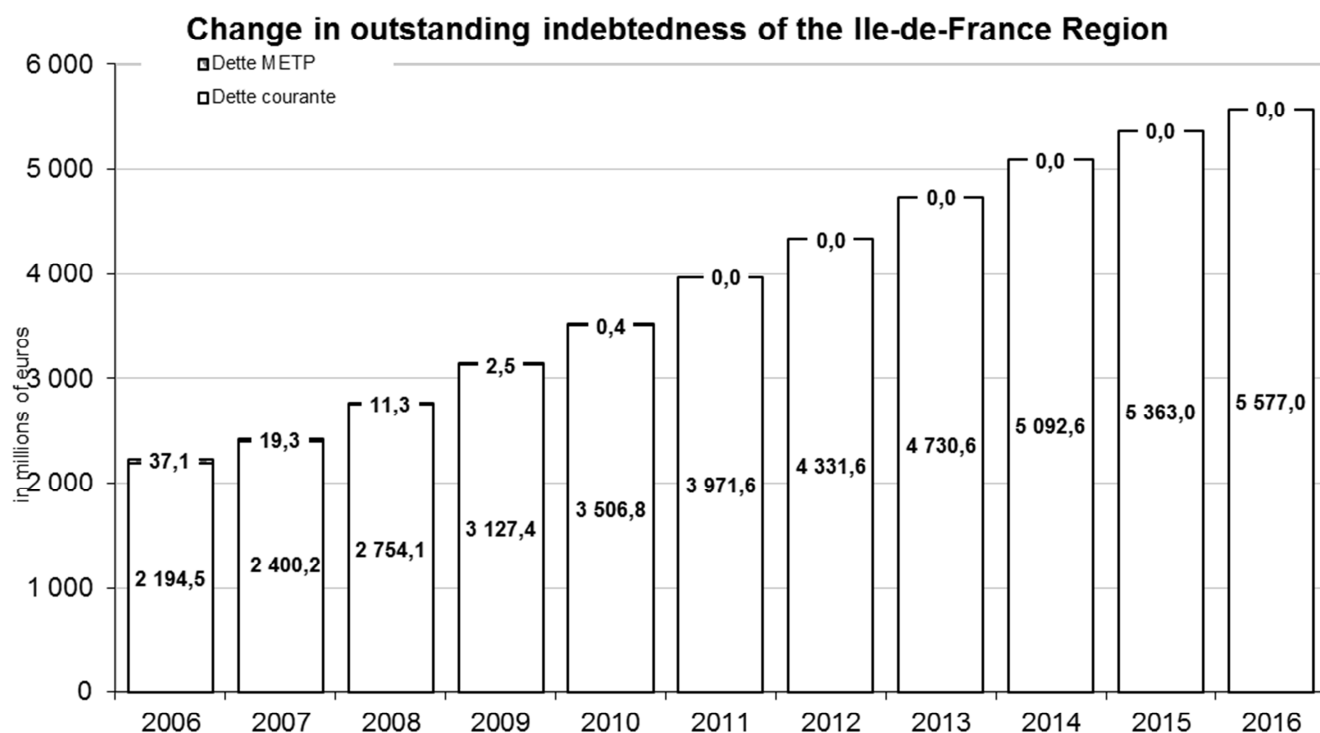
The Region's outstanding debt as at 31st December 2016 was 5,577.0 million euro.

With outstanding debt of 4,692.1 million euro as at 31st December 2016, bond issues represent 84.2 per cent of total direct indebtedness of which 71.2 per cent is public issues and 13.0 per cent private placements.

Changes in outstanding debt levels (in millions of euros as at 31/12 of year n)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Current debt	2,194.50	2,400.20	2,754.10	3 127,4	3,506.80	3,971.60	4,331.60	4,730.6	5,092.6	5,363.0	5,577.0
METP*	37.1	19.3	11.3	2.5	0.4	-	-	-	-	-	-
TOTAL	2,231.60	2,419.50	2,765.40	3,129.9	3,507.20	3,971.60	4,331.60	4,730.6	5,092.6	5,363.0	5,577.0

* METP : *Marchés d'Entreprise de Travaux Publics* (public works procurement contracts)



Dette METP = METP debt

Dette courante = Current debt

Following the fall in outstanding debt until 2003 resulting from the programme of early repayments made in anticipation of the expected increase in financing requirements, the Region has since 2004 increased its borrowings in a controlled manner as capital expenditure programmes provided for in the 2000-2006 planning contract, and then in the 2007-2013 projects contract, entered into with the State have matured. The Region has chosen to maintain its capacity to invest, in spite of a slowdown in revenue and an increase in operating expenditure with the transfer of powers from the State. In 2016 the self-financing level (share of the investments financed by the Region's own resources) was 67.8 per cent.

The tables below present the changes in the debt ratios of the Ile-de-France Region.

Debt level as at 31 December compared to permanent revenue for the financial year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Outstanding debt / permanent revenue stated in the Administrative Account (as %)	70.2	69	75.4	80.9	91.9	103.6	109.3	116.4	127.2	127.4	132.4

*Outstanding debt as at 31 December compared to gross savings of the financial year¹
or debt reduction capacity*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt reduction capacity (in years)	2.0	2.4	2.9	3.5	4.3	4.8	5.8	6.3	7.1	7.5	7.2

Outstanding debt per inhabitant as at 31 December of the year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Outstanding debt (in euros per inhabitant)	195.8	210.6	236.9	268.2	300.5	338.3	367.0	398.3	426.6	442.6	457.9

As of 31 December 2016, total debt levels are equivalent to 132.4 per cent of permanent revenue; the Region's debt amortisation capacity is 7.2 years.

(ii) Average debt levels and interest rate exposure

The Region has for several years been implementing a prudent debt management strategy pursuing two principal objectives:

- limiting the interest rate risk on the Region's debt;
- seizing market opportunities to reduce interest costs.

This cautious policy consists in using simple hedging products dividing its debt between long-term fixed interest rates and short-term variable rates, depending on market conditions and opportunities, in such a way as to adjust to optimum effect the Region's debt position on the interest rate curve and thereby limit the interest costs effectively paid.

This strategy has since 2004 enabled the Region to smooth out fluctuations in the annual rate paid on regional debt and allowed it to benefit from favourable market trends such as, for example, the fall in interest rates in 2009 and again in 2014 and 2015. Thus,

- between 2005 and 2008, whilst fixed rates were considered to be abnormally low and variable rates were on the rise, the fixed rate portion of its debt was increased;
- conversely in 2009, market conditions began to favour short-term rates which reached historically low levels. The strategy then adopted was to take advantage of these rates whilst limiting the risk of a rapid rise of short-term rates by purchasing caps²;
- since 2010, the Region has elected to move further towards fixed rates against a background of great uncertainty and market volatility;
- in 2013, better market fluctuation visibility led to the debt structure tipping slightly more towards floating rates. This structure enabled the average interest rate level to be lowered;
- since 2014, the Region has obtained the majority of its new loans at a fixed rate in order to obtain historically low interest rates.

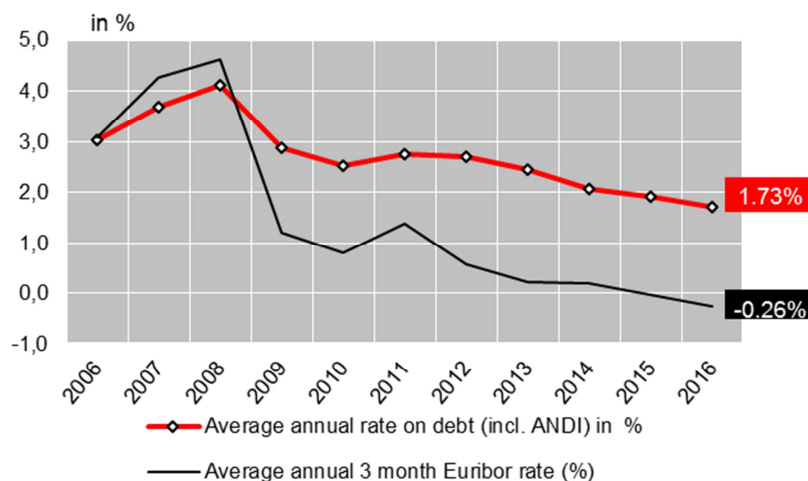
¹ Difference between operating revenue and expenditure

² Caps are options contracts that allow the interest rate paid by the Region to be pegged to a variable rate facility, if the benchmark index exceeds a predetermined threshold.

Changes in average interest rates on the Region's debt

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Average annual rate on debt (incl. ANDI) (%)	3.03	3.68	4.11	2.88	2.52	2.75	2.71	2.46	2.08	1.91	1.73
Average annual rate on debt (excl. ANDI) (%)	3.03	3.68	4.11	2.85	2.10	2.55	2.32	2.44	1.91	1.90	1.71
Average annual 3 month Euribor rate (%)	3.08	4.28	4.63	1.22	0.81	1.39	0.57	0.22	0.21	-0.02	-0.26

*ANDI: Accrued Not Due Interest



As regards the financial instruments it employs, the Region's active management operations are implemented with the greatest caution and only involve simple hedging instruments, the Region having always ruled out the use of complex structured products that are considered to be too risky.

Thus the five active management products in existence as of 31 December 2016 on the Region's outstanding debt are simple interest rate swap contracts (interest rate swaps), between euro zone fixed and variable rates. These products are categorised as A1 (eurozone indices, A: simple fixed interest rate, simple variable interest rate; fixed interest rate against variable interest rate or converse), the category carrying the least risk for local authorities, according to the classification set out in Schedule 4 of the NOR IOCB1015077C circular dated 25 June 2010 on financial products offered to local authorities and their public entities. At the government's request, banking establishments and local communities decided to describe the best practices that should be adopted in matters of loan management, in a charter of best practices called the "Gissler Charter" (from the name of its main writer). The column of this classification represents the product's structure, from the simplest (A) to the riskiest (F). The row of the classification represents the indices on which the products are indexed, here again from the simplest (1) to the most structured (6).

In total, at 31 December 2016, 100 per cent of the outstanding regional debt is indexed on simple fixed interest rates or simple eurozone floating interest rates and is thus all classified in the A1 category of the "Gissler" classification.

The Region's indebtedness, after applying interest rate swaps as at 31st December 2016 is illustrated in the table below. The outstanding principal is expressed in millions of euros.

OUTSTANDING DEBT AS AT 31ST DECEMBER 2016 TAKING ACTIVE MANAGEMENT OPERATIONS INTO ACCOUNT									
Type and year of utilisation of borrowing	Arrenger(s) of bond issues and private placement or lending institution(s) for bank loans	Initial rate	Rate after active management operations	Repayment	Principal outstanding	Type of product currently active under the facility (excl. Currency swaps)	Start date	Maturity date by product	
BOND ISSUES									
Public issues									
2006	IXIS CIB et SOCIETE GENERALE (220,0 M€)	4,250%	EUR3M	2017	220 000 000,00	plain vanilla swap	25/07/2006	25/07/2017	
2007	UBS et ABN AMRO (203,8 M€)	EUR6M	-	2018	203 836 930,46	-	-	-	
2009	SOC GEN, HSBC France et BANCA IMI (200,0 M€)	4,500%	EUR3M	2019	200 000 000,00	plain vanilla swap	23/04/2009	23/04/2019	
2010	SOCIETE GENERALE et BANCA IMI (300,0 M€)	3,200%	-	2020	300 000 000,00	-	-	-	
2010	UBS (100,5 M€)	2,753%	-	2017	100 502 512,56	-	-	-	
2011	SOCIETE GENERALE, DB, HSBC France, Natixis (410,0 M€)	3,625%	-	2022	410 000 000,00	-	-	-	
2012	BNP et CACIB (350,0 M€)	3,625%	-	2024	350 000 000,00	-	-	-	
2013	BARCLAYS et NATIXIS (300,0M€)	2,250%	-	2023	300 000 000,00	-	-	-	
2014	HSBC France, CACIB et NATIXIS (600,0 M€)	2,375%	-	2026	600 000 000,00	-	-	-	
2015	BNP, CACIB et NATIXIS (500,0 M€)	0,625%	-	2027	500 000 000,00	-	-	-	
2015	ICBC, SOCIETE GENERALE, UBS (110,0 M€)	3,200%	-	2020	110 000 000,00	-	-	-	
2015	BNP (25,0 M€)	3,625%	-	2024	25 000 000,00	-	-	-	
2016	BNP, CACIB, NATIXIS, SG (650,0M€)	0,500%	-	2025	650 000 000,00	-	-	-	
Private placements									
2003	HSBC CCF (30,5 M€)	EUR3M	-	2018	30 522 701,26	-	-	-	
2009	BNP PARIBAS (49,7 M€)	EUR3M	-	2018	49 668 874,17	-	-	-	
2010	BNP PARIBAS (100,0 M€)	EUR3M	-	2017	100 000 000,00	-	-	-	
2011	CREDIT AGRICOLE CIB (66,8 M€)	EUR3M	-	2021	66 796 318,16	-	-	-	
2011	SOCIETE GENERALE (60,0 M€)	4,035%	EUR3M	2026	60 000 000,00	plain vanilla swap	13/07/2011	13/07/2026	
2012	BNPP (80,0 M€)	EUR3M	1,275%	2018	80 000 000,00	plain vanilla swap	14/12/2012	14/12/2018	
2013	NATIXIS (40,0 M€)	2,594%	-	2025	40 000 000,00	-	-	-	
2013	CREDIT AGRICOLE (40,8 M€)	EUR3M	-	2028	40 816 326,53	-	-	-	
2013	HSBC (70 M€)	3,060%	-	2028	70 000 000,00	-	-	-	
2013	COMMERZBANK (50,0 M€)	2,675%	-	2024	50 000 000,00	-	-	-	
2014	HSBC France (35,0 M€)	1,640%	-	2025	35 000 000,00	-	-	-	
2015	BRED (100,0M€)	EUR3M	-	2021	100 000 000,00	-	-	-	
TOTAL					4 692 143 663,14				
SCULDSCHIEIN									
2013	HELABA (50,0 M€)	2,750%	-	2028	50 000 000,00	-	-	-	
TOTAL					50 000 000,00				
BORROWINGS WITH CREDIT INSTITUTIONS									
Borrowings in euros									
2007	CADIF 75,0 M€	Livret A	EUR3M	2017	75 000 000,00	plain vanilla swap	01/06/2007	01/06/2017	
2008	Long-term loan under revolving DEXIA credit facility (50,0 M€)	4,265%	-	2022	50 000 000,00	-	-	-	
2008	Long-term loan under revolving DEXIA credit facility (50,0 M€)	4,065%	-	2022	50 000 000,00	-	-	-	
2011	CDC 252,0 M€	3,570%	-	2026	182 230 166,81	-	-	-	
2011	CDC 40,0 M€	4,020%	-	2017	8 645 889,52	-	-	-	
2012	BEI 200,0 M€	3,827%	-	2026	200 000 000,00	-	-	-	
2014	BEI 100,0 M€	0,321%	-	2019	100 000 000,00	-	-	-	
2015	BEI 24,0 M€	0,230%	-	2019	24 000 000,00	-	-	-	
Borrowings with option to draw on liquidity facility									
	Short-term drawing on revolving credit facility Caisses d'Epargne	EONIA	-	2022	145 000 000,00	-	-	-	
TOTAL					834 876 056,33				
TOTAL GÉNÉRAL					5 577 019 719,47				

N.B. : CADIF : Crédit Agricole d'Ile-de-France ; CDC : Caisse des Dépôts et Consignations ; BEI: European Investment Bank

(iii) Debt structure

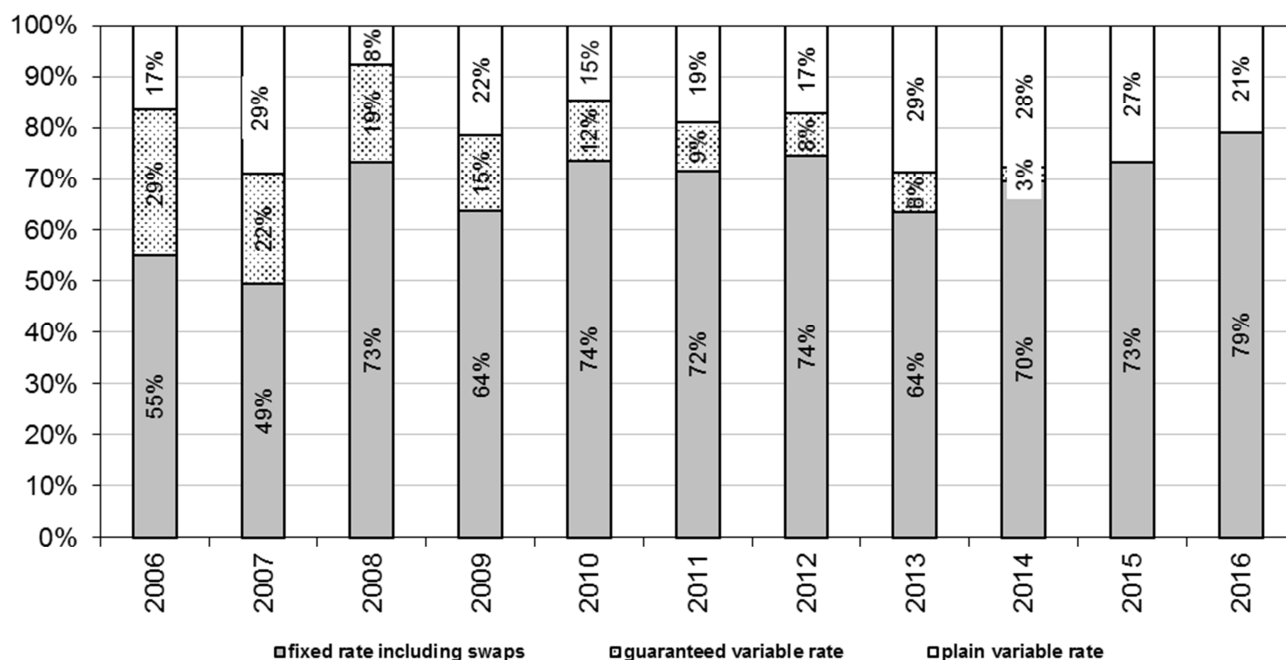
In total as a result of these transactions, the breakdown of debt per type of rate as at 31 December 2016, excluding the debt under the (LTRC) of the Region, at an outstanding amount of 5,432.0 million euro, is as follows:

- 78.9 per cent fixed rate borrowings, for a total outstanding amount of 4,285.4 million euro,
- 21.1 per cent floating rate borrowings, for a total outstanding amount of 1,146.6 million euro.

Given this distribution between fixed- and floating-rate borrowings, the financial impact on the Issuer of a sudden rise in interest rates would therefore be limited, as the share of interest expense would correspond to only 3.6% of operating revenue in 2016.

The table below shows how the Region's debt structure has evolved:

Change in debt structure as at 31 December in each year (excl. Long-term revolving Credit facility dawings and METP)

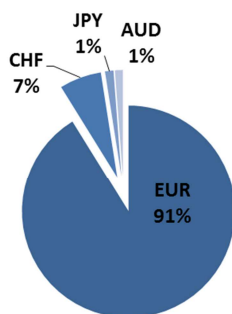


Including short-term borrowings utilised under the LTRC line (145 million euro as at 31 December 2016), the breakdown of the Region's debt by type of rate as at 31 December 2016 is as follows:

⇒ debt indexed on fixed rates or swapped at fixed rates: 76.8 per cent;

⇒ debt indexed on normal variable rates: 23.2 per cent.

The pie chart shows the structure of the Region's debt by type of currency:



The Region takes no exchange-rate risk because whenever it issues securities in a foreign currency it enters into euro currency swap contracts at the outset.

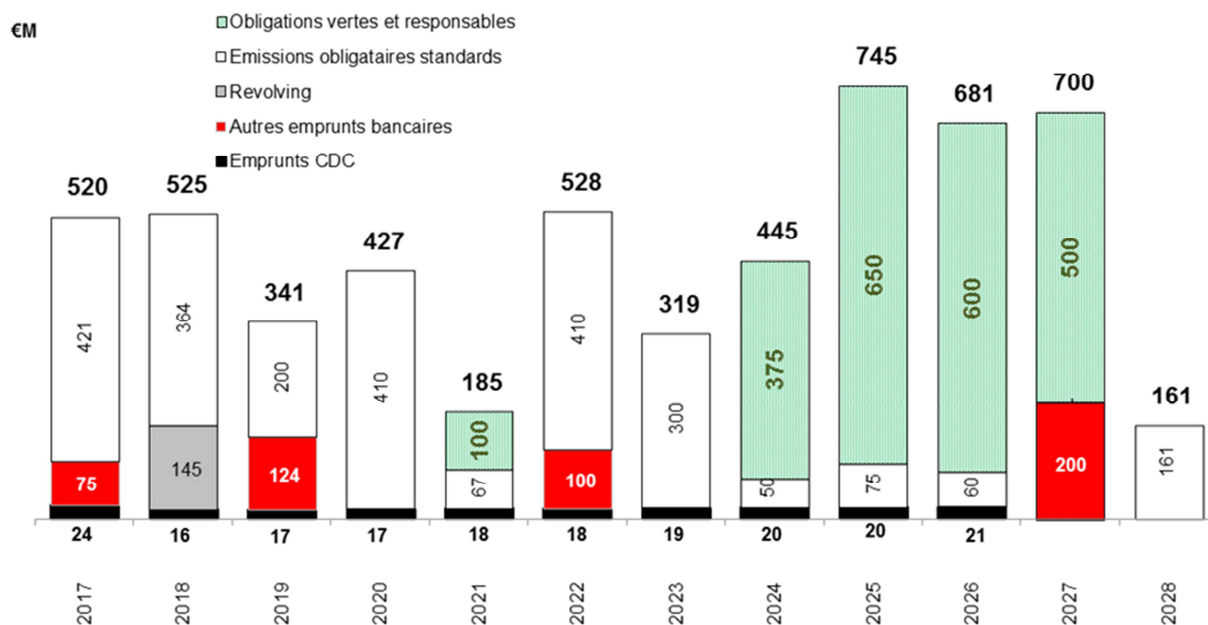
(iv) Evolution of debt redemption

The average term of the Region's debt is 6.2 years at the end of 2016.

Borrowings with a residual maturity of less than one year correspond to 8.9 per cent of outstanding loans (€496 million). These include a bank loan of €3 million taken out in 2007 and three bond issues: €100 million in 2010, €220 million in 2006 and €100.5million in 2010.

Redemption of debt, based on debt outstanding as at 31st December 2016, has evolved as follows:

*Estimated evolution of current debt redemption
As at 31/12/2016 (incl. LTRC)*



3.2.2 Cash flow

With regard to short-term debt, the Region finances its cash flow requirements either by bank credit lines or by issuing commercial paper under its commercial paper programme established in 2002. The amount of the programme was raised in 2012 to 1 billion euro.

The revolving credit facility, in an amount of 587 million euro, is utilised both as a means of borrowing and as a cash management tool.

Due to its flexibility, this instrument makes it possible at any time to arbitrage rates and markets within shorter timeframes (24 hours).

This facility also provides an option for a complete or partial repayment of the debt, depending on cash flow requirements (since any amount repaid may be re-borrowed under this facility). This facility therefore enables the Region to better manage its cash requirements to optimise utilisation of public funds.

(a) Utilisation of bank credit lines for cash management purposes.

Since 2004, the smaller daily average balance has made it possible to reduce the debt service cost. Since last 2015, the short-term interest rate environment has allowed the Region to enjoy negative rates on its commercial paper.

In 2016, for its cash flow needs, the Region had recourse to NEU CP instead of the used of the CLTR line, due to currently very attractive interest rates on these products (negative rates). This strategy resulted in a surplus in the Cash account, without involving any opportunity cost for the Region.

Average daily cash balance since 2006

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<i>Average cash balance (in millions of euros)</i>	6.3	1.7	2.4	0.0	0.0	0.0	37	1.1	2.8	18.9	912.5

(b) The commercial paper programme – an additional cash management instrument

Since under article 25 of Law N° 2001-420 dated 15 May 2001 concerning new economic regulations, it had become possible for regional authorities to issue commercial paper, Région Ile-de-France in 2002 established a commercial paper programme for a global amount of €500 million, increased in 2012 to €1Bn, for a 15 year term to meet a two-fold objective:

- to provide a choice in the short term between bank financing (cash credit line) and securities financing;
- to further decrease the management costs of the Region's cash assets.

Accordingly, for the management of its cash flow requirements, the Region over the short term, as for the long term with the establishment of the EMTN Programme, has the choice at any time between drawing on its revolving credit facilities and issuance on the commercial paper market.

The Region arbitrages between these two instruments depending on the foreseeable term of its financing requirements and the conditions offered by the markets. Both instruments complement each other, although issuing commercial papers is more usually reserved for standard minimum periods of 20 days.

In 2016, for its cash flow needs, the Region had recourse to NEU CP instead of using the CLTR line, due to currently very attractive rate conditions on these products (negative rates). Two operations were launched during the fiscal year in order specifically to prepare for bond issues in better conditions by not forcing the Region to borrow under unfavourable market conditions. A first issue in May in the amount of 500 million Euros, and for a duration of 121 days. It then made a second issue for 500 million Euros in November over a period of 210 days.

3.2.3 Receivables

The Ile-de-France Region is unusual in holding a significant level of receivables in the form of loans and advances (468 million euro at 31 December 2016) which must be taken into account when analysing the Region's outstanding commitments.

The receivables level has developed as follows:

Receivables level at 31 December in each year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<i>Receivables level (in millions of euros)</i>	751	735	713	695	659	643	615	585	549	509	468

In the framework of its supportive public transport policy, the Ile-de-France Region has granted loans to certain public-sector establishments or companies (the R.A.T.P., the S.N.C.F. and the Réseau Ferré de France (RFF)). These loans at special rates granted over a period of 25 years represent, depending on the transaction, 10 to 20% of the total amount of the transaction.

With the 2007-2013 State-Region Project Contract, this loan mechanism was discontinued, and the Region's share of the financing for transport infrastructure expenses is being paid exclusively in the form of grants to the project management firm for each project

Thus, the Region is no longer granting new loans to the RATP, SNCF Mobilités (formerly SNCF) and SNCF Réseau (formerly RFF) as part of the 2007-2013 State-Region Project Contract. On the other hand, as part of projects covered by previous Plan Contracts, the Region only granted loans to the RATP in 2014 and 2015.

The detailed receivables position at 31 December 2016 is as follows:

Receivables as at 31 December 2016 (in millions of euros)

Beneficiaries	Outstanding principal as at 31/12/2016	Income 2016		
		Principal	Interest	Annuities
S.N.C.F	123,615	15,630	0.000	15,630
SNCF Network	37,336	3,454	0.000	3,454
R.A.T.P.	228,064	20,993	0.000	20,993
New Towns	68,941	4,150	0.000	4,150
Misc. advances	9,755	0,000	0.000	0.000
TOTAL	467,711	44,227	0.000	44,227

3.2.4 Loan guarantees

The total annual payments for loans guaranteed by the Region are very small. The total for 2016 was approximately 0.136 million euros for a total loan level of 0.498 million euro, split as follows:

Loan guarantees as at 31 December 2016 (in millions of euros)

Beneficiaries	Outstanding principal as at 31/12/2016	Percentage guaranteed	Annuity		
			Principal	Interest	Total
Public-Private Companies (SEM)	0.498	30%	0.083	0.025	0.108
Private Educational Establishments	0.000	100%	0.028	0.000	0.028
TOTAL	0.498		0.111	0.025	0.136

The Region's commitments therefore remain very limited.

3.2.5 Regional funds

(a) Regional guarantee fund

On 14 December 2000, the regional Council decided to create a regional guarantee fund (Ile-de-France Regional Guarantee Fund) to facilitate access to various types of funding for certain categories of business. This fund is managed by Bpifrance, a public establishment whose object is to finance and support enterprises.

In 2013, the *Région Ile-de-France* and Bpifrance Régions sought to modify the operating procedures for the Ile-de-France Regional Guarantee Fund. This led to the run-off management of the first Ile-de-France Regional Guarantee Fund and the creation of an Ile-de-France Regional Guarantee Fund 2.

Successive amendments to this fund since 2000, have increased the Region's payments to the Ile-de-France Regional Guarantee Fund 1, now in run-off management, to a total of 123.5 million euro in short-term management. It is forecast that the annual donation of FRG 2 is constituted of redeployments resulting from the removal of the risks of the FRG1. The Ile-de-France Regional Guarantee Fund received a payment from the region of 8 million euro in 2015.

(b) Regional investment fund

The Region invests directly in the capital of various investment funds. This financing tool enables the Region to help reinforce the own funds of small and medium sized enterprises (SME) and small and medium sized industries (SMI).

Regional investment funds as at 31/12/2016

Fund	Year of creation	Target	Region's contribution In million of euros
Cap Décisif	2001	Pump priming	9.8
GENOPOLE 1 ^{er} JOUR	2007	Pump priming	1.6
IDF CAPITAL	1995	Development Capital / Transfer	9.5
IDF CAPITAL 2	2014	Development Capital	10
FINANCITES	2007	Urban development	2
SCIENTIPOLE IDF CAPITAL	2006	Pump priming	1.8
EQUISOL	2009	Development Capital	1.8
Fonds régional de co- investissement	2011	Development Capital	17
INNOVACOM IDF	2014	Development Capital	15

3.2.6 Other equity holdings

The Region has holdings in the capital of several entities:

(a) SEM (Société d'Economie Mixte) 92

SEM 92's objects were to promote land development and build facilities to promote economic development in the *Hauts-de-Seine*. The Ile-de-France Region held 10 per cent of the capital i.e. a holding amounting to €914,694.10.

In 2016, SEM 92 merged with three other land development SEMs became the Société Anonyme d'Economie Mixte Citallios with capital of €15,175,220. The Ile-de-France Region holds 6.72 per cent of the capital.

SEM 92's capital structure is as follows:

(b) SEMAPA

SEMAPA, a Parisian surveyor, project management and development company, is currently a local public development company with share capital of 472,287 euro. Today, it is conducting several projects in the 13th *arrondissement* in Paris including Paris Rive Gauche. The Region Ile-de-France's share totals 38,112 euro i.e. 8 per cent of the share capital.

Its capital structure is as follows:

	Amounts (euros)	Share
City of Paris	310,127	66%
The Département of Paris	124,048	26%
Région Ile-de-France	38,112	8%
TOTAL	472,287	100%

(c) SAERP (Société d'Aménagement et d'Équipement de la Région Parisienne)

The Region also decided (resolution dated 27 June 2002) to invest €2.4 million in the equity of the SAERP.

SAERP, established in 1956, carried out urban development operations in the Paris region until the 1980's. From 1995 onwards, the Ile-de-France region commissioned the company as a representative in the High school renovation programme and has become an important partner to the Region for this programme.

In 2008 SAERP was transformed into a "*société publique locale d'aménagement*". This new form of public limited company exclusively held by public shareholders allows SAERP to be treated as an "in house" integrated entity, pursuant to article 3.1 of the French Public Procurement Code, and accordingly contracts may be awarded to it without an open tender procedure.

In 2013, SAERP became a local public company (*Société Publique Locale* or SPL). This transformation has allowed SAERP to widen the scope of its powers beyond development with the aim of increasing its activity by participating in the implementation of the regional energy policy for the thermic renovation of Ile-de-France local authorities' real estate.

SAERP's share capital is distributed as follows:

	Amount (euros)	Share
Région Ile-de-France	2,400,000	96.32%
Other regional authorities	91,680	3.68%
TOTAL	2,491,680	100%

(d) SEM GENOPOLE

The Ile-de-France region decided (by a resolution dated 13 December 2001), to invest in the equity of SEM GENOPOLE, which was established to carry out and develop the activity of the previous GENOPOLE non-profit organisation with regard to corporate office space in the biotechnology sector.

The GENOPOLE non-profit organisation had been established in 1998 as a hub for basic and applied genetics research. Given the extent of its projects, the non-profit organisation structure was deemed unsuitable; the organisation was transformed into a General Interest Grouping ("*Groupeement d'Intérêt Public*" or GIP) which took over the organisation's research role, whilst its real estate activities were assumed by a separate entity, SEM GENOPOLE.

The region invested €9.15 million in the SEM's equity (amounting to €19 million in total) alongside the Essonne *département* and the Caisse des Dépôts et Consignations.

SEM GENOPOLE's capital structure is as follows:

	Amounts (euros)	Share
Région Ile-de-France	9,146,000	48%
Département de l'Essonne	6,097,000	32%
Caisse des Dépôts et Consignations	3,051,000	16%
SEM Seine Essonne Aménagement	610,000	3%
Miscellaneous shareholders	147,000	1%
TOTAL	19,051,000	100%

(e) SEM ENERGIES POSIT'IF

Pursuant to a deliberation dated 17 November 2011, the Region acquired a holding in the share capital of the public-private company SEM ENERGIES POSIT'IF in an amount today of 3.02 million euro (i.e. 57 per cent of the SEM's share capital).

The objects of this company are the provision of services, investment and financing energy renovation to improve the energy performance of buildings used principally as dwellings and their facilities and outbuildings, and also local authority buildings.

(f) SAFER (Société d'Aménagement Foncier et d'Établissement Rural)

Since 1990 the Region has had a holding in the share capital of SAFER, the Land Planning and Rural Development Company, a limited liability company whose object is to promote rural development and facilitate environmental and nature conservation. Today, this shareholding is worth €51,405.80

(g) Miscellaneous

In addition, the Region holds 280 ownership units of 1.5245 euro in Caisse Locale du Crédit Mutuel Agricole for an aggregate nominal amount of 426.86 euro and a number of ownership units in SCIC (société coopérative d'intérêt collectif) COPROCOO, whose object is to support the temporary portage of co-owned properties in financial difficulties, in an amount of 599,985 euro. The Region also holds one share in the Association France Active Garantie of €15.24.

(h) Etablissement Public Foncier de la Région Ile-de-France (EPFIF)

Created by the decree n° 200-1140 dated 13 September 2006, the Ile-de-France Property Development Public Entity has power within the Ile-de-France territory, other than in areas covered by another *EPFR*, to make property acquisitions and land and property transactions to facilitate development. The EPFIF can participate in the financing of these acquisitions and transactions.

The EPFIF is managed by a council comprising 33 members, including 13 representatives of the Ile-de-France *Région*. The chairman of the council is appointed from amongst the representatives of the Region.

The EPFIF is financially autonomous. It decides the amount of tax resources it requires and is authorised to borrow. Its tax income is a special local development tax (*taxe spéciale d'équipement*) which is added to direct local taxes (local residence tax, property tax on developed and undeveloped land) in the area covered by the EPFIF.

The following table details the Region's holdings:

Name of Entity	Legal form	Amount of commitment
Holding of one share		
SOCIETE D'ETUDES, DE MAITRISE D'OUVRAGE ET D'AMENAGEMENT PARISIENNE	SA with a board of directors	38,112.25 €
SOCIETE D'AMENAGEMENT FONCIER ET D'ETABLISSEMENT RURAL D'ILE-DE-FRANCE	SA with a board of directors	51,405.80 €
SOCIETE D'ECONOMIE MIXTE DES HAUTS-DE-SEINE	Public/Private SA with a board of directors	914,694.10 €
SEM GENOPOLE	Public/Private SA with a board of directors	9,146,000.00 €
SOCIETE D'AMENAGEMENT ET D'EQUIPEMENT DE LA REGION PARISIENNE	Local public company	2,400,000.00 €
GENOPOLE 1ER JOUR	SA with executive board	1,649,992.20 €
FINANCITES	Simplified Limited Company	2,000,000.00 €
SCIENTIPOLE IDF CAPITAL	Simplified Limited Company	1,800,000.00 €
FONDS REGIONAL DE CO-INVESTISSEMENT	Single Member Simplified Limited Company	17,000,000.00 €
ILE DE FRANCE CAPITAL	SA with a board of directors	9,511,542.61 €
ILE DE FRANCE CAPITAL 2	SA with a board of directors	10,000,000.00 €
CAP DECISIF	Private equity professional fund (FPCI)	9,838,935.00 €
ALTER EQUITY	Private equity professional fund (FPCI)	2,000,000.00 €
CAP CROISSANCE ENTREPRISES REGIONALES	Private equity professional fund (FPCI)	2,000,000.00 €
INNOVACOM ILE DE France	Private equity professional fund (FPCI)	15,000,000.00 €
SEM ENERGIES POSIT'IF	Public/Private SA with a board of directors	3,020,000.00 €
Holding of ownership units		
EQUISOL COOP CAPITAL VARIABLE	Cooperative SA with a board of directors	1,750,000.00 €
COPROCOOP ILE DE FRANCE	Community interest cooperative company with HLM Status	599,985.00 €
CAISSE LOCALE DU CREDIT AGRICOLE MUTUEL		426.86 €
ASSOCIATION FRANCE ACTIVE	Association	15.24 €

3.3 Balance of trade and balance of payments

Not applicable.

3.4 Foreign exchange reserves

Not applicable

3.5 Financial situation and available funds

This point is addressed, with respect to income, in 3.1.1 and with respect to debt and guaranteed regional debt, in 3.2.

However, the different ratios illustrating the financial situation of the Region are discussed hereafter.

The principal analysis indicators compared

The ratios appearing below have been calculated based on the document “The Finances of the regions 2015” (as published by the Local Authorities General Directorate “DGCL” in December 2016) in relation to the 2015 administrative accounts.

The ratios highlight the special position of the Ile-de-France region.

Its local tax revenue is significantly lower than the average for other mainland regions (€66.0 per inhabitant against an average of €75 per inhabitant for the other regions, which is a difference of 12%). Since the tax reforms of 2010, direct taxes include the enterprise value-added contribution (CVAE) and the two flat-rate network corporation taxes allocated to regions (in other words, the IFR “telecoms” and IFR “rolling stock”), less, in the case of the *Région Ile-de-France*, the reversal levied by the national individual regional resources guarantee fund (FNGIR), namely 675 million euro in 2015 and the reversal for the FPRR i.e. 10.6 million in 2015.

In terms of operating costs, the cost per inhabitant is lower in Ile-de-France (€230 per inhabitant against an average of €277 per inhabitant for other mainland regions, which is a difference of 17 per cent), with personnel costs in particular more than 29 per cent less than those of other mainland regions (€35 per inhabitant in Ile-de-France compared to an average of €49 in the other mainland regions).

In contrast, capital expenditure per inhabitant (excluding repayment of the debt) is 28 per cent higher in Ile-de-France compared to the average in other regions (€140 per inhabitant in Ile-de-France compared to an average of €129 per inhabitant in the other mainland regions) which explains why the principal amount of outstanding debt in Ile-de-France is higher than in other mainland regions.

Finally, the savings rate (in other words, the proportion of operating revenue allocated to cover capital expenditure), in Ile-de-France (20 per cent) is equivalent to the savings rate in other mainland regions (also 20 per cent).

Principal indicators

ILE DE FRANCE 2015	MAINLAND FRANCE EXCLUDING IDF 2015	WHOLE OF MAINLAND FRANCE 2015
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REVENUE RATIOS			
Local taxes (euro/inhab.)	66	75	73.0
Actual operating revenue (euro/inhab.)	287	346	335
Total revenue (excl. borrowings) (euro/inhab.)	346	380	374
EXPENDITURE RATIOS			
Operating expenditure (euro/inhab.)	230	277	268
Capital expenditure (euro/inhab.)	140	129	131
Capital expenditure as percentage of overall expenditure (as %)	38	32	33
Personnel costs (euro/inhab.)	35	49	46
Personal costs as percentage of actual operating expenditure (as %)	15	18	17
INDEBTEDNESS AND SAVINGS RATIOS			
Principal amount of debt (euro/inhab.)	445	331	352
Debt annuity * (euro/inhab.)	47	30	38
Annuity* / operating revenue (as %)	16	9	11
Borrowing * / total revenue (as %)	14	11	12
Savings rate (as %)	20	20	20

Source: DGCL – "Regions' Finances 2015"

* Excluding active debt management (refinancing operation) and excluding the adjusting entry in relation to the CTLR facility balanced in both expenditure and revenue.

3.6 Revenue and expenditure

3.6.1 Review of the accounts

With the various transfers of power following the successive stages of decentralisation, the budget of the Ile-de-France Region rose from €415 million approximately in 1982 to €4,725 million in the 2016 administrative account.

(a) Evolution in the expenditure structure of the Region

Up until 2005, the budget of the Ile-de-France Region was mostly allocated to capital investment. Since 2006, with the new transfers of power, operating expenditure now accounts for a greater share of the budget than capital expenditure.

Thus between 1998 and 2005, capital expenditure (excluding debt) represented, on average, 52.5% approximately of the Region's total expenditure budget. Since 2006, this fraction has decreased to 37.8 per cent on average (34.1 per cent in 2015 and 33.4 per cent in 2016).

Capital expenditure in the Ile-de-France Region, as for other regions, generally takes the form of capital grants to the prime contractors (the central government, other regional authorities or state-owned corporations) except with regard to construction and fitting-out of schools and universities, where the region undertakes the majority of the capital expenditure directly.

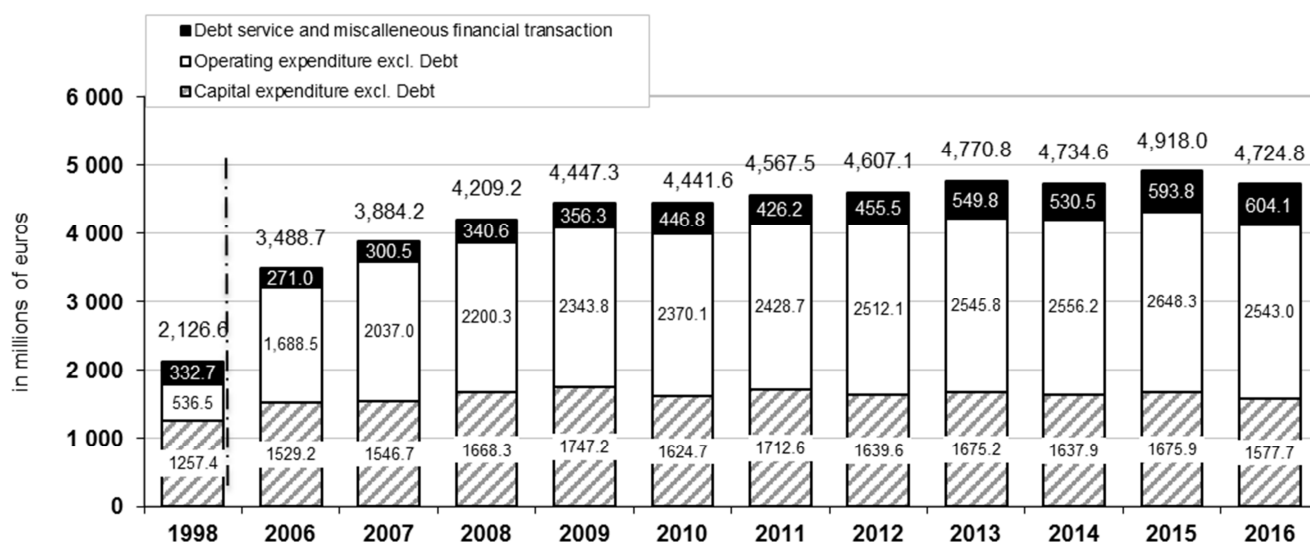
At the same time, the operating expenses (excluding debt) budget, which is primarily devoted to intervention expenditure and which represented on average about 35% of total expenditure from 1998 to 2005, has since 2006 accounted on average for 53 per cent of total expenses (53.48 per cent in 2015 and in 2016). This budget includes regional expenditure for the operation of high schools, on-going vocational training, economic programmes, employment and transport.

All told, the Region's programme expenditure burden, whether for capital projects or operating expenditure (excluding expenditure of the Region as an institution), increased, rising from 83.4 per cent of the regional budget on average between 1998-2005 to 85.9 per cent over the period 2006-2016.

The Region's institutional operations and infrastructure costs (excluding secondary school staff) have since 2006 represented on average 4.1 per cent of the total budget, of which 2.6 per cent for personnel costs alone (personnel costs excluding secondary school staff).

Debt service (including miscellaneous financial transactions), which represented on average about 12.5% of expenditure over the period 1998 to 2005, (including finance costs relating to the *Marché d'Entreprise de Travaux Publics* civil engineering tender process), since 2006 represents 10 per cent on average of the Region's total expenses.

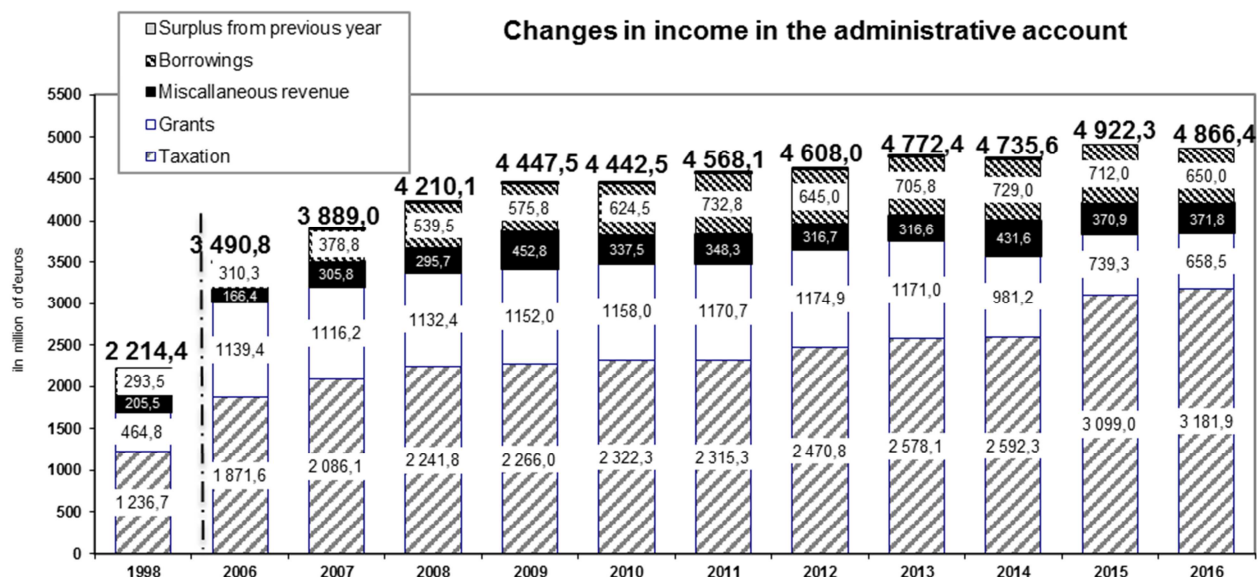
Changes in expenditure in the administrative accounts



(b) Evolution in the revenue structure of the Region

Tax derived revenue now accounts for 75.5 per cent of the Region's permanent revenue in 2016, an increase over the period 1998-2005 (average of 51.0 per cent) in light of the sharp rise in TICPE collected to offset the charges that were transferred under the decentralisation law no. 2004-809 of 13 August 2004, the taxation of apprenticeship resources and the decrease of grants from the French State. This revenue currently includes direct regional tax (the total of the enterprise value-added contribution – CVAE – and the two flat-rate network corporation taxes, or IFER, minus the two withholdings for the national individual resource guarantee fund (FNGIR), vehicle registration certificate tax ("*cartes grises*") and six fractions of the domestic consumption tax for energy products.

In fact, the share of government grants in the permanent revenue, decreased sharply as result of the contribution of the regional authorities to the improvement of the public accounts. Whereas they accounted for 24.5 per cent of the permanent revenue in 2014, they now represent 17.6 per cent of the permanent revenue in 2015 and 15.6 per cent in 2016.



NB: of the amount of borrowings in 2010, 80 million euro are included to finance a provision of the same amount.

3.6.2 Recent administrative accounts

The amount of actual expenditure for the year 2016 totalled 4,724,756 million euro (excluding annual movements on the long-term credit facility balanced by revenue of an equal amount) compared to a total budget funding amount (after amending decision) of 5,020.963 million euro. The execution of the budget amounts to 94.9 per cent of the funding in the budget (94.1 per cent after amending decision). Expenses fell by 3.9 per cent relative to 2015.

This actual expenditure can be broken down into:

- 1,577.707 million euro in relation to capital expenditure excluding debt (with a realization rate of 90.9 per cent relative to the funding in the Projected Budget and also 90.9 per cent after the amending decision),
- 2,542.950 million euro in relation to operating expenditure excluding debt (with a realization rate of 96 per cent relative to the funding in the Projected Budget and 94.6 per cent after the amending decision),
- 604.099 million euro for debt service and miscellaneous financial transactions (with a realization rate of 101.8 per cent relative to the Projected Budget and 101.3 per cent after the amending decision).

In total, capital expenditure increased by 4.3 per cent compared to 2015, and operating expenditure fell by 3.7 per cent.

Three sectors by themselves represent more than sixty per cent of the actual expenditure:

- The transport/mobility sector to which an amount of 1,265.395 million euro (26.8 per cent of total actual expenditure) was allocated;
- The secondary education sector with realised expenditure in an amount of 1,009.395 million euro (21.4 per cent of the total);
- The vocational training, apprenticeship and employment sectors with total spending in an amount of 621.258 million euro (13.1 per cent of the total).

The amount of permanent revenue (revenue excluding borrowings and excluding surplus from the previous year, including interest accrued but not due) posted over the fiscal year amounted to 4,212.207 million euro, against a forecast budget (including amending decision) of 4,218.672 million euro. The realisation of permanent revenue relative the 2016 budget was 100.9 per cent.

Regarding borrowings, the amounts called up as regards its execution in 2016 amounted to 650.000 million euro, i.e. 81 per cent of the total amount allocated in the budget (802.290million euro).

With income totalling 4,866.436 million euro taking into account the surplus carried over from previous years (4.29 million euro), and expenditure of 4,724.756 million euro, the 2016 financial year ended on a surplus of 141.680 million euro.

In total, gross savings (the difference between operating revenue and operating expenditure) achieved over the financial year totalled 775.808 million euro (which is a gross savings rate of 22.5 per cent) and net savings (after amortisation of debt) totalled 339.792 million euro (which is a net savings rate of 9.8 per cent).

The self-financing capacity of the Region achieved over the financial year (net savings, after redemption of debt, plus actual investment income), i.e. 1,069.387 million euro, was able to cover 67.8 per cent of capital expenditure. As at the end of 2016, its debt reduction capacity was 7.2 years and outstanding debt (5,577 million euro) represents slightly more than one year of permanent revenue (132 per cent).

The tables below show the Region's actual revenue, in terms of both capital and operating revenue, for 2016.

SUMMARY TABLE - ACTUAL CAPITAL EXPENDITURES (PAYMENT CREDITS- 2016 Execution)

In millions of euros

SECTORS	2015						2016						Evolution AA 2016 / AA 2015	
	IB	TOTAL VOTED BUDGET	OPEN BUDGET	ACTUAL EXPENDITURES	VARIATION / IB	IB realisation Rate	IB	TOTAL VOTED BUDGET	OPEN BUDGET	ACTUAL EXPENDITURES	VARIATION / IB	IB realisation Rate	in M€	as %
INSTITUTIONAL FACILITIES	11.3	-1.21	10.09	9.55	-1.75	84.5%	10.31		10.31	7.17	-3.14	69.5%	-2.38	-24.9%
<i>of which: - Estate and assets and general services</i>	5.00	-1.00	4.00	3.62	-1.38	72.3%	3.27		3.27	1.10	-2.17	33.5%	-2.52	-69.7%
- Communication	0.40	-0.21	0.19	0.10	-0.30	25.2%	0.30		0.3	0.10	-0.20	32.3%	-0.00	-4.00%
- IT services	5.80		5.8	5.79	-0.01	99.8%	6.64		6.64	5.93	-0.71	89.3%	0.14	2.4%
- Human Ressources	0.10		0.1	0.04	-0.06	37.4%	0.10		0.1	0.05	-0.05	46.3%	0.01	23.8%
INTERNATIONAL AND EUROPEAN PROGRAMMS	1.8	-0.15	1.65	1.60	-0,20	89.00%	1.91		1.91	0.94	-0.96	49.6%	-0.66	-41.1%
CITIZENSHIP	-		-	-	0.00	-	0.80		0.8	-	-0.80	-	0.00	
SECONDARY EDUCATION	402.75	-22.53	380.22	379.95	-22,80	94.3%	412.46	40.81	453.27	438.01	25.54	106.2%	58.05	15.3%
HIGHER EDUCATION	40.00	10.87	50.87	50.87	10.87	127.2%	75.85		75.85	74.77	-1.07	98.6%	23.90	47.00%
TOURISM	3.5		3.5	3.34	-0.16	95.5%	4.00		4.00	4.00	0.00	99.9%	0.65	19.5%
SPORT AND LEISURE	48.00	-7.03	40.97	40.93	-7.07	85.3%	47.18		47.18	41.37	-5.81	87.7%	0.43	1.1%
HEALTH AND SOCIAL DEVELOPMENT	45.00	-1.77	43.23	43.23	-1.77	96.01%	42.25		42.25	36.72	-5.53	86.9%	-6.51	-15.1%
<i>of which : Sanitation and social training</i>	3.00	-0.79	2.21	2.20	-0.80	73.50%	4.95		4.95	3.36	-1.59	67.9%	1.16	52.4%
TRANSPORTS AND MOBILITY	624.50	-7.86	616.64	616.64	-7.86	98.7%	590.00	-58.19	531.81	474.68	-115.32	80.5%	-141.96	-23.00%
<i>of which: - Public transports</i>	465.5	12.74	478.24	478.24	12.74	102.7%	465.00	-53.02	411.98	376.96	-88.05	81.1%	-101.29	-21.2%
- Mobility	150.00	-28.28	121.72	121.72	-28.28	81.1%	115.00	-5.18	109.83	88.50	-26.50	77.00%	-33.22	-27.3%
- Dedicated route freight transportation	9.00	7.68	16.68	16.68	7.68	185.4%	10.00		10.00	9.23	-0.77	92.3%	-7.45	-44.7%

SECURITY	6.00	13.31	19.31	19.26	13.26	321.01%	20.92	1.98	22.90	13.58	-7.34	64.9%	-5.69	-29.5%
TOWN PLANNING	63.00		63.00	63.00	0.00	100.00%	58.50	-9.00	49.50	49.50	-9.00	84.6%	-13.50	-21.4%
HOUSING	131.50	-0.18	131.3	131.30	-0.20	99.9%	120.15	22.79	142.94	142.80	22.65	118.9%	11.50	8.8%
VOCATIONAL TRAINING, APPRENTICESHIP, EMPLOYMENT	26.00	3.44	29.44	29.43	3.43	113.2%	28.06		28.06	23.87	-4.20	85.1%	-5.57	-18.9%
<i>of which : - vocational training</i>	0.30	-0.27	0.03	0.03	-0.27	8.5%	0.06	-0.10	0.16	0.08	0.20	135.3%	0.06	216.8%
- Apprenticeship	25.7	3.71	29.41	29.41	3.71	114.4%	28.00	-0.10	27.90	23.78	-4.20	84.9%	-5.62	-19.1%
- Employment	-		-	-	0.00	-	-		-	-	0.00	-	0.00	-
CULTURE	23.00		23.00	22.71	-0.29	98.7%	29.15	-1.76	27.39	18.51	-10.64	63.5%	-4.19	-18.5%
DEVELOPMENT	81.50	17.07	98.57	97.30	15.80	119.40%	100.45	-0.07	100.38	86.08	-14.37	85.7%	-11.22	-11.5%
INTER-REGIONAL COOPERATION	0.8	-0.77	0.03	0.03	-0.77	4.1%	-	0.50	0.50	0.50	0.50	-	0.46	1'417.2%
ENVIRONNEMENT - AGRICULTURE - ENERGY	61.9	-5.67	56.23	57.50	-4.40	92.9%	66.40		66.40	62.60	-3.80	94.3%	5.11	8.9%
ECONOMIC DEVELOPMENT, INNOVATION, ITC	76.9	-5.98	70.92	70.81	-6.09	92.1%	78.71		78.71	66.87	-11.84	85.00%	-3.93	-5.6%
<i>of which : -Economic development</i>	46.00	-9.94	36.06	36.06	-9.94	78.4%	38.30		38.30	33.49	-4.81	87.4%	-2.57	-7.1%
- Innovation	20.20	5.95	26.15	26.04	5.84	128.9%	27.16		27.16	26.22	-0.94	96.5%	0.18	0.7%
- Information and communication technologies	10.70	-1.99	8.71	8.70	-2.00	81.3%	13.25		13.25	7.16	-6.09	54.00%	-1.55	-17.8%
RESEARCH	30.00	8.46	38.46	38.46	8.46	128.2%	32.81	2.94	35.75	35.75	2.94	109.00%	-2.71	-7.0%
TOTAL EUROPEAN FUNDS	11.47		11.47	-	-11.47	0.0%	16.14		16.14	-	-16.14	0.0%	0.00	-
TOTAL ACTUAL EXPENDITURES (excluding financial items)	1,688.918	0.00	1,688.918	1,675.91	-13.00	99.2%	1,736.04		1,736.04	1,577.70	-158.33	90.9%	-98.21	-5.9%
DEBTS AND OTHER FINANCIAL TRANSACTIONS	466.56		466.556	462.09	-4.47	99.0%	452.03	3.25	455.28	468.93	16.90	103.7%	6.84	1.5%
TOTAL ACTUAL EXPENDITURES	2,155.47	0.00	2,155.474	2,138,00	-17.47	99.2%	2,188.07	3.25	2,191.31	2,046.63	-141.43	93.5%	-91.37	-4.3%
TOTAL EXCLUDING EUROPEAN FUNDS	2,144.01	0.00	2,144.006	2,138,00	-6.00	99.7%	2,171.93	3.25	2,175.18	2,046.63	-125.29	94.2%	-91.37	-4.3%

SUMMARY TABLE - ACTUAL OPERATING EXPENDITURES (PAYMENTS CREDITS - 2016 Execution)

	2015						2016						Evolution AA 2016 / AA2015	
SECTORS	IB	TOTAL VOTED BUDGET	OPEN BUDGET	ACTUAL EXPENDITURES	VARIATION/IB	IB realisation Rate	IB	TOTAL VOTED BUDGET	OPEN BUDGET	ACTUAL EXPENDITURES	VARIATION/IB	IB realisation Rate	in M€	es %
OPERATING REGIONAL INSTITUTIONS (excl HSO)	191.734	-1.92	189.81	182.93	-8.80	95.4%	192.557	-0.20	192.36	179.39	-13.16	93.2%	-3.55	-1.9%
Estate and assets, general services and communication	56.515	-1.92	54.59	52.14	-4.37	92.3%	55.727	-0.20	55.53	47.69	-8.04	85.6%	-4.45	-8.5%
- Estate and assets	40.915	-1.49	39.42	37.12	-3.80	90.7%	40.667		40.67	36.79	-3.88	90.5%	-0.32	-0.9%
- Communication	9.6	-0.43	9.17	9.02	-0.57	94.0%	8.55	-0.20	8.35	4.41	-4.14	51.6%	-4.61	-51.1%
- IT Services	6.00		6.00	6.00	0.00	100.00%	6.51		6.51	6.49	-0.02	99.6%	+ 0.49	8.1%
Head office agents and elected official group	135.22		135.22	130.79	-4.43	96.7%	136.83		136.83	131.70	-5.13	96.3%	+ 0.91	0.7%
PERSONNEL AND HUMAN RESOURCES	451.00	0.00	451.00	440.26	-10.75	97.6%	451.00	0.00	451.00	439.93	-11.07	97.5%	-0.33	0.0%
of which : - Head office agents and elected official group	135.22		135.22	130.79	-4.43	96.7%	136.83		136.83	131.70	-5.13	96.3%	+ 0.91	0.7%
- High school officials	315.78		315.79	309.47	-6.32	98.00%	314.17		314.17	308.23	-5.94	98.1%	-1.24	-0.4%
INTERNATIONAL AND EUROPEAN PROGRAMMS	4.38		4.38	4.13	-0.25	94.3%	3.00		2.999	1.92	-1.08	63.9%	-2.22	-53.6%
CITIZENSHIP	5.7	0.50	6.20	5.90	0.20	103.5%	7.62		7.62	2.57	-5.05	33.8%	-3.33	-5640.0%
SECONDARY EDUCATION	575.63	-5.94	569.70	562.66	-12.98	97.7%	579.84		579.84	571.39	-8.45	98,5%	+ 8.73	1.6%
of which : - Secondary education excl HSO	259.85	-5.94	253.91	253.19	-6.66	97.4%	265.67		265.67	263.16	-2.51	99.1%	+ 9.97	3.9%
- High school officials	315.78		315.79	309.47	-6.32	98.0%	314.17		314.17	308.23	-5.94	98.1%	-1.24	-0.4%
HIGHER EDUCATION	6.56	0.14	6.70	6.70	0.14	102.1%	8.39		8.385	7.85	-0.53	93.7%	+ 1.16	17.3%

TOURISM	21.00		21.00	20.10	-0.00	100.00%	19.67		19.671	18.29	-1.38	93.0%	-2.71	-12.9%
SPORT AND LEISURE	9.47	1.33	10.80	10.32	0.85	109.00%	16.12		16.12	10.28	-5.84	63.7%	-0.04	-0.4%
HEALTH AND SOCIAL DEVELOPMENT	192.66	4.81	197.47	194.05	1.39	100.7%	199.24	0.20	199.44	195.53	-3.71	98.1%	+ 1.48	0.8%
<i>of which : - Sanitation and social training</i>	181.46	4.81	186.28	184.48	3.02	101.7%	188.91		188.92	187.68	-1.23	99.3%	+ 3.20	1.7%
TRANSPORT AND MOBILITY	800.78	43.20	843.98	842.74	41.96	105.2%	795.48		795.48	790.72	-4.76	99.4%	-52.02	-6.2%
SECURITY	3.05	0.35	3.40	3.38	0.33	110.8%	3.24		3.24	2.31	-0.92	71.5%	-1.06	-31.4%
TOWN PLANNING	5.25	-0.35	4.90	4.90	-0.35	93.3%	5.4		5.4	4.59	-0.80	85.1%	-0.31	-6.3%
HOUSING	0.98		0.98	0.9	-0.04	96.4%	0.43		0.43	0.13	-0.29	32.1%	-0.80	-85.3%
VOCATIONAL TRAINING, APPRENTICESHIP, EMPLOYMENT	608.47	25.26	633.74	617.37	8.90	101.5%	602.92	40.04	642.96	597.39	-5.53	99.1%	-19.98	-3.2%
<i>of which : - Services in common</i>	8.4	0.61	9.01	8.25	-0.15	98.2%	7.22		7.22	6.47	-0.75	89.6%	-1.78	-21.5%
- Vocational Training	270.27	33.88	304.16	304.16	33.88	112.5%	298.1	40.04	338.14	313.53	15.43	105.2%	+ 9.37	3.1%
- Apprenticeship	291.25	-8.83	282.42	273.78	-17.47	94.00%	270.5		270.5	254.86	-15.64	94.2%	-18.92	-6.9%
- Employment	38.55	-0.39	38.16	31.19	-7.36	80.9%	27.1		27.10	22.53	-4.57	83.2%	-8.66	-27.6%
CULTURE	59.36	2.82	62.18	62.13	2.77	104.7%	62.32		62.32	56.04	-6.28	89.9%	-6.09	-9.8%
DEVELOPMENT	28.04	-0.11	27.93	27.36	-0.68	97.6%	26.29	-0.20	26.09	22.89	-3.40	87.18%	-4.7	-16.3%
ENVIRONMENT - AGRICULTURE - ENERGY	36.76	-4.03	32.73	32.07	-4.69	87.2%	32.36	0.20	32.56	29.67	-2.69	91.7%	-2.41	-7.5%
ECONOMIC DEVELOPMENT, INNOVATION, ITC	39.04	1.80	40.84	43.52	4.47	111.5%	34.65		34.65	30.29	-4.363	87.4%	-13.22	-30.4%
<i>of which : - Economic development</i>	30.17	0.39	30.56	33.57	3.40	111.3%	26.10		26.10	22.39	-3.71	85.8%	-11.18	-33.3%
- Innovation	5.53	1.30	6.83	6.50	0.97	117.5%	5.95		5.95	5.83	-0.11	98.1%	-0.66	-10.2%
- Information and Communication technologies	3.34	0.11	3.45	3.45	0.11	103.2%	2.61		2.61	2.07	-0.53	79.6%	-1.38	-39.9%
RESEARCH	21.9		21.9	22.07	0.17	100.8%	21.00		21.00	21.00	-0.00	100.00%	-1.07	-4.9%
EUROPEAN FUNDS	25.9	0.00	25.89	4.11	-21.782	15.9%	37.94	0.00	37.94	0.69	-37.25	1,8%	-3.43	-83.3%
TOTAL ACTUAL EXPENDITURES (exl. Financial items)	2,636.66	67.87	2,704.53	2,648.27	11.61	100.4%	2,648.46	40.04	2,688.49	2,542.95	-105.51	96.0%	-105.32	-4.0%

DEBTS AND OTHER FINANCIAL TRANSACTIONS	157.30	-8.00	149.30	131.76	-25.54	83.8%	141.15		141.15	135.17	-5.98	95.8%	+ 3.4	2.6%
TOTAL ACTUAL EXPENDITURES	2,793.96	59.87	2,853.84	2,780.03	-13.93	99.5%	2,789.61	40.04	2,829.66	2,678.12	-111.49	96.0%	-101.91	-3.7%
TOTAL EXCLUDING EUROPEAN FUNDS	2,768.07	59.87	2,827.95	2,775.91	7.84	100.3%	2,751.67	40.04	2,791.72	2,677.43	-74.24	97.3%	-98,48	-3.5%

3.6.3 2017 budget

The 2017 initial budget (IB) was adopted on 25 January 2017.

a) The main provisions of the 2017 budget

The 2017 initial budget (IB) amounts to €45,250.50million, an increase of 5.5 per cent over the 2016 IB (€4,977.67)

In terms of expenditure, this amount breaks down as follows:

- €2,437.65 million for the capital budget, of which €1,888.02 million for capital expenditures, excluding debt and miscellaneous financial transactions;
- €2,812.84 million for the operating budget, of which €2,669 million for operating expenditures, excluding debt and miscellaneous financial transactions.

The total amount of payment credits for debt service costs and miscellaneous financial transactions amounts to €693.47 million.

The amounts for programme authorisations (PA) and commitment authorisations (CA)¹ were fixed respectively for 2017 at €4,450.38 million for capital programme authorisations and €2,191.60 million for operating commitment authorisations.

In terms of sources of funds, permanent revenue (revenue excluding borrowings) entered in the IB for 2017 amounts to €4,450.38 million, which is an increase of 6.6 per cent compared to the 2016 IB. Borrowing limits were set at €800.12 million, a decrease of 0.3 per cent over the 2016 IB.

The gross savings rate² in the IB 2016 is at 21.5 per cent, with a net savings rate³ of 4.8 per cent and a self-financing rate⁴ of 53.8 per cent.

¹ Programme authorisations (PA) correspond to expenses over multiple years and are the upper limit of the expenses that can be incurred for execution of capital expenditures.

Commitment authorisations (CA) correspond to expenses over multiple years and are the upper limit of the expenses that can be incurred for execution of operating expenditures.

The recording of PAs and CAs is for the entire budget except for expenses related to borrowings and personal costs.

Payment credits correspond to the upper limit of the expenses that can be mandated over the budget year for the coverage of commitments entered into for the relevant PA or CA.

² Gross savings rate = [Operating revenue – operating expenditure] / Operating revenue.

³ Net savings rate = [Gross savings – repayment of debt] / Operating revenue.

⁴ Self-financing rate = [Net savings + Actual capital revenue] / Capital expenditure excluding debt.

The 2017 budget balance is as follows:

2017 BUDGET MAIN ITEMS					
(In millions d'euros)					
	AA 2015	IB 2016	INITIAL BUDGET 2017	CHANGES 2016-2017 IN %	
REVENUE					
PERMANENT REVENUE	4 210,26	4 175,38	4 450,38	84,8%	6,6%
OPERATING PERMANENT REVENUES	3 497,90	3 387,38	3 581,95	68,2%	5,7%
DIRECT TAXATION (1)	799,75	744,67	839,21	16,0%	12,7%
OTHER TAX REVENUE INCLUDING TICPE (2)	1 894,77	1 942,92	1 998,69	38,1%	2,9%
STATE GRANTS	653,20	569,68	542,77	10,3%	-4,7%
MISCELLANEOUS REVENUE (3)	150,18	130,11	201,29	3,8%	54,7%
PERMANENT REVENUES FROM INVESTMENT	712,36	788,00	868,43	16,5%	10,2%
TAX REVENUE INCLUDING TICPE (4)	404,52	358,98	384,00	7,3%	7,0%
STATE GRANTS	86,09	86,09	86,09	1,6%	0,0%
MISCELLANEOUS REVENUE (3)	221,76	342,93	398,34	7,6%	16,2%
BORROWINGS	712,00	802,29	800,12	15,2%	-0,3%
TOTAL REVENUE	4 922,26	4 977,67	5 250,50	100%	5,5%
EXPENDITURE					
OPERATING EXPENDITURES (5)	2 780,03	2 789,61	2 812,84	53,6%	0,8%
OPERATING EXPANDITURE EXCL DEBT	2 648,27	2 648,46	2 669,00	50,8%	0,8%
OF WHICH SECTORIAL OPERATING EXPENDITURE	2 465,34	2 455,90	2 475,73	47,2%	0,8%
OF WHICH REGIONAL INSTITUTIONAL OPERATING EXPENDITURE	182,93	192,56	193,27	3,7%	0,4%
DEBT SERVICE COST AND OTHER FINANCIAL TRANSACTIONS (6)	131,76	141,15	143,84	2,7%	1,9%
CAPITAL EXPENDITURES	2 138,00	2 188,07	2 437,65	46,4%	11,4%
EQUIPMENT EXCL DEBT	1 675,91	1 736,04	1 888,02	36,0%	8,8%
OF WHICH SECTORIAL EQUIPMENT	1 666,37	1 725,73	1 877,23	35,8%	8,8%
OF WHICH REGIONAL INSTITUTIONAL EQUIPMENT	9,55	10,31	10,79	0,2%	4,6%
DEBT SERVICE COST AND OTHER FINANCIAL TRANSACTIONS (7)	462,09	452,03	549,63	10,5%	21,6%
TOTAL EXPENDITURES	4 918,03	4 977,67	5 250,50	100%	5,5%
YEAR END CUMULATIVE RESULT	4,23				
	AA 2015	IB 2016	INITIAL BUDGET 2017	CHANGES 2016-2017	
PROGRAMME AUTHORISATIONS	1 556,65	1 701,59	2 002,36	47,7%	17,7%
COMMITMENT AUTHORISATIONS	2 277,58	2 279,46	2 191,60	52,3%	-3,9%

(1) IFER and CVAE net of FNGIR and CVAE rebalancing.

(2) Mainly tax on vehicle registration certificates, direct taxation management costs, apprenticeship tax.

(3) Including cash flow on swaps and including ANDI impact and reprise of year-end cumulative result.

(4) Grenelle TICPE, Royalty for creation of offices, development tax, additional special annual

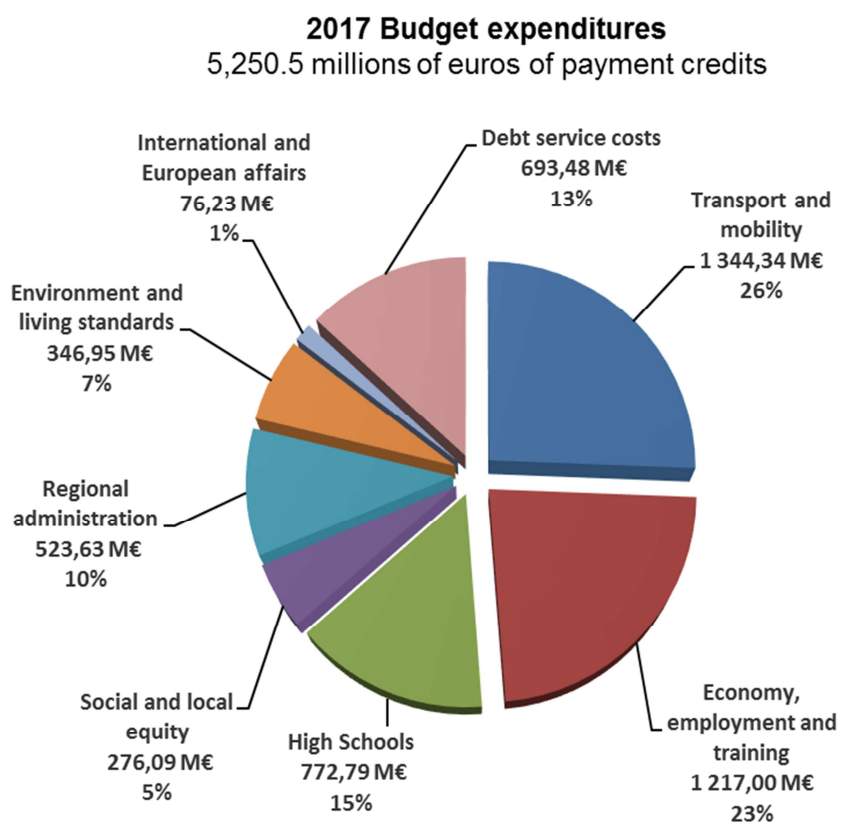
(5) Excluding CVAE rebalancing and FNGIR levies

(6) Including finance costs and ANDI impact

(7) Excluding transactions on long-term revolving credit facilities (cash management and refinancing transactions)

(b) **2017 initial budget expenditures**

Sectoral expenditure distribution by payment credits is as follows:

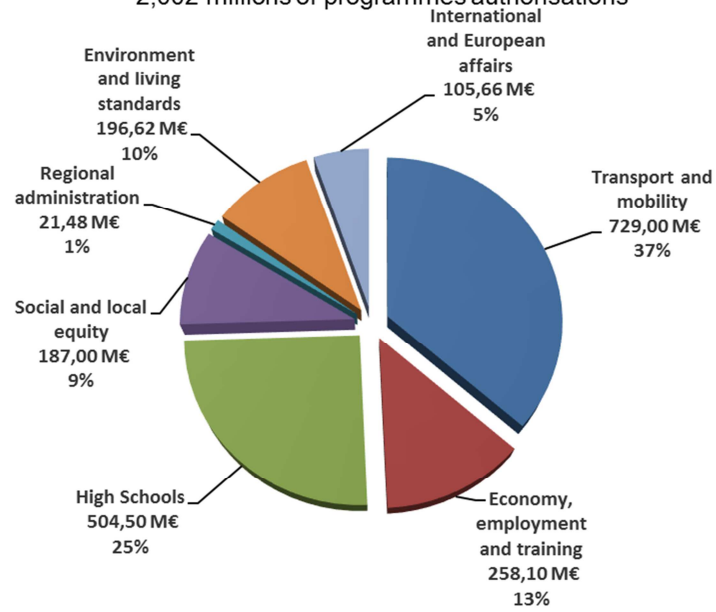


Expenditures on transport, high schools, the economy, employment and training represent 64 per cent of total expenditures planned in the 2017 initial budget.

Programme authorisations (2,002 million euro) and commitment authorisations (2,192 million euro) are split as follows

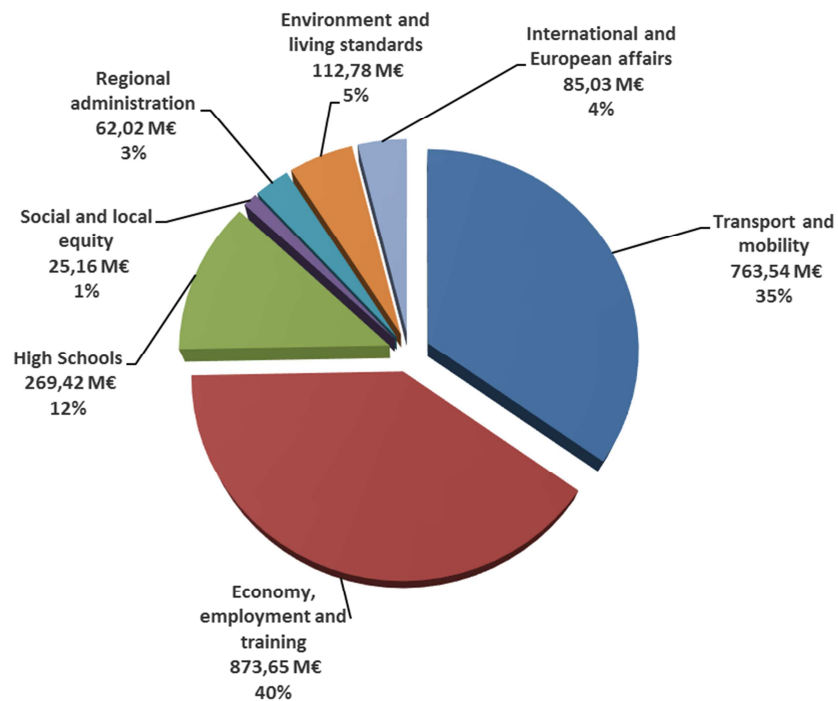
2017 Budget

2,002 millions of programmes authorisations



2017 Budget

2 192 millions of euros of comitmtment authorisations



(c) **The broad outlines of the 2017 initial budget** (the changes in the commitment and programme authorisations are presented relative to the 2016 initial budget)

Transports

Overall budget: €1,492.5 million (+7% relative to 2016)

Capital expenditure: €729 million (+22% relative to 2016)

Operating expenditure: €763.5 million (-€3.9% relative to 2016)

The Region is continuing to overhaul transports. This budget thus reflects the ambitions related to the increase of capital expenditure for building and renewing rail links (electrification of the Paris-Troyes P line; improvement of the RER trains and the Transilien), tramways (T9 between Paris and Orly), extension of EOLE to the West and line 1 of the metro to Rosny-Bois Perrier. Regarding the motorway network, 40 million euro will be devoted to improving the flow of motorway traffic to lighten the traffic on national and departmental roads. The Region also favours the development of clean sites for buses (TZen 4 and Tzen5) and the implementation of cycling plan.

Education (secondary education, higher education and research)

Overall budget: €881.8 million (+9.4% relative to 2016)

Capital expenditure: €585.7 million (+12.6% relative to 2016)

Operating expenditure: €296.1 million (-€3.7% relative to 2016)

Regarding high school, the budget rose 25 per cent relative to 2016 in terms of capital expenditure. The year 2017 will be devoted to adopting a projected capital expenditure programme (PPI) which has been revised compared to the one voted in 2012 with 2 new high schools that will open their doors and the works for 13 operations that will begin in 2017, in accordance with the wishes of the Regional Executive to speed up the implement of projects planned in 2012.

Whereas 2016 saw the speeding up of the major building sites of the State-Region Plan Contract (library of the Condorcet campus, building of the Picpus Nation campus for the Université Sorbonne Nouvelle, etc.), 2017 will continue this effort by using a budget of 50 million euros for various operations: extension of the building of the Conservatoire des arts et métiers (CNAM) located on rue du Landy in Saint-Denis (93), renewal of the Lourcine barracks (Paris, 13th district) to consolidated all the legal careers of the Université Paris 1 on a single site, the renewal works of the premises of the Ecole Veterinaire d'Alfort (94), etc. At the same time, the regional counselling portal project will be rolled out to eventually broadcast the most complete information on the education offering, careers and employment in the Ile-de-France Region.

Regarding research, the support of the Region will be refocused in 2017 on the funding of the new major field research projects, the networks aimed to increasing the international appeal of research in Ile-de-France and the actions to spread scientific culture to the general public.

Professional training, apprenticeship and employment

Overall budget: €622 million (-12.4% relative to 2016)

Capital expenditure: €28 million (+5% relative to 2016)

Operating expenditure: €594 million (-13% relative to 2016)

With €296.2 million of combined programme and commitment authorisations, the Region's effort regarding apprenticeship has held steady, the apprentice training centres (CFA) being driven by strong collection of the apprenticeship tax. In this context, the Region plans to provide funding for 4,000 additional apprentices compared to the previous year and to increase the funding of the CFAs both for new locations and to improvement the existing ones. In 2017, all the CFAs will have a performance contract that CRC had been calling for years. Regarding employers, the payment of the regional bonus as from the end of the trial period will fund small businesses to help with their commitment to apprenticeships.

Following the implementation of the 500,000 training programmes in 2016, the Region will continue to invest in professional training. The commitment authorisations of €310.3 million will finance the setting up of a new contract between the State and the Region with the network of local missions, the finalisation and the measurement of the results of the 500,000 training programmes plan as well as the overhaul of the professional insertion system. In fact, it is necessary to make it more transparent and flexible to better meet the needs of youth in the insertion progress.

Economic development

Overall budget: €182.8 million (+31.24% relative to 2016)

Capital expenditure: €138.4 million (+34.8% relative to 2016)

Operating expenditure: €44.4 (+27.8% relative to 2016)

With a sharp overall increase in the 2017 budget of 32.1 per cent relative to 2016, namely in favour of future capital expenditures focused on research and innovation, economic development is the centre of the priorities of the Regional Executive. In 2017, the Region will considerably cut back operating expenditure, in particular, on related bodies. In two years, the operating expenditure of related bodies is expected to decrease by 18 per cent, i.e. €189 million in savings. The Region is also undertaking over the long term to fund the activity of businesses and their entire development process from inception to release on the market of their products via their production. €39.5 will be devoted to assisting businesses (TP'up, PM'up, Back'up), to the growth loan for very small businesses and to Region/Bpifrance guarantees, i.e. an increase of 38 per cent relative to 2016. Because it is the backbone of the regional policy of attractiveness, the Region will considerably fund business research and innovation and also accelerate the roll-out of very high-speed electronic communication infrastructures.

Housing, City policy and urban renewal, rurality

Overall budget: €116.6 million (-20% relative to 2016)

Capital expenditure: €112.1 million (-20.5% relative to 2016)

Operating expenditure: €4.5 million (-4.5% relative to 2016)

2017 will see the convergence of the Region's action on housing, urban renewal and mobilisation of land via EPFIF. In fact, the Region wishes to give overall transparency to favour rebalancing of the territory and fighting against inequalities, which meets the aim of promoting inclusiveness in both senses, cares of about the needs of Ile-de-France inhabitants and respects the territories. Said policy will use €92.1 in programme authorisations in the Region's budget with social housing benefits that will take into account the new powers of the Greater Paris and €420 million from the EPFIF's intervention budget pursuant to principle of subsidiarity. At the same time, with €19.5 million in combined programme and commitment authorisations, the budget of the rurality sector will increase by 3.5 per cent with a special emphasis on rural contracts with the aim of doubling by the end of the mandate. The fight against territorial inequalities will in fact be extended to rural territories.

- *Environment*
- Overall budget: €109.1 million (+25.2% relative to 2016)
- Capital expenditure: €86.6 million (+35.5% relative to 2016)
- Operating expenditure: €22.5 million (-4.6% relative to 2016)

The Region is pursuing its goal of making culture accessible to all Francilians, with the budget up 4 per cent from 2016. In two years, the culture budget increased by 11.9 per cent compared to 2015—more than 60 per cent of the commitment made during the campaign. €87 million will finance the cultural and artistic activities supported by the Region, including the development of artistic permanence, assistance for the creation and dissemination of the visual arts, the world of books and reading, and also support for art and culture factories. €6 million will go to the Investment Fund for Culture (*fond d'investissement pour la culture*), €15.5 million will finance the Film and Audiovisual Creation Fund (*fonds d'aide à la création cinématographique et audiovisuelle*), and €4.6 million will fund actions to enhance and enrich the heritage of the Region.

Culture

Overall budget: €93.3 million (+4.2% relative to 2016)

Capital expenditure: €40.7 million (+24% relative to 2016)

Operating expenditure: €52.6 million (-7% relative to 2016)

The Region is continuing to pursue its aim of bringing culture all Ile-de-France inhabitants with a budget increase of 4 per cent relative to 2016. In two years, the culture budget increased by 11.9 per cent relative to 2015, i.e. more than 60 per cent of the commitment made during the campaign. €87 million will fund the cultural and artistic activities sponsored by the region of which the development of the artistic outreach, help for the creation and spreading of plastic arts, the book universe and reading, but also funding for art and culture producers. €6 million will be added to the expenditure fund for culture, €15.5 million will fund the fund to assistance cinematic and audio-visual creation and €4.6 million fund actions aimed at adding value to and enhancing the Region's heritage.

Citizenship, youth, sports and leisure

Overall budget: €70.4 million (+29.7% relative to 2016)

Capital expenditure: €47.4 million (+57.5% relative to 2016)

Operating expenditure: €23 million (-4% relative to 2016)

The 2016 Initial Budget provides €70 million in programme authorisations and commitment authorisations, youth and sports territory projects can be created and the Region will also provide the means to support candidacies for the major international events like the Olympics and Para-Olympic Games of 2024 and the Universal Exposition of 2025.

(d) Revenues planned in 2017 initial budget

The permanent revenues (revenues excluding borrowings) in the initial budget come to €4,450.4 million, up €275 million relative to the 2016 initial budget.

This total consists of more than €3, 222 million in tax receipts for €629 million in State grants, and €599 million in other revenues.

The revenues of the operations section (€3,581.9 million, up 5.7% per cent relative to the 2016 initial budget) account for 81 per cent of the Region's permanent revenues:

- Direct regional taxation will reach €839.21 million in 2016, up 12.7 per cent relative to the 2016 initial budget. The Company value-added contribution (CVAE) before the levy of the two equalisations (national individual guarantee fund of resources and resource equalization fund collected by the regions) planned for the 2016 initial budget is based on an amount notified by the State of €2,844 million corresponding to the change from 25% to 50% of the CVAE allocated to the regions. After repayment of the offset to the departments (share frozen at €1,372 million), the revenues increase by nearly €100 million corresponding to the annual dynamic of the CVAE. The flat-rate tax on network businesses (IFERs) will grow slightly in 2017 (€122.06 million) relative to the 2016 initial budget (€122 million). But the equalization of the regional resources with regard to the growth of the CVAE actually collected in 2016 should witness growth in 2016, from 0.8 million in 2017 (€-75 million in the 2016 initial budget and -€79.7 million in the 2017 initial budget). The amount of the levy under the national individual guarantee fund of resources (FNGIR) is frozen at the 2013 level of €674.8 million.
- The growth of the other tax receipts in the operations section in 2017, which should come to €1,998.7 million (+2.9 per cent relative to the 2016 initial budget) is carried beyond the expected increase in the apprenticeship tax, the regional tax on automobile vehicle licenses and direct taxation management costs, by the additional regional tax on duties for the transfer for valuable consideration of business property (created by the amending finance law of 2015) and by the office tax (which will increase by €30 million as from 2017).
- The decreases in State grants will continue in 2017: The global operating grant (DGF) should come to €478.9 million, thus witnessing another drop of €73.3 million relative to the 2016 initial budget. Out of the other operating section grants, for the general decentralisation grant, the amount of revenues received in 2016 was renewed in 2017 and the grant to offset the loss related to local direct taxation exemptions was cut back to zero as a result of the 2017 financial law, i.e. a decrease of €8.7 million.
- The various income from the operations section planned for 2017 come to €201.3 million, i.e. an increase of €7.1 million relative to the 2016 initial budget. This increase is related to the revenues allocated to the "500,000 training programme plan" and to the participation in professional career fund (FPSPP). It should also be noted that the 2017 finance law has planned to grant €450 million to the regions of which €55 million for the Ile-de-France Region as a transition fund for economic development, thus financially compensating them for their new responsibilities in economic development. Regarding the European funds to be collected for the 2014-2020 programming as the new regional management authority responsibilities, they have been set at €48.2 million.

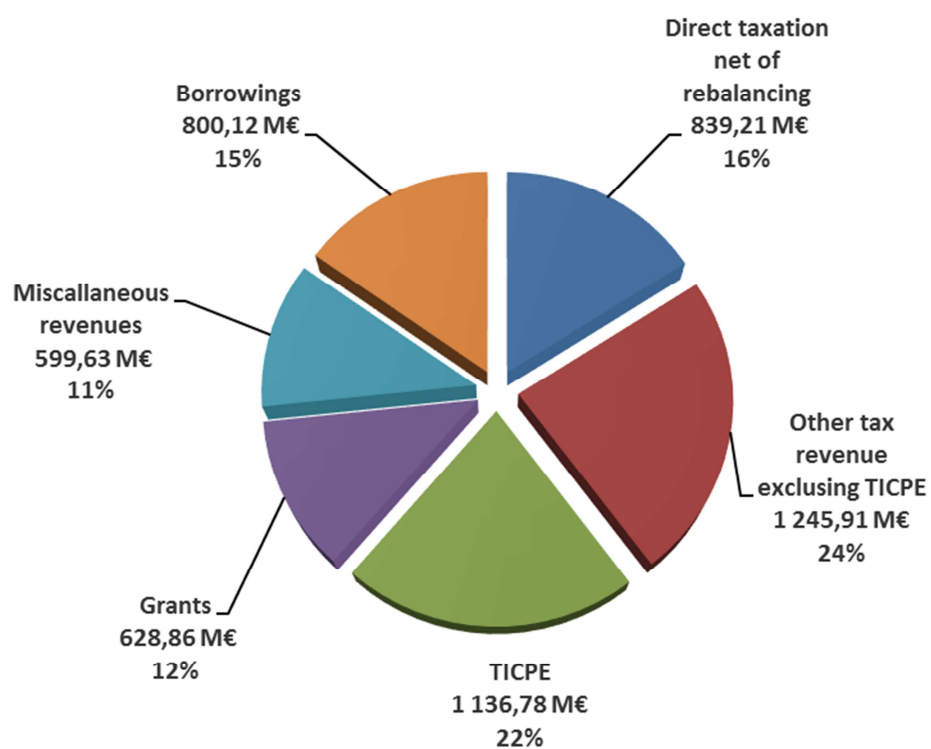
The revenues of the Region's investment section account for 19.5 per cent of the permanent revenues (€838.43 million after tax refunds). They should increase (+10.2 per cent over 2016) thanks to the early repayment of part of the RATP and SNCF credits in the amount of €150 million in 2017 as well as an increase in the tax for the building of offices (TCB) (€10 million) urban planning tax (€14 million).

- The amount of the regional grant for school equipment (DRES) collected by the Region has been frozen since 2008. As in previous years, the Region will collect €86.1 million in 2017.
- The various revenues of the investment section planned for 2017 could come to €41.5 million globally corresponding to the co-financing arrangements with the national urban renewal agency (ANRU), the regional directorate for cultural affairs (DRAC) and the French agency for financing transport infrastructure (AFITF). €8.7 million are also related to the repayment to the departments as part of regional social housing (CMR).
- In 2017, the Region intends to pursue the same rigorous and prudent financial policy that it has implemented over the last few years, with the aim of providing the community with a sustainable long-term financing structure, in particular by controlling the rise in its debt levels.

The borrowing authorisation limits in the 2017 budget are set at €800.12 million, i.e. a decrease of 03 per cent relative to the 2016 initial budget in spite of the repayment of the borrowings of nearly €84 million.

The amount of actual revenue entered in the 2017 initial budget, including borrowings, therefore totals €5,250.5 million and is split as follows:

Budget revenue 2017
5 ,250.5 millions of euros



RECEIPTS OF BUDGET FOR 2017					
	AA 2015 (€M)	IB 2016	IB 2017	Change IB 2017/ IB 2016	Change IB 2017/ turnover 2016
	(€M)	(M €)	(M €)	(M €)	(%)
OPERATION SECTION	3,496.886	3,387.381	3,581.951	194.570	5.7%
A. TOTAL TAX RECEIPTS - Operations section	2,694.521	2,687.590	2,837.893	150.303	5.6%
DIRECT TAXATION	799.754	744.666	839.208	94.542	12.7%
CVAE before FNGIR	1,363.395	1,372.432	2,843.628	1,471.196	107.2%
FNGIR levy	-674.816	-674.816	-674.816	0	0.0%
Grant IDF departments			-1,372.432	-1,372.432	
IFER	121,406	121,983	122,568	0,585	0,5%
Equalisation of resources of the regions	-10,613	-74,933	-79,740	-4,807	6,4%
Professional tax on additional role	0,382				
OTHER TAX RECEIPTS	829.718	877.703	930.907	53.204	6.1%
Tax on auto registrations	339,565	348,054	352,578	4,524	13%
Regional additional tax on registration fee (TRADE)	0,007				
Tax on offices	182,939	182,939	212,939	30,000	16,4%
Management costs of direct taxation – Financing of professional tax	79,858	84,296	84,767	0,471	0,6%
New apprenticeship tax – Regional resource for apprenticeship (RR)	227,349	230,414	235,623	5,209	2,30%
DMTO on corporate real estate		32,000	45,000	13,000	40,6%
TICPE	1,065.049	1,065.221	1,067.778	2.557	0.2%
TICPE – compensation right	879,443	880,002	880,002	0	0,0%
Including STIF compensation	395,331	395,331	395,331	0	0,0%
Including sanitary and social compensation	159,816	158,943	158,943	0	0,2%
Including TOS compensation	216,939	216,939	216,939	0	0,0%
Including assets compensation	1316	1316	1316	0	0,0%
Including AFPA compensation	0,732	0,732	0,732	0	0,0%
Including day school forfeit compensation	55,019	55,019	55,019	0	0,0%
Including day school forfeit compensation	17,442	17,442	17,442	0	0,0%
Including transfer law pro forma of 5 March 2014		34,279	34,279	0	0,0%
TICPE – Modulation 2007	83,415	77,000	75,000	-2,000	-2,6%
TICPE – Compensation laws MAPTAM and NOTRe		0,855	4,855	4,000	467,8%
TICPE – Financing of professional training	38,982	39,554	38,952	-0,602	-1,5%
TICPE – Apprenticeship bonuses	40,778	34,035	33,610	-0,425	-1,2%
TICPE – Assistance recruiting apprentices		11,000	12,197	1,197	10,9%
TICPE – Regional resource for apprenticeship	22,460	22,775	23,162	0,387	1,7%
B. STATE GRANT - Operation section	653.199	569.678	542.766	-26.912	-4.7%
Global operations grant (DGF) – lump sum part	628,16	552,164	478,886	-73,278	-13,3%
General decentralization grant (DGD)	8,820	8,820	8,820	0	0,0%
Apprenticeship bonus grant (in form of DGD)	7,172				
Grant for loss of direct local taxation compensations	9,027	8,694	0,000	-8,694	-100,0%
Economic development Funds			55,060	55,060	
C. OTHER TOTAL RECEIPTS - Operation section	149.167	130.113	201.292	71.179	54.7%
REVENUES ON CREDITS	1.245	0.000	0	0	0.0%
Interest collected	1,245	0,000	0	0	0,0%
OTHER REVENUES (including financial products)	148.188	130.008	205.470	75.462	58.0%
Payback from 2007-2013 Programming FSE	11,755	11,800	5,850	-5,950	-50,4%
European Funds – 2014-2020 Programming – RIDF public contract actions					
European Funds – 2014-2020 Programming – Operations third party	4,115	37,938	48,240	10,302	27,2%
Contribution of families to restaurant and housing services	20,232	20,700	11,949	-8,751	-42,3%
Financial products	44,204	22,971	22,691	-0,280	-1,2%
Various operations	67,882	36,599	116,740	80,141	219,0%
ICNE (Starting 2008)	-0.266	0.105	-4.178	-4.283	
INVESTISSEMENT SECTION	712.360	788.003	868.430	80.427	10.2%
A. TOTAL TAX REVENUES - investissement section	404.515	358.984	384.000	25.016	7.0%
Royalty for creation of offices, businesses and depots (RCBCE)	154,236	120,000	130,000	10,000	8,3%
Development tax/for tax complementary to the TLE	34,415	25,984	40,000	14,016	53,9%
Annual tax on parking areas – new NGP resource	58,765	60,000	65,000	5,000	8,3%
Special annual additional tax – new NGP resource	80,041	80,000	80,000	0,000	0,0%
Grenelle TICPE	77,058	73,000	69,000	-4,000	-5,5%
B. STATE GRANTS - investissement section	86.089	86.089	86.089	0.000	0.0%
D.R.E.S	86,089	86,089	86,089	0,000	0,0%
C. TOTAL OTHER REVENUES - investissement section	221.755	342.930	398.341	55.411	16.2%
REVENUES ON CREDITS	44.544	144.227	193.450	49.223	34.1%
Repayment in capital	44,544	144,227	193,450	49,223	34,1%
OTHER REVENUES (including financial products)	177.212	198.703	204.891	6.188	3.1%
Police fines	60,777	60,609	63,861	3,252	5,4%
FCTVA	73,949	76,900	77,800	0,900	1,2%
European Funds – Programming 2014-2020 – Third party investment	0	16,137	21,755	5,618	34,8%
Other investment	42,486	45,057	41,475	-3,582	-7,9%
TOTAL GENERAL REVENUES EXCL. BORROWINGS	4,209.246	4,175.384	4,450.381	274.997	6.6%
reprise of year-end cumulative result	1014				
BORROWINGS	712.000	802.290	800.115	-2.175	-0.3%
TOTAL GENERAL REVENUES	4,922.261	4,977.674	5,250.496	272.822	5.5%

3.6.4 Supplementary budget 2017

The supplementary budget voted on 6 July 2017, mainly provides for an adjustment of some revenue against the original budget for 2017.

Thus, the main effects of the supplementary budget are:

- allocation of the surplus recorded 2016 to the administrative account (+€141.680 million);
- downward adjustment of the revenue of the total operating provision (-€1.737 million) in the light of the prefectural decree of 17 May 2017;
- an upward adjustment of direct regional tax revenue and the contribution to the equalization system following notification of these amounts by the Directorate-General for Public Finance:
 - CVAE (+ €40.686 million);
 - IFR (+ €0.869 million);
 - Drawing from the equalization fund (+ €0.488 million);
- a downward adjustment of the government's additional revenues for vocational training (-€68.915 million mainly due to a lag in 2018);
- a marginal adjustment of police fines (+€0.063 million) following the notification from the Prefecture;
- a downwards adjustment of the amount relating to the early repayment of receivables held by the Region against transport operators (-€112.157 million), taking into account the reversal of the 2016 profit and the adjustments presented.

TAXATION

The following discussion is a general description limited to certain tax considerations relating to the withholding tax applicable in France and in the European Union in respect of the payments relating to the Notes made to any Noteholder.

The attention of potential investors is drawn on the fact that the comments below are a summary of the applicable tax regime, based on French and European legal provisions currently in force, which are subject to change. This information is for general information and is not intended to be a complete analysis of all tax consequences that may apply to Noteholders. It is therefore recommended that potential investors should consult their usual tax advisor to examine their particular situation.

France

1. All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

2. Notes fall under the French withholding tax regime pursuant to article 125 A III of the French *Code général des impôts*. Payments of interest and other revenues made by the Issuer on such Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts*. If such payments under the Notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions described below and the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, interest and other revenues on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons established in a Non-Cooperative State or paid into a bank account placed in a financial entity established 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 *Code général des impôts*, 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 *Code général des impôts*, at a rate of 30% or 75% (subject to the more favourable provisions of any applicable double tax treaty).

Notwithstanding the foregoing, article 125 A III of the French *Code général des impôts* provides that neither the 75% 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 des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 no. 550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 no.70, BOI-IR-DOMIC-10-20-20-60-20150320 no. 10, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a 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 *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.³ Interest and other revenues on Notes issued (or deemed issued) outside France as provided under Article 131 *quater* of the French *Code général des impôts* which are to be assimilated (*assimilées*) with Notes issued before 1 March 2010 will continue to be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

In addition, interest and other revenues paid by the Issuer on Notes which are to be assimilated (*assimilées*) with Notes issued before 1 March 2010 will not be subject to the withholding tax set out in Article 119 *bis* of the French *Code général des impôts* 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.

4. Pursuant to Articles 125 A and 125 D of the French *Code général des impôts*, and subject to certain exceptions, interest and other similar income received from 1 January 2013 by French residents are subject to a flat rate of 24%, which is deductible from the income tax due for the year of payment of such income. Social contributions (CSG, CRDS and other related contributions) are also levied by withholding tax at an effective rate of 15.5% on interest and other similar income paid to French resident.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement in the French language (“*contrat de placement*”) dated 20 July 2017 as amended or supplemented as at the relevant Issue Date (the “**Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arrangers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers for expenses incurred in connection with any update of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealers have agreed to indemnify the Issuer against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

Offer to the public Selling Restrictions under the Prospectus Directive

In relation to each Member State of the European Economic Area (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 it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may make an offer of such Notes to the public in that Relevant Member State:

- (ii) 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;
- (iii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iv) at any time to fewer than 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
- (v) 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 (ii) to (iv) 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.

France

Each of the Dealers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (ii) qualified investors (*investisseurs qualifiés*), and/or (iii) a restricted circle of investors (*cercle restreint d'investisseurs*), all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*.

United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the “**Securities Act**”). Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Each of the Dealers has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer, sell or, in the case of Materialised Notes in bearer form, deliver any Notes within the United States except as permitted by the Dealer Agreement.

Materialised Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

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

United Kingdom

Each of the Dealers has represented, warranted and agreed that:

- (vi) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer; and
- (vii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the “**Securities and Exchange Law**”). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Securities and Exchange Law and other relevant laws and regulations of Japan. As used in this paragraph, “**resident of Japan**” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus. No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefore.

FORM OF FINAL TERMS

The form of Finals Terms which will be prepared in relation with each Tranche is set out below:

Final Terms

[Logo, if document is printed]

REGION ILE DE FRANCE

Euro 7,000,000,000

Euro Medium Term Note Programme

for the issue of Notes

SERIES NO: [•]

TRANCHE NO: [•]

[Brief description and amount of Notes]

Issue Price [•] per cent.

[Name(s) of Dealer(s)]

DATED [•]

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of the Notes described herein (Euro Medium Term Notes) (the "**Notes**") and contains the final terms of the Notes. These Final Terms supplement the base prospectus dated 20 July 2017 (approved by the *Autorité des marchés financiers* under visa n° 17-375 dated 20 July 2017) [and the supplement to the Base Prospectus dated [•] (approved by the *Autorité des marchés financiers* under visa n°[•] dated [•]) relating to the programme of issue of Euros 7,000,000,000 Notes by the Issuer) which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Directive 2003/71/EC as amended by Directive 2010/73/EU (the "**Prospectus Directive**"), and must be read in conjunction with it. Terms used herein shall have the meaning ascribed to them in the Prospectus. The Base Prospectus and the Final Terms together form a Prospectus within the meaning of the Prospectus Directive. The Notes will be issued pursuant to the terms of these Final Terms combined with the Prospectus. The Issuer accepts responsibility for the information contained in these Final Terms which, together with the Base Prospectus, contain all important information relating to the issue of the Notes. 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 Prospectus. These Final Terms, the Base Prospectus [and all supplements to the Base Prospectus] are available (a) on the AMF's (www.amf-france.org) and the Issuer's (www.iledefrance.fr) websites and (b) available for inspection and copy, without charges, during normal business day and hours, any business day of the week, at the registered office of the Issuer and at the specified offices of each Paying Agent.

[The following language applies if the first tranche of an issue which is being increased was issued under a base prospectus or an offering circular of an earlier date.]

Terms used herein shall have the meaning ascribed to them in the [Base Prospectus/Offering Circular] dated [original date] (approved by the *Autorité des marchés financiers* under visa n°[•] dated [•]). This document constitutes the Final Terms of the Notes described herein and supplements the Base Prospectus dated 20 July 2017 (approved by the *Autorité des marchés financiers* under visa n°17-375 dated 20 July 2017) [and the supplement to the Base Prospectus dated [•] (approved by the *Autorité des marchés financiers* under visa n°[•] dated [•])], save in respect of the Conditions which are extracted from the [Base Prospectus/Offering Circular] dated [original date]. 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. These Final Terms, the Base Prospectus [and all supplements to the Base Prospectus] are available (a) on the AMF's (www.amf-france.org) and the Issuer's (www.iledefrance.fr) websites and (b) available for inspection and copy, without charges, during normal business day and hours, any business day of the week, at the registered office of the Issuer and at the specified offices of each Paying Agent.

These Final Terms do not constitute an offer or a solicitation (and should not be used for these purposes) to subscribe or purchase, directly or indirectly, the Notes.

1	Issuer:	Région Ile-de-France
2	(i) Series Number:	[•]
	(ii) [Tranche Number:	[•]
	(If consolidated with an existing Series, details of that Series, including the date on which the Notes are consolidated.)]	
3	Specified Currency:	[•]
4	Aggregate Nominal Amount:	
	[(i) Series:	[•]
	[(ii) Tranche:	[•]
5	(i) Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of consolidated issues only, if applicable)]
6	Specified Denominations:	[•] (one denomination only for Dematerialised Notes)
7	[(i) Issue Date:	[•]
	[(ii) Interest Commencement Date:	[•]
8	Maturity Date:	[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]

9	Interest Basis:	[•] per cent. Fixed Rate] [[specify reference rate] +/- [•] per cent. Floating Rate]
10	Redemption/Payment Basis:	[Redemption at par]
11	Options:	[Issuer Call] [(further particulars specified below)]
12	[(i)] Status:	Senior[1]
	[(ii)] Date of authorisation of issue	[•]
13	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST PAYABLE

14	Fixed Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub- paragraphs of this paragraph)</i>
	(i) Rate [(s)] of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear]
	(ii) Interest Payment Date(s):	[•] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]
	(iii) Fixed Coupon Amount [(s)]:	[•] per [•] in nominal amount
	(iv) Broken Amounts:	[Not Applicable / Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate]
	(v) Day Count Fraction (Condition 5(a)):	[Actual/365 / Actual /365-FBF / Actual/Actual-ISDA / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365 / Actual/360 / 30/360 / 360/360(Bond Basis) / 30/360-FBF / Actual 30A/360(American Bond Basis) / 30E/360(Eurobond Basis) / 30E/360- FBF]
	(vi) Determination Date(s) (Condition 5(a)):	[•] 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))
15	Floating Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph).</i>
	(i) Interest Period(s):	[•]
	(ii) Interest Payment Dates:	[•][unadjusted]/[adjusted in accordance with the Business Day Convention and with any applicable Financial Center for the definition of "Business Day"]
	(iii) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
	(iv) Business Centre(s) (Condition 5(a)):	[•]
	(v) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/FBF Determination]
	(vi) Interest Period Date(s):	[Not Applicable/specify dates]
	(vii) Party responsible for calculating the Rate(s) of Interest and Interest	[•]

	Amount(s) (if not the Agent):	Calculation
(viii)	Screen Rate Determination (Condition 5(c)(iii)(B)):	[Applicable/Not Applicable]
–	Relevant Time:	[•]
–	Interest Determination Date:	[[•] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]
–	Primary Source for Floating Rate:	[Specify relevant screen page or "Reference Banks"]
–	Reference Banks (if Primary Source is "Reference Banks"):	[Specify four]
–	Relevant Financial Centre:	[The financial centre most closely connected to the Benchmark – specify if not Paris]
–	Benchmark:	[LIBOR, LIBID, LIMEAN, CMS, EURIBOR or other benchmark] <i>(If the Rate of Interest is determined by linear interpolation in respect of the [first/last] Interest Period [short/long], insert the relevant interest period(s) and the relevant two rates used for such determination)</i>
–	Representative Amount:	[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
–	Effective Date:	[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
–	Specified Duration:	[Specify period for quotation if not duration of Interest Accrual Period]
(ix)	FBF Determination (Condition 5(c)(iii)(A)):	[Applicable/Not Applicable]
–	Floating Rate (<i>Taux variable</i>):	[•]
–	Floating Rate Determination Date (<i>Date de Détermination du Taux Variable</i>):	[•]
–	FBF definitions: (if different from those set out in the Conditions):	[•]
–	FBF Master Agreement	[2007/2013] FBF Master Agreement
(x)	Margin(s):	[+/-] [•] per cent. per annum
(xi)	Minimum Rate of Interest:	[Zero/ [•] per cent. per annum] ¹
(xii)	Maximum Rate of Interest:	[Not Applicable/ [•] per cent. per annum]
(xiii)	Day Count Fraction (Condition 5(a)):	[•]
(xiv)	Rate Multiplier:	[Not Applicable/ [•]]

PROVISIONS RELATING TO REDEMPTION

16	Call Option:	[Applicable/Not Applicable/ <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>]
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¹ The minimum interest rate cannot be less than zero.

	(i)	Optional Redemption Date(s):	[•]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•]per Note [of [•] Specified Denomination](<i>remove square bracketed phrase for Dematerialised Notes</i>)
	(iii)	If redeemable in part:	[•]
	(a)	Minimum Redemption Amount:	[•]
	(b)	Maximum Redemption Amount:	[•]
	(iv)	Option Exercise Date(s):	[•]
17		Final Redemption Amount of each Note:	[[•] per Note [of [•] Specified Denomination](<i>remove square bracketed phrase for Dematerialised Notes</i>)
18		Early Redemption Amount:	
	(i)	Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(d)), or an event of default (Condition 9):	[•] per note [of Specified Denomination](<i>remove square bracketed phrase for Dematerialised Notes</i>)
	(ii)	Redemption for taxation reasons permitted on days others than Interest Payment Dates (Condition 6(d)):	[Yes/No]
	(iii)	Unmatured Coupons to become void upon early redemption (Materialised Notes only) (Condition 7(f)):	[Yes/No/Not applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

19		Form of Notes:	[Dematerialised Notes/Materialised Notes] (Materialised Notes are only in bearer form) [Delete as appropriate]
	(i)	Form of Dematerialised Notes:	[Not Applicable / Bearer form (au porteur) / Registered form (au nominatif administré / Fully registered form (au nominatif pur)]
	(ii)	Registration Agent:	[Not Applicable/name and details] (Note that a Registration Agent may be appointed in relation to Dematerialised Notes in fully registered form (au nominatif pur) only)
	(iii)	Temporary Global Certificate:	Temporary Global Certificate exchangeable for Definitive Materialised Notes on [•] (the "Exchange Date"), being forty (40) calendar days after the Issue Date subject to postponement as provided in the Temporary Global Certificate
	(iv)	Applicable TEFRA exemption:	[C Rules/D Rules/Not Applicable] (Only applicable to Materialised Notes)
20		Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates:	[Not Applicable/Give details]. (Note that this item relates to the date and place of payment, and not Interest Payments Dates, to which items 15(ii) and 16(ii) relate)
21		Talons for future Coupons to be attached to Definitive Materialised Notes (and dates on which such Talons mature):	[Yes/No/Not Applicable]. (If yes, give details) (Only applicable to Materialised Notes)
22		Redenomination, renominatisation and reconventioning provisions:	[Applicable/Not Applicable]
23		Consolidation provisions:	[Not Applicable/The provisions [in Condition 14(b)]]
24		Masse (Condition 11):	[Applicable/Not Applicable] (insert details of Representative and Alternative Representative and remuneration, if any).

DISTRIBUTION

- | | | | |
|----|------|------------------------------------|--|
| 25 | (i) | If syndicated, names of Managers: | [Not Applicable/ <i>give names</i>] |
| | (ii) | Stabilising Manager (if any): | [Not Applicable/ <i>give name</i>] |
| 26 | | If non-syndicated, name of Dealer: | [Not Applicable/ <i>give name</i>] |
| 27 | | U.S selling restrictions: | Reg. S Compliance Category 1; [TEFRA C/ TEFRA D/ TEFRA not Applicable]

(TEFRA are not applicable to Dematerialised Notes) |

GENERAL

- | | | |
|----|--|--|
| 28 | The aggregate principal amount of Notes issued has been translated into euro at the rate of [•], producing a sum of: | [Not Applicable/Euro[•]] (Only applicable for Notes not denominated in euro) |
|----|--|--|

ADMISSION TO TRADING

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 7,000,000 programme of issue of notes (Euro Medium Term Notes) by the Région Ile-de-France.]

RESPONSIBILITY

The Issuer accepts to be responsible for the information contained in these Final Terms.

Signed on behalf of the Issuer:

Duly represented by:.....

PART B – OTHER INFORMATION

1. ADMISSION TO TRADING

(i) Admission to trading: [Application has been made for the Notes to be admitted to trading on [Euronext Paris/ [•] (specify relevant regulated or unregulated market)with effect from [•].]/[Not Applicable.]

(ii) Estimate of total expenses related to admission to trading: [[•] Not Applicable]

2. RATINGS

Ratings: [The Notes have not been rated/] The Notes to be issued have been rated:
[Standard & Poor's: [•]]
[Fitch Ratings: [•]]
[[Other]: [•]]
(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.)

[include below as appropriate]

[[Insert the full legal name of credit rating agency] / [Each of the credit rating agencies above] is a credit rating agency established in the European Union and registered under the CRA Regulation and appears on the list of registered credit rating agencies on the ESMA website (www.esma.europa.eu).]

3. [NOTIFICATION]

The Autorité des marchés financiers [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus [and the supplement(s)] [has/have] been drawn up in accordance with the Prospectus Directive.]

4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

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:

"So far as the Issuer is aware, and except for information provided in the "General Information" section of the Base Prospectus, no person involved in the offer of the Notes has an interest material to the offer."/[•]

5. REASONS FOR THE OFFER AND USE OF PROCEEDS

[Reasons for the offer if different from making profit and/or hedging certain risks. Where applicable, disclosure of the estimated total expenses of the issue/offer and the estimated net amount of the proceeds. These expenses and proceeds should be broken into each principal intended use and presented by order of priority of such uses. If the issuer is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, state the amount and sources of other funds needed.]

6. [FIXED RATE NOTES ONLY – YIELD]

Indication of yield:

[•]

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

7. OTHER MARKETS

All the regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of securities to be offered or admitted to trading are already admitted to trading: [[•]/None]

8. OPERATIONAL INFORMATION

- | | | |
|-------|--|---|
| (i) | ISIN Code: | [•] |
| (ii) | Common Code: | [•] |
| (iii) | Depositories: | [[•]/Not Applicable] |
| | Euroclear France to act as Central Depositary | [Yes/No] [Address] |
| | Common Depositary for Euroclear and Clearstream Luxembourg | [Yes/No] [Address] |
| (iv) | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | [Not Applicable/ <i>give name(s) and number(s)</i>]
[Address] |
| (v) | Delivery: | Delivery [against/free of] payment |
| (vi) | Name and address of the Specific Fiscal Agent (if any): ¹ | [[·]/Not Applicable] |
| (vii) | Names and addresses of additional Paying Agent(s) (if any): ² | [[·]/Not Applicable] |

¹ A specific Fiscal Agent will be appointed in respect of any series of Materialised Notes.

² Mention any additional Agents appointed in respect of any Series of Notes (including any additional Agents appointed in respect of any series of Materialised Notes).

GENERAL INFORMATION

- (1) The Issuer has obtained all necessary consents, approvals and authorisations in the Republic of France in connection with the establishment and the update of the Programme. The establishment of the Programme was authorised by the *Délibération* Nr. CR-12.00 of the *Conseil Régional* of the Issuer made on 4 May 2000.

In general, any issuances of Notes under the Programme must be authorised by a resolution ("*délibération*") of the *Conseil Régional* of the Issuer.

The Issuer's budget for 2017 was adopted in accordance with article L.4311-1 of the General Code of Local Authorities and authorised borrowings, notably by the issuance of Notes under the Programme, for the year 2017, up to a maximum aggregate amount of Euro 800,115,000.

The issuance of Notes in 2017 was authorised by the *Délibération* Nr. CR 2017-09 of the *Conseil Régional* of the Issuer made on 25 January 2017.

- (2) There has been no significant change in the financial condition of the Issuer since 31 December 2016.
- (3) There has been no material adverse change in the prospects of the Issuer since 31 December 2016.
- (4) The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have or have had in the recent past, significant effects on the financial position of the Issuer.
- (5) Each Definitive Materialised Note, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (6) Notes may be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code, the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system (where applicable) for each Series of Notes will be set out in the relevant Final Terms.
- (7) This Base Prospectus will be published on the websites of (i) the AMF (www.amf-france.org), (i) the Issuer (<https://www.iledefrance.fr/finances-budget/financement-region>), and/or (iii) and any other relevant regulatory authority. The Final Terms related to Notes admitted to trading on any Regulated Market of the EEA or offered to the public in a Member State of the EEA other than France, in each case in accordance with the Prospectus Directive, will be published on the websites of (a) the AMF (www.amf-france.org), (b) the Issuer (www.iledefrance.fr and <https://www.iledefrance.fr/region-funding> in English) and (c) any relevant regulatory authority.
- (8) For so long as Notes may be issued under the Programme are outstanding, the following documents will be available, as soon as published, free of charge, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection and, in the case of documents listed at (i), (ii), (iii) and (iv) free of charge copy at the office of the Fiscal Agent or each of the Paying Agents:
- (i) the Agency Agreement (which includes the form of the *lettre comptable*, the Temporary Global Certificates, the Definitive Materialised Notes, the Coupons, and the Talons);
 - (ii) the two most recently published administration statement and initial budget, as amended, if applicable, by a supplemental budget of the Issuer;
 - (iii) each Final Terms for Notes that are admitted to trading on Euronext Paris or any other Regulated Market;
 - (iv) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus; and
 - (v) all reports, letters and other documents, valuations and statements, made by any expert at the Issuer's request, any part of which is extracted or referred to in this Base Prospectus in respect of each issue of Notes.
- (9) In connection with the issue of any Tranche (as defined in "General Description of the Programme"), one of the Dealer, if any, named as stabilising manager (or any person acting on its behalf) in the relevant Final Terms (the "Stabilising Manager") may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, these transactions may not occur. These stabilising transactions will can start only after the publication of the Final Terms or on this date and will terminate at any time no later than one of the two following date: (i) thirty (30) calendar days after the issuance date and (ii) sixty calendar days following the allocation of the Notes. Any stabilising transaction will be effected in compliance with the applicable laws and regulations.

RESPONSIBILITY FOR BASE PROSPECTUS

Individuals assuming responsibility for this Base Prospectus

In the name of the Issuer

I declare, after taking all reasonable measures for this purpose and to the best of my knowledge, that the information contained in this Base Prospectus is in accordance with the facts and that it makes no omission likely to affect its import.

Région Ile-de-France

33, rue Barbet de Jouy
75007 Paris

Paris, 20 July 2017

Represented by Mr Jean-Philippe de Saint-Martin
Deputy Chief Executive
in charge of the Finances Pole



Autorité des marchés financiers

In accordance with articles L.412-1 and L.621-8 of the French Code monétaire et financier and with the General Regulations (*Règlement général*) of the *Autorité des marchés financiers* (AMF), in particular articles 212-31 to 212-33, the AMF has granted to this Base Prospectus the visa n°17-375 on 20 July 2017. This prospectus was prepared by the Issuer and its signatories assume responsibility for it. In accordance with article L.621-8-1-I of the French Code monétaire et financier, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has approved the opportunity of the operation nor certified the accounting and financial data set out in it. In accordance with article 212-32 of the AMF's General Regulations, any issuance or admission of Notes based on this prospectus would result in the publication of Final Terms.

Issuer

Région Ile-de-France

33, rue Barbet de Jouy
75007 Paris
France

Arrangers

BNP Paribas

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Londres NW1 6AA
Royaume-Uni

HSBC France

103, avenue des Champs-Élysées
75008 Paris
France

Dealer

BNP PARIBAS

10 Harewood Avenue
Londres NW1 6AA
Royaume-Uni

CREDIT AGRICOLE CORPORATE AND INVESTMENT

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CS 70052
92547 Montrouge Cedex
France

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB
Royaume-Uni

HSBC France

103, avenue des Champs-Élysées
75008 Paris
France

Morgan Stanley & Co. International plc

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Canary Wharf
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Royaume-Uni

NATIXIS

30, Avenue Pierre Mendès France
75013 Paris
France

UBS Limited

5 Broadgate London
Londres EC2M 2QS
Royaume-Uni

Société Générale

29, boulevard Haussmann
75009 Paris
France

**Fiscal Agent, Principal Paying Agent, Redenomination Agent,
Consolidation Agent and Calculation Agent in respect of Dematerialised Notes**

BNP Paribas Securities Services

(Numéro affilié Euroclear France 29106)

Les Grands Moulins de Pantin
9 rue du Débarcadère
93500 Pantin
France

Attention : Corporate Trust Services

Operational notification:

BNP Paribas Securities Services, Luxembourg Branch

Corporate Trust Services

33 rue de Gasperich, Howald - Hesperange
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Téléphone : +352 26 96 20 00
Télécopie : +352 26 96 97 57
Attention: Lux Emetteurs / Lux GCT

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