



Base Prospectus dated 4 November 2016

CITY OF PARIS

Debt Note Issue Programme

(Euro Medium Term Note Programme)

of €5,000,000,000

Under the Euro Medium Term Note Programme (the “**Programme**”) described in this Base Prospectus (the “**Base Prospectus**”), the City of Paris (the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt notes (the “**Notes**”). The aggregate nominal amount of notes outstanding may not at any time exceed €5,000,000,000 (or the equivalent of that amount in other currencies calculated on the issue date in question).

In certain circumstances, an application may be made for admission to trading on Euronext Paris (“**Euronext Paris**”). Euronext Paris is a regulated market within the meaning assigned by Directive 2004/39/EC of 21 April 2004 (a “**Regulated Market**”). The Notes may also be admitted to trading on another Regulated Market of the European Economic Area (“**EEA**”) on another non-regulated market or may not be admitted to trading. The relevant Final Terms (as defined in the section “Terms and Conditions of the Notes”, a template of which is contained herein) as prepared for any issue of Notes will specify whether or not such Notes will be admitted to trading and, if so, the relevant Regulated Market. This Base Prospectus was submitted to the Autorité des Marchés Financiers (“**AMF**”) which approved it under the no. 16-[●] on 4 November 2015.

The Notes may be issued in dematerialised (“**Dematerialised Notes**”) or materialised form (“**Materialised Notes**”), as described in greater detail in this Base Prospectus.

Dematerialised Notes will be in book entry form in compliance with Articles L. 211-3 and following of the Monetary and Financial Code. No physical documents of title will be issued in respect of the Dematerialised Notes.

The Dematerialised notes may, according to the Issuer’s wishes, be: (a) in bearer form, entered as of their issue date in the accounts of Euroclear France (acting as the central depository), which will credit the Account Holders’ Accounts (as defined in the “Terms and Conditions of the Notes - Form, denomination, title, redenomination and consolidation” chapter) including Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depository bank for Clearstream Banking, *société anonyme* (public limited company) (“**Clearstream, Luxembourg**”) or (b) in registered form and, in this case, at the wishes of the Holder concerned (as defined in the “Terms and Conditions of the Notes - Form, denomination, title, redenomination and consolidation” chapter), either in fully registered form, in which case they shall be entered in the accounts of the Account Holder designated by the relevant Noteholder.

Materialised Notes will be in bearer form only and may only be issued outside France. A Temporary Global Certificate in bearer form without interest coupons attached (“**Temporary Global Certificate**”) will be issued in respect of the Materialised Notes. This Temporary Global Certificate will then be exchanged against the Materialised Notes represented by Physical Securities (“**Physical Securities**”) accompanied, where applicable, by interest coupons, on or after a date expected to be around 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 that the securities are not held by United States Persons, in compliance with US Treasury rules, as described more precisely in the present Base Prospectus. The Temporary Global Certificates will (a) in the case of a Tranche (as defined in “Terms and Conditions of the Notes”) intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depositary for Euroclear and/or Clearstream, Luxembourg, or (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 to be delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

The Programme has been rated AA by Standard & Poor’s Rating Services and AA by Fitch Ratings. Notes issued pursuant to the Programme may or may not be subject to a rating. The rating of the Notes, if there is one, will be specified in the relevant 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 rating agency. The issuer is rated AA and A-1+ Stable Outlook by Standard & Poor’s Rating Services and AA and F1+ Negative Outlook by Fitch Ratings for its long-term and short-term debt respectively.

At the date of the present Base Prospectus, both of the rating agencies are established in the European Union and registered under Regulation (EC) no.1060/2009 of the European Parliament and Council of 16 September 2009 as amended by Regulation (EU) no. 513/2011 (the “**CRA Regulation**”), and included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (accordance with the CRA Regulation) (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>).

Investors are invited to have regard to the risks described in the section headed “Risk Factors” before making their decision to invest in the Notes issued under the present Programme.

The present Base Prospectus will be published on the websites of (i) the AMF (www.amf-france.org) and (ii) the Issuer (http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots-2318#programme-d-emissions-de-titres-emtn_10). Documents incorporated with reference to the Base Prospectus are published on the website of the AMF (www.amf-france.org).

Arranger

HSBC

Dealers

BNP PARIBAS

Citigroup

Barclays

Crédit Agricole CIB

HSBC

NATIXIS

This Base Prospectus (together with any supplement thereto) comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC of the European Parliament and Council dated 4 November 2003 as amended (the “Prospectus Directive”), and contains or incorporates by reference all useful information with regard to the Issuer to enable investors to make an informed assessment of the assets, activity, financial position, results and prospects of the Issuer and the rights attached to the Notes, and in particular the information required by Annexes V, XIII and XVI of Regulation 809/2004/EC and Annexes XXII and XXX of Regulations no. 486/2012/EU and no. 862/2012/EU. Each Tranche (as defined in the section “Terms of the Notes”) of Notes will be issued in application of the provisions of the section “Terms of the Notes” of this Base Prospectus, as completed by the provisions of the Final Terms agreed upon between the Issuer and the Dealers (as defined on the last page of this Base Prospectus) concerned on issue of the said Tranche. The Base Prospectus (together with any supplement thereto) and the Final Terms taken together shall comprise a prospectus within the sense assigned by Article 5.1 of the Prospectus Directive.

The Issuer, having taken all reasonable measures to this effect, hereby certifies that all information included or incorporated by reference in this Base Prospectus is true to the facts, to the best of its knowledge, and includes no omissions likely to alter the scope thereof. The Issuer assumes the responsibility resulting therefrom.

No person has been authorised to give any information or to make any declarations other than those contained or incorporated by reference into this Base Prospectus in connection with the issue or sale of the Notes. If given or made, any such information or representation must not be considered as having being authorised by the Issuer, the Arranger or any of the Dealers (as defined on the last page of this Base Prospectus). Under no circumstances may delivery of this Base Prospectus or any sale made herewith create any implication that there has been no adverse change in the affairs of the Issuer since the date hereof or since the date upon which this Base Prospectus was most recently amended or supplemented, or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing it.

The distribution of this Base Prospectus and the offering or sale of the Notes may be subject to legal restrictions in some countries. Neither the Issuer nor the Dealers guarantee that this Base Prospectus shall be distributed in application of the law or that the Notes shall be offered in application of the law, in compliance with all applicable registrations or with any other requirements a jurisdiction might have, or by virtue of an exemption that might be applicable to it, and they may not be held responsible for having facilitated such a distribution or such an offering. In particular, neither the Issuer nor the Dealers have undertaken any action to allow the offering of the Notes to the public or the distribution of this Base Prospectus within any jurisdiction that might require such action. Consequently, the Notes may not be offered or sold, directly or indirectly, and this Base Prospectus or any other offering document may not be distributed or published in a jurisdiction unless it is compliant with all applicable laws and regulations. Any persons into whose possession this Base Prospectus or the Notes might come are required to inform themselves about any restrictions on the distribution of this Base Prospectus or on the offering or sale of the Notes, and to observe them. In particular, there are restrictions as to distribution of this Base Prospectus and to the offering or sale of the Notes in the United States, Japan and the European Economic Area (notably in France, Spain, Italy, the Netherlands and the United Kingdom).

Any reference in this Base Prospectus to “Permanent Dealers” shall refer to the persons named on the cover page in the capacity of Dealers, and to any other person who might have been appointed a Dealer for the whole Programme (and who has not been revoked) and any reference to “Dealers” shall refer to any Permanent Dealer or any other person appointed as a Dealer for one or several Tranches.

The Notes have not been and shall not be registered pursuant to the United States Securities Act of 1933 (U.S. Securities Act of 1933, as amended) or with any authorities responsible for stock market regulation in any American state or any other American jurisdiction, and the Notes may include Materialised Notes in bearer form subject to U.S. tax law provisions. Subject to

certain exceptions, the Notes may not be offered, sold or, in the case of Materialised Notes in bearer form, remitted in the United States of America or in the case of certain Materialised Notes in bearer form, to, or on behalf of, or for the benefit of American nationals (U.S. Persons), as defined in the U.S. Internal Revenue Code of 1986, as amended, and its implementing texts. The Notes shall be offered and sold outside the United States in accordance with Regulation S of the U.S. Securities Act ("Regulation S").]

For a description of certain restrictions applicable to the offer, sale and transmission of the Notes, to distribution of this Base Prospectus and a number of other restrictions, refer to "Subscription and Sale".

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

The Dealers and the Issuer do not make any declaration whatsoever to a prospective investor in the Notes as to the legality of his or her investment by the terms of the applicable laws. Any prospective investor in the Notes must be in capable of assuming the economic risk of his or her investment in the Notes for an unspecified period of time.

The Arranger and Dealers have not separately verified the information contained or incorporated by reference in this Base Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility with respect to the accuracy or completeness of any of the information contained or incorporated by reference into this Base Prospectus. This Base Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation to purchase the Notes made by the Issuer, the Arranger or the Dealers to any recipient of this Base Prospectus. Any prospective investor in the Notes must make their own assessment of the pertinence of the information contained in this Base Prospectus and must base their investment decision on the investigations they deem necessary. Neither the Arranger nor any of the Dealers undertakes to review the financial situation or affairs of the Issuer during the life of this Base Prospectus nor to advise any investor or to inform any prospective investor in the Notes of any information that might be brought to the attention of any of the Dealers or of the Arranger.

In this Base Prospectus, unless otherwise specified or unless the context does not lend itself thereto, all references to "€", "Euro", or "euro" shall mean the legal currency in the Member States of the European Union that have adopted the single currency introduced in application of the European Economic Community Treaty; all references to "Pound Sterling" or "Sterling" shall mean the legal currency in the United Kingdom; all references to "USD", "U.S. dollar" or "American dollar" shall mean the legal currency in the United States; all references to "CHF" or "Swiss francs" shall mean the legal currency of Switzerland.

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PROGRAMME SUMMARY

Warning to the reader:

Summaries contain required information called "Elements". These elements are numbered in the sections A to E (A.1-E.7).

This summary contains all the Elements required in a summary for this type of securities and Issuer. The numbering sequence of the Elements may contain gaps as some Elements are not required to be addressed.

Although an Element may be required in the summary on account of the type of security and Issuer, it is possible that no relevant information can be given relating to the Element in question. In this case a short description of the Element is included in the summary followed by the wording "Not applicable".

This summary is provided in the framework of issues of Notes with a nominal value of less than €100,000 (or the equivalent of this amount in any other currency) carried out under the Programme. A specific summary for each programme type will be appended to the applicable Final Terms.

Section A - Introduction and warnings		
A.1	General warning relating to the summary:	This summary must be read as an introduction to this Base Prospectus. Any decision to invest in the Notes must be based on a thorough examination of the Base Prospectus by the investors, including the documents incorporated therein by reference and any supplement that might be published in the future. If proceedings concerning the information contained in this Base Prospectus are brought before a court, the plaintiff, pursuant to the national legislation of the Member State of the European Economic Area, may have to bear the costs of translating this Base Prospectus before the start of the legal proceedings. Only the legal liability of the persons that presented the summary or translation of the said Base Prospectus can be incurred, but only if the content of the summary, including its translation, is misleading, inaccurate or contradictory in relation to the other parties of the Base Prospectus or if it does not, when read in combination with the other parties to the Base Prospectus, provide the key information capable of helping investors envisaging investing in the Notes.
A.2	Information relating to the consent of the Issuer concerning use of the Base Prospectus:	The Issuer accepts responsibility in the Country of the Public Offer for information concerning this Base Prospectus in the case where any offer of Notes in France (the " Country of the Public Offer ") which is not made by virtue of an exemption from the requirement to publish a prospectus under the Prospectus Directive (a " Non-Exempt Offer "), with respect to any person (an " Investor ") to whom any offer of Securities is made by any financial intermediary, to whom the Issuer has given consent for him/her to use this Base Prospectus (an " Authorised Offeror "), when the offer is made during the period and in the Country of the Public Offer for which consent has been given and in compliance with all other conditions attached to the granting of this consent, as specified in this Base Prospectus. However, neither the Issuer nor any Dealer can be held responsible for any conduct of any Authorised Offeror, including the compliance of any Authorised Offeror with the applicable rules of conduct or any other local regulatory requirements and legislative

		<p>requirements regarding securities in connection with this offer.</p> <p>The Issuer agrees to the use of this Base Prospectus for a subsequent resale of the Notes or for their final investment by any Authorised Offeror within the framework of a Non-exempt Offer during the Offer Period specified in the applicable Final Terms (the "Offer Period") either (1) in the Country of the Public Offer specified in the applicable Final Terms by any Authorised Offeror with permission to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and which meets the conditions mentioned (if any) in the applicable Final Terms, or (2) by any Authorised Offeror indicated in the applicable Final Terms, in the Country of the Public Offer specified in the Final Terms and subject to the applicable conditions specified in the relevant Final Terms, for as long as they are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC). The Issuer may give consent to additional financial intermediaries after the date of the applicable Final Terms and, if he/she goes ahead with this, the Issuer will publish the above information about them on http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots-2318#programme-d-emissions-de-titres-emtn_10.</p> <p>Any Authorised Offeror wishing to use this Base Prospectus under a Non-exempt Offer as set out in (1) above shall, for the duration of the Offer Period concerned, publish on its website a statement mentioning that it is using this Base Prospectus for such a Non-exempt Offer in accordance with the consent of the Issuer and the conditions attached thereto.</p> <p>Unless otherwise noted, neither the Issuer nor any Dealer has authorised the initiation of any Non-exempt offer of Notes by any person in any circumstances and such a person is not authorised to use this Base Prospectus in the framework of his offer of Notes. Such unauthorised Non-exempt Offers are not made by or on behalf of the Issuer and Dealers or any Authorised Offeror, and neither the Issuer nor any Dealer or Authorised Bidder shall be held responsible for the conduct of any person setting up such offers.</p> <p>An Investor intending to acquire or acquiring any Notes from an Authorised Offeror shall do so, and offers and sales of the Notes to an Investor by an Authorised Offeror shall be made, in compliance with any terms and other arrangements in place between such Authorised Offeror and the relevant Investor, including as regards price, allocations and settlement arrangements (the "Terms of the Non-Exempt Offer"). The Issuer shall not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, consequently, the Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Non-exempt Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors is in any way responsible for such information.</p> <p>Summary of the issue [Not applicable]/</p> <p>The Issuer agrees to the use of the Base Prospectus for a</p>
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		<p>subsequent resale of the Notes or their final investment through any Authorised Offeror, with regard to any offer of Notes which is not made by virtue of a prospectus exemption under the Prospectus Directive (a "Non-Exempt Offer"), subject to the following conditions:</p> <p>(i) consent is only given for the period [[●] to [●]]// the Issue Date]/[the date that falls on the [●] next Business Day]] (the "Offer Period");</p> <p>(ii) the only offerors allowed to use the Base Prospectus in the framework of a Non-exempt Offer of Notes are [Dealers] and[(i) [●] [and[●]] (specify the name and address of any authorised financial intermediary) and/or if the Issuer consents to other financial intermediaries after the [●] (<i>being the date of the Final Terms</i>) and has specified information about them on its website (http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots-2318#programme-d-emissions-de-titres-emtn_10)]/[and] any financial intermediary who is authorised to make such an offer in the framework of the applicable law transposing the Markets in Financial Instruments Directive (Directive 2004/39/EC), which recognises on its website that it uses the Prospectus Base to offer the Notes during the Offer Period (the "Authorised Offeror[s]"); [and]</p> <p>(iii) consent is given only for use of the Base Prospectus for the purposes of a Non-exempt Offer in France; [and]</p> <p>[(iv) consent is given subject to the following condition[s]: [●].]</p> <p>Any Authorised Offeror as set out in paragraph (ii) above who satisfies all the other conditions specified above and wishes to use this Base Prospectus in the framework of a Non-exempt Offer shall, for the duration of the Offer Period, publish on his website that he is using the Base Prospectus for such a Non-exempt Offer in accordance with the consent of the Issuer.</p> <p>An Investor intending to acquire or acquiring any Notes from an Authorised Offeror shall do so, and offers and sales of the Notes to an Investor by an Authorised Offeror shall be made, in compliance with any terms and other arrangements in place between such Authorised Offeror and the relevant Investor, including as regards price, allocations and settlement arrangements (the "Terms of the Non-Exempt Offer"). The Issuer shall not be party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, consequently, the Base Prospectus and any Final Terms will not contain such information. Investors shall be informed of the Terms and Conditions of the Public Offer by the said Authorised Offeror during the period in question. Neither the Issuer nor any of the Dealers or other Authorised Offerors is in any way responsible for such information.</p>
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Section B - Issuer		
B.17	Notation attributed to the Issuer or to the Notes:	The Programme has been rated AA by Standard & Poor's Rating Services and AA by Fitch Ratings Each of these rating agencies is established in the European Union and registered under Regulation (EC) no.1060/2009 of the European Parliament and Council of 16 September 2009 as amended by Regulation (EU) no. 513/2011 (the "CRA Regulation"), and included in the list of credit rating

		<p>agencies published on the website of the European Financial Market Authority (in accordance with the CRA Regulation) (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs). Notes issued pursuant to this Programme may be subject to a rating. When the issued Notes are subject to a rating, it will not necessarily be that which has been attributed to the programme. If a rating of the Notes is provided, it will be specified in the Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, amendment or withdrawal at any time by the assigning rating agency.</p> <p>The issuer is rated AA and A-1+ Stable Outlook by Standard & Poor's Rating Services and AA and F1+ Negative Outlook by Fitch Ratings for its long-term and short-term debt respectively.</p> <p>Summary of the issue</p> <p>The Programme has been rated AA by Standard & Poor's Rating Services and AA by Fitch Ratings [The Notes to be issued have been rated [●] by Standard and Poor's Rating Services and [●] by Fitch Ratings]</p> <p>Each of these rating agencies is established in the European Union and registered under Regulation (EC) no.1060/2009 of the European Parliament and Council of 16 September 2009 as amended by Regulation (EU) no. 513/2011 (the "CRA Regulation"), and recorded on the list of registered credit rating agencies published on the European Securities and Market Authority website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).</p>
B.47	Description of the Issuer:	<p>As well as being the political and administrative capital, Paris is also the most densely populated city in France and its economic, financial and cultural centre. This importance explains the fact that it has an administrative structure that is unique in France. French territory is divided up administratively into three categories of local authorities - the region, the department and the municipality - each of which has its own geographic territory, legal personality, specific powers, regulatory power and autonomous budget. Paris however, combines two of these levels of government - municipality and department - in the same territory and within a single entity.</p> <p>The link between the municipality of Paris and department of Paris is defined by Article L2512-1 of the General Local Authority Code. In fact, the interdependence between the two entities is total. In particular, the affairs of both local authorities are governed by the decisions of the same assembly, the "Council of Paris", comprising 163 members elected for six (6) years chaired by the Mayor of Paris. Due to the many transfers between its two budgets (the municipality contributes to the department's budget and vice versa) even though the municipalities and departments are financially autonomous, the political and financial decisions are made on the basis of the existence of the two legal entities making up the City of Paris.</p> <p>Therefore, although the Issuer of this bond programme is the municipality of Paris, and despite the existence of separate budgets for the City of Paris and Department of Paris, this Base Prospectus describes the Paris authority as a whole.</p> <p>The major decentralisation reforms undertaken in 1982 - defined in the General Local Authorities Code - transferred a large number of specific powers to the local authorities, including Paris. The current status of Paris was therefore fixed by the Law of 31 December 1982 (known as the PML (Paris, Marseilles, Lyons) law), aiming to bring management of the three largest municipalities in France closer to their citizens. Without calling into question the</p>

unity of Paris, this law set up district councils in each of its twenty administrative subdivisions (“arrondissements”).

Issuer powers

By virtue of the principle of subsidiarity, reiterated in 2003 in Article 72 of the French Constitution, the institutions of Paris take decisions in all those areas that are best managed at their level. These powers are those of municipalities and departments under ordinary law, with a few specificities.

As a municipality, Paris has jurisdiction for all local policies. These include, among others, young children (schools and daycare centres), streets, water treatment and waste collection, but also city planning, housing and culture. The Mayor is responsible for applying the decisions of the Municipal Council relating to these local policies, subject to the powers allocated to the mayors of the *arrondissements* and those conferred on the police prefecture.

Paris is the only city in France where the powers of the municipal police (traffic, peace and order, public health) are not exercised entirely by an elected mayor but by a civil servant of the State, the Préfet de Police, appointed in the Council of Ministers by the President of the Republic. To fulfil his responsibilities, the Police Commissioner has an autonomous budget described as “special”, voted by the Council of Paris. The organisation of transport is another specific feature of Paris, being governed by a regional entity, the STIF (Syndicat des Transports d'Ile-de-France), to which the City makes a financial contribution.

As a department, Paris has powers for all social solidarity and Paris-based policies. Thus, Paris manages the local infrastructure within its area. In particular, it builds and maintains middle schools and roads. It also manages welfare expenditure for children, the elderly, the disabled and persons who are in difficulty. The Greater Paris Metropolitan Area was created by Law no. 2014-58 of 27 January 2014 on modernisation of local government activities and metropolitan areas (MAPTAM), and was established on 1 January 2016, as provided for in Article L. 5219-1 of the General Local Authorities Code, amended by Law no. 2015-991 of 7 August 2015 on new local government organisation (“NOTRe” Law). It brings together the City of Paris and the 124 municipalities of the three departments in the Inner Suburbs. The Greater Paris Metropolitan Area is organised into territories that do not have a separate legal personalities. The City of Paris is one of these territories. In any event, the legislator has specified that for any transfer of powers provided for by the General Local Authorities Code, the local authority or public establishment automatically replaces the local authority in all of its rights and obligations, in all its deliberations and acts. The contracts are then performed under the previous conditions until their expiry, except if agreed otherwise by the parties.

For the purpose of its investment projects, the Paris authority borrows each year for its financing needs and in order to balance its budget. However, the freedom to do so is closely regulated.

Recent events of relevance to assess the solvency of the Issuer

No recent events have occurred of relevance to assess the solvency of the Issuer.

Description of the economy of the Issuer

Paris benefits from a central geographical and administrative position, attracting foreign investments with 190 Direct Foreign Investments in 2015 representing 4,969 jobs created or maintained. The Business Registry of Paris Commercial Court indicates that there were 372,445 businesses in activity in Paris on 31 December 2015 (excluding the professions and individual trade

	<p>activities), making a +2.3 % increase compared to the same period in 2014.</p> <p>The breakdown of the workforce by sector (industry, construction and tertiary) is stable, with the tertiary sector being over-represented: 89 % of all private-sector employees. This sector has continued progressing slowly at the expense of the other sectors for several years, now. Industry and construction, meanwhile, are under-represented in Paris. The unemployment rate in December 2015 stood at 8.0 % in Paris against 8.8 % in Ile de France and 10.0 % in Metropolitan France.</p> <p>The actual operating income of the Paris authority in 2015 mainly consisted of taxes and other contributions (over 67.8 % including taxation transferred within the framework of transfers of certain powers), and then State grants and other subsidies and contributions (12.5 %) and compensation paid by the State for transfers of certain powers (4.5 %) and the rest coming mainly from fees paid by operators and concession holders and for occupancy and use of public space (3.5 %), from rents (2.1 %) and from services provided to users of services in Paris (2.2 %).</p> <p>The actual operating expenditure in 2015 mainly comprised more than one-third of personnel costs (29.1 %), welfare spending (20.6 %), contributions to cross-subsidy mechanisms (17.7 %), current operating expenditure (11.7 %), mandatory contributions (10.2 %), subsidies and other contributions (7.2 %).</p> <p>In 2015, works were the first item of investment expenditure (44.8 %), followed by subsidies for facilities, notably to social housing organisations for building social housing (27.0 %), and acquisitions of land, equipment, furniture, vehicles and works of art (17.4 %), with other expenditure corresponding to work carried out for third parties, advances, etc.</p> <p>Investment income in 2015 mainly consisted of subsidies and grants received, representing 57.3 % (in particular, reimbursement by the State of a fraction of the VAT paid on investment expenditure for the previous fiscal period, jointly-financed investment projects...), with other income being from real-estate disposals (25.1 %) and repayments of loans and advances (3.1 %).</p>
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B.48	Public finance and foreign trade situation/main information pertaining thereto for the two budget periods/notable change arising since the end of the last budget period:	<p>Public finance situation for the last two budget periods</p> <table border="1"> <tr> <th>Key figures (in millions of euros)</th><th>AA 2014</th><th>AA 2015</th></tr> <tr> <td>Actual investment income</td><td>686</td><td>621</td></tr> <tr> <td>Actual investment expenditure</td><td>1,529</td><td>1,397</td></tr> <tr> <td>Real operating income</td><td>7,527</td><td>7,653</td></tr> <tr> <td>Actual operating expenditure</td><td>8,107</td><td>7,914</td></tr> <tr> <td>Gross saving</td><td>581</td><td>261</td></tr> <tr> <td>Debt at 31/12</td><td>4,120</td><td>4,640</td></tr> </table> <p>Foreign trade situation Over 2015, Paris accounted for 15.6 % of the exports and 20.1 % imports of the Île-de-France region, which itself accounted for 18.7 % of French exports and 26.9 % of its imports</p> <p>Notable change No notable change in the financial situation of the Department has yet occurred since 31 December 2015, the balance sheet date for the administrative accounts for the 2015 financial year.</p>	Key figures (in millions of euros)	AA 2014	AA 2015	Actual investment income	686	621	Actual investment expenditure	1,529	1,397	Real operating income	7,527	7,653	Actual operating expenditure	8,107	7,914	Gross saving	581	261	Debt at 31/12	4,120	4,640
Key figures (in millions of euros)	AA 2014	AA 2015																					
Actual investment income	686	621																					
Actual investment expenditure	1,529	1,397																					
Real operating income	7,527	7,653																					
Actual operating expenditure	8,107	7,914																					
Gross saving	581	261																					
Debt at 31/12	4,120	4,640																					

Section C - Transferable securities		
C.1	Type and category of the Securities/ISIN:	<p>Type and category of the Securities/ISIN:</p> <p>The Notes are bonds as defined by Article L.213-5 of the French Monetary and Financial Code.</p> <p>The Notes can be issued on a syndicated or non-syndicated basis.</p> <p>The Notes will be issued by series (each referred to as a "Series"), having the same issue date or different issue dates and otherwise having the same terms and conditions. Each Series may be issued by tranches (each one a "Tranche") having the same issue date or different issue dates. The specific terms and conditions for each Tranche shall be stated in the Final Terms concerned.</p> <p>Identification number of the Notes</p> <p>A securities identification number (ISIN) shall be indicated in the Final Terms applicable to each issue of Notes.</p> <p>Summary of the issue</p> <p>The Notes are [Fixed rate]/[Floating rate] Notes.</p> <p>The Notes shall be issued on a [syndicated / non-syndicated] basis, under Series no. [●], Tranche no. [●].</p> <p>The ISIN code of the Notes is: [●].</p> <p>The common code of the Notes is: [●].]</p>
C.2	Currency:	<p>Subject to compliance with all applicable, laws, regulations and directives, the Notes may be issued in euros, American dollars, Japanese yen, Swiss francs, pounds sterling and in any other currency that could be agreed by the Issuer and the Dealer(s) concerned.</p> <p>Summary of the issue</p> <p>The Notes are issued in [●].</p>
C.5	Tradability:	<p>Not applicable. No restriction is placed on the free tradability of the Notes (subject to the application of sales restrictions in certain jurisdictions).</p> <p>Summary of the issue</p> <p>[insert the sales restriction(s) applicable to the issue]</p>
C.8	Rights attached to the Notes, and their rank and limitation to these rights:	<p>Form of the Notes</p> <p>The Notes may be issued either in dematerialised form or in materialised form.</p> <p>Summary of the issue</p> <p>The Notes are issued in [dematerialised/physical] form.</p> <p>Nominal value(s)</p> <p>Notes in the same Series will have the nominal value specified in</p>

the relevant Final Terms, with the reminder that there can be only one nominal value per Series.

Summary of the issue

The Nominal Value of Notes is [●].

Ranking

The Notes and any Coupons pertaining to them constitute direct, unconditional, unsubordinated and (subject to the provisions on maintaining the loan at its rank) unsecured commitments of the Issuer ranking (subject to binding exceptions under French law) *pari passu* with each other and with all other outstanding unsecured and unsubordinated bonds of the Issuer, present and future.

Maintenance of the loan in its ranking

As long as any of the Notes and, if applicable, any Coupons attached to the Notes, remain outstanding (as defined in Article 1(c)(iv) above), the Issuer shall not grant or allow there to remain any mortgage, charge, pledge or other security interest upon any of its present or future assets or revenues, for the purposes of securing any present or future loan debt represented by bonds, securities or other transferable securities of a term exceeding one (1) year which are (or are likely to be) admitted to trading on a regulated market incurred or guaranteed by the Issuer, unless obligations of the Issuer deriving from the Notes and, as applicable, Coupons, benefit from equivalent security and the same rank.

Case of Acceleration of Maturity

The Notes will be due and payable at their principal amount together with any accrued interest on these:

- a) in the case of default on payment of the main Note or interest relating to any Note by the Issuer for a period of thirty (30) calendar days (under certain conditions); or
- b) in the case of failure by the Issuer in any of its other obligations in the framework of the Notes for a period of sixty (60) calendar days (under certain conditions); or
- c)(i) in the case of non-reimbursement by the Issuer for a principal amount in excess of €200 million (or equivalent in any currency) owed on one or several bank loan or bond type debts (under certain conditions); or (ii) in the case of non-payment by the Issuer of an amount above €200 million (or equivalent in any currency) of one (or several) guarantee(s) granted under one of several bank or bond type loans contracted by third parties when this/these guarantee(s) is (are) due and is (are) called.

Taxation

All principal payments and interest made by or on behalf of the Issuer under the Notes will be made without withholding or deduction of any taxes or charges of any kind imposed, levied or collected by or on behalf of France, or any of its authorities with power to tax, unless such withholding or deduction is required by law. If such withholding or deduction has to be made, the Issuer shall be required to increase his payments to the extent permitted by law and subject to certain exceptions.

Applicable law

French law

C.9	Interest, Redemption, Yield, Representative of Holders	<p><i>Please also refer to the information provided in Element C.8 above.</i></p> <p><i>Date of first entitlement and interest payment date</i></p> <p>The date of first entitlement and the interest payment date applicable to each issue of Notes shall be stipulated in the Final Terms applicable to the Issue of the Notes in question.</p> <p>Summary of the issue The date of first entitlement is [●]. The interest payment date is [●].</p> <p><i>Price of issue</i> The securities may be issued at par, below par or at a premium.</p> <p>Summary of the issue The price of issue of Notes is [●].</p> <p><i>Nominal Interest Rate:</i> Notes may be “Fixed-Rate Notes” or “Floating-Rate Notes” according to the interest base indicated in the relevant Final Terms.</p> <p>Summary of the issue <i>[Fixed rate Notes]</i> Interest at the fixed rate of [●] shall be payable in arrears on [[●]/[●] of each year.]]</p> <p><i>[Notes at floating rate]</i> Floating Rate Notes will bear interest at the rate determined for each Series as follows:</p> <ul style="list-style-type: none"> (i) on the same basis as the floating rate applicable to an exchange transaction with notional interest rates in the relevant Specified Currency, in accordance with the 2007 FBF Framework Convention on transactions in financial instruments supplemented by the Technical Supplements on Interest and Currency which may be applicable (Exchange of interest conditions or currency - Technical supplement) published by the French Association of Banks or the French Banking Federation, or (ii) on the basis of a reference rate (EURIBOR (or TIBEUR in French), EONIA (or TEMPE in French), CMS, LIBOR, LIBID or LIMEAN rates) appearing on an agreed screen page of a commercial trading service, <p>by adding or subtracting in each case any applicable margin, where appropriate, and subject to any Minimum Rate of Interest and/or Maximum and/or Rate Multiplier, all as specified in the Final Terms concerned.</p> <p>Floating-Rate Notes will bear interest at a rate of [●] +/- [●] percent. payable on [●], [●] of each year, according to the agreement on the business day specified in the Final Terms.]</p>
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Maturity date and arrangements for the amortisation of the loan, including redemption procedures

Redemption at maturity

The Final Terms shall indicate the basis for calculating the redemption amounts due.

Optional redemption

The Final Terms prepared on each issue of Notes shall indicate whether the said Notes may be redeemed (in full or in part) at the choice of the Issuer concerned prior to their scheduled maturity date, and if this is the case, the methods applicable to this redemption.

Early redemption for fiscal reasons

Subject to the provisions of “Optional Redemption” above, the Notes may only be redeemed at the choice of the Issuer for fiscal reasons.

Summary of the issue

Maturity

The maturity date of the Notes is [●].

[Redemption at Maturity]

Subject to repurchase and cancellation of the Notes or anticipated redemption of the Notes, they may be redeemed on the aforementioned maturity date at [●]% of their nominal amount..]

[Optional redemption]

The Notes may be redeemed (in full or in part) prior to the scheduled maturity date at the choice of the Issuer [*Specify the terms and conditions applicable to this redemption*]].

Early redemption for fiscal reasons

Subject to the provisions of “Optional Redemption” above, the Notes may only be redeemed at the choice of the Issuer for fiscal reasons.

Yield

The yield of the Fixed-Interest Notes shall be stipulated in the applicable Final Terms.

Summary of the issue

[Yield]

The yield of the Notes is [●].]

Representatives of the Noteholders

The representatives of the Noteholders and the replacement representative will be named in the Final Terms applicable to each issue of Notes.

Summary of the issue

Representatives of the Noteholders

The Noteholders shall be grouped for the defence of their common interests in a body or "masse" governed by the provisions of the French Commercial Code, subject to certain exceptions (the "Masse"). The Masse shall be a separate legal entity and shall either act through a representative (the "Representative") or through a General Meeting of the Noteholders.

		<p>[The representative of the Noteholders is [●]. The replacement representative is [●].]/ [Not Applicable]</p>
C.10	Derivative linked to the payment of interest on Notes:	Not applicable; Notes issued under the Programme are not linked to any derivative.
C.11 and C.21	Admission to trading:	<p>An application may be made for admission of the Notes to trading on Euronext Paris and/or on any other Regulated Market of the European Economic Area (notably the Luxembourg Stock Exchange or the London Stock Exchange - Regulated Market). A Series of Notes may not be admitted to trading.</p> <p style="text-align: center;">Summary of the issue</p> <p>[An application for admission of the Notes to trading on [Euronext Paris] / [●] has been filed. / Not applicable, the Notes have not been admitted to trading on a stock exchange or any market.]</p>
Section D - Risks		
D.2	Main risks specific to the Issuer:	<p>Legal risks of enforcement and insolvency proceedings are very limited because these rules are not applicable to legal entities under public law as is the case of the City of Paris.</p> <p>The Issuer is exposed to risks relating to its assets. However, the Issuer has assessed these risks and has established adequate hedging.</p> <p>Regarding financial risks, the legal framework of borrowing by local authorities limits the risks of insolvency. In this respect, although the Issuer does have freedom of appreciation in financing matters, this is subject to regulation: borrowing must be intended exclusively for financing investments, on the one hand, and the repayment of the capital must be covered by its own resources, on the other. In addition to this, the obligatory nature of debt repayment provides a key guarantee for lenders.</p> <p>Use of financial instruments (products such as swaps, caps, tunnels, etc.) is only authorised to hedge interest or exchange rate risk and may not be speculative in nature, in accordance with Interministerial Circular n° NOR/IOCB1015077C of 25 June 2010 relating to financial products offered to local authorities and their public establishments. In addition to this, law n°2013-672 of 26 July 2013 on the separation and regulation of banking activities inserted an Article L.1611-3-1 into the General Code of Public Authorities, by the terms of which when a local authority takes out a loan in foreign currency, the authority is required to conclude a swap contract for that currency against Euros on taking out the loan, for the full amount and term of said loan. Decree n°2014-984 of 28 August 2014 issued in application of this law governs, among other things, the terms on which local authorities enter into financial contracts.</p> <p>The City and Department of Paris provide loan guarantees for partners falling into two main categories: on the one hand, guarantees for public and/or private companies specialising in the acquisition and renovation of social housing and, on the other, organisations outside the social housing sector such as Public Companies for Local Development (SPLA), Local Public Companies (SPL), public-private companies (SEM) and associations working on projects deemed to be in the general interest of Parisians. Although an enforcement of guarantee could arise, it remains a very rare occurrence (2 enforcements of guarantees provided by the City of Paris over the past 10 years, with a total value of</p>

		<p>€24,756).</p> <p>The policy of the Issuer with respect to interest rate risk is cautious: it aims to protect the Issuer's debt against a rise in interest rates while reducing its cost. The Issuer takes no currency risk as he agrees at the outset of currency exchange contracts into euros when issuing securities in foreign currency.</p> <p>Regarding the risks of variations in revenues, the Issuer has the principle of financial autonomy guaranteed by the Constitution, but remains subject to the risk of changes in the legal environment that could alter the structure and performance of his revenues, including State grants. The reduction in the level of Compensation paid by the State is likely to have an adverse effect on the Issuer's operating income. As budgetary equilibrium must be maintained, the Issuer could be required to make adjustments to the variation of its expenditure, or to increase its other resources.</p> <p>Finally, the rating of the Issuer's long-term and short-term debt by Fitch Ratings and Standard & Poor's Rating Services, by its very nature, only constitutes the expression of an opinion concerning the level of credit risk associated with the Issuer and does not necessarily reflect all of the risks pertaining thereto. This rating does not constitute a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal by the rating agency at any time.</p>
D.3	Main risks specific to the securities:	<p>A number of factors are significant for assessing the risks linked to the Notes issued within the scope of the Programme, and in particular:</p> <ul style="list-style-type: none"> - the Notes may not be an appropriate investment for all investors - the market in Notes may be volatile and adversely affected by many events; - an active market in the notes may not develop or be continued; - investors cannot calculate their yield rate in advance on Floating-Rate Notes; - risks linked to Fixed-Rate Notes; - exchange risks and exchange control risks; - ratings-related risks; - the Notes may be redeemed before maturity; - an early redemption option in favour of the Issuer provided for by the Final Terms of a given notes issue may result in a considerably lower yield than expected for the Holders; - risks relating to optional redemption by the Issuer; - changes to the Terms of the Notes; - risk of conflict of interest; - legislative changes; and - taxation. <p>Prospective investors must make their decision to invest in the Notes only after an in-depth study of the information contained in the Base Prospectus, and they are urged to consult their own counsellors as to legal, fiscal and related aspects.</p>

Section E - Offer		
E.2b	Reasons for the offer and use of the product thereof:	<p>[The net proceeds of the issue of Notes are intended to finance the investments of the Issuer unless otherwise stipulated in the relevant Final Terms.]</p> <p>Summary of the issue The net proceeds of the issue of Notes are to be used to finance the investments of the Issuer / Other (<i>specify</i>).</p>
E.3	Terms and conditions of the offer:	<p>The Notes shall be issued at the issue price and shall be wholly or partially released, as stipulated in the applicable Final Terms. The issue price of the Notes to be issued in the Programme shall be determined by the Issuer and the Dealer(s) concerned at the moment of the issue, taking account of the market conditions.</p> <p>Restrictions apply to the distribution of offering documents in the United States of America, the United Kingdom, France, Member States of the European Economic Area, Italy, Japan, the Netherlands and Spain. Within the framework of the offer and sale of a given Tranche, additional restrictions may be imposed on sale and shall be indicated in the applicable Final Terms.</p> <p>Summary of the issue [No public offer has been made or contemplated.]/ [The Notes will be offered to the public in [●].]</p> <p>The total amount of the [issue]/[offer] is [●].</p> <p>Offer period: from [●] to [●].</p> <p>Offer price: [Price of issue]/[●]</p> <p>Conditions to which the Offer is subject: [●]</p> <p>Description of the underwriting process: [●].</p> <p>Details regarding the minimum or maximum amount of underwriting: [●].</p> <p>Terms and conditions and date on which the results of the Offer will be announced to the public: [●].</p>
E.4	Interest, including conflicts of interest likely to have a material influence on the issue/offer:	<p>The interest and any conflicts of interest likely to have a material influence on the relevant issue/offer of Notes shall be described in the applicable Final Terms.</p> <p>Summary of the issue [Not applicable to the knowledge of the Issuer, no person involved in the issue has a significant interest in it.]/[The Dealer will receive commissions to the amount of [●]% of the main amount of the Notes. To the knowledge of the Issuer, any other person involved in the issue does not have a significant interest in it.] [●].</p>
E.7	Estimated expenses charged	An estimate of the expenses charged to the investor by the issuer or offeror shall be included in the applicable Final

	to the investor by the Issuer or the offeror:	<p>Terms.</p> <p>Summary of the issue</p> <p>[Expenses to be borne by the investor are estimated at [●]. / Not applicable, no expenses are to be borne by the investor.]</p>
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RISK FACTORS

The Issuer considers that the following factors are important when making any decisions to invest in the Notes and/or may affect its ability to fulfil its obligations to investors by the terms of the Notes. These factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingencies occurring.

The Issuer considers that the factors described below are the principal risks inherent to the Notes issued under the Programme, but that they are not exhaustive. The risks described below are not the only risks that the investor runs with regard to the Notes. Other risks and uncertainties, unknown to the Issuer on this day or that it considers on the day of this Base Prospectus not to be determining factors, may have a significant impact on the risks relative to an investment in the Notes. Prospective investors must also read the detailed information given in this Base Prospectus and reach their own opinion before taking any investment decision. In particular, investors must make their own assessment of the risks associated with the Notes before investing in these Notes, and they must consult their own financial or legal counsellors as to the risks associated with the investment in a specific Series of Notes and as to the relevance of an investment in notes in the light of their own situation.

The Issuer considers that the Notes must be purchased only by investors that are (or that are acting on the advice of) financial institutions or other professional investors that are in a position to assess the specific risks that an investment in notes involves.

All references below to an Article are to a corresponding numbered Article in the chapter “Terms and Conditions of the Notes.”

1. ISSUER RISKS

Legal risks of enforcement

As a legal entity under public law, the City of Paris is not subject to private law enforcement channels, applying the principle of impossibility of seizing property belonging to legal persons under public law (Court of Cassation, 1st Civil, 21 December 1987, Geological and Mining Research Bureau c/ Lloyd Continental Corporation, Civil Bulletin I, no. 348, p. 249). Consequently, and as a legal person under public law, the City of Paris is not subject to collective proceedings under the Commercial Code (Court of Appeal of Paris, 3rd chamber sect. B, 15 February 1991, Centre National des Bureaux Régionaux de Fret, No. 90-21744 and 91-00859).

Property risks

The property risks of the City of Paris relate to all damages, claims, destruction and physical losses which may occur to its real estate and personal property. This may be due to natural disaster, fire, an act of terrorism, etc.

In addition, the activities and operations of the City of Paris are likely to present risks particularly with regard to property damage, involving motor vehicles in its fleet, or the actions of its agents and representatives.

With regard to the various risks concerning its assets, the City of Paris has, through public procurement, taken out insurance policies with adequate hedging.

Financial risks

Regarding financial risks, the legal framework of borrowing by local authorities limits the risks of insolvency.

Article 2 of Law 82-213 of 2 March 1982 on the rights and liberties of municipalities, departments and regions withdrew all supervision by the State over the acts of the local authorities. This change acknowledged the full freedom of appreciation of local authorities in financing matters and liberalised and generalised the rules applicable to their borrowing. Local authorities are now free to engage in borrowing and their relations with lenders are governed by private law and freedom of contract.

However, this liberty is governed by the following principles:

- borrowing is intended exclusively for financing investments;
- the capital must be repaid from their own resources.

Also, debt service is mandatory expenditure, whether repayment of the capital or financial charges. By law (Article L.2321-1 et seq. of the General Local Authorities Code) Interest on the debt and repayment of capital are mandatory expenditure for the local authority. Consequently, this expenditure must be posted in the budget of the local authority. If this is not the case, the legislator has provided for a procedure (Article L.1612-15 of the General Local Authorities Code) authorising the Préfet, further to the opinion of the Regional Chamber of Accounts, to enter the expenditure in the budget of the local authority. In addition to this, in the absence of a mandate to pay such mandatory expenditure, the legislator has also provided for a procedure (Article L.1612-16 of the General Local Authorities Code) authorising the Préfet to proceed therewith as a matter of course.

This mandatory nature of debt repayment provides strong legal protection for lenders.

Nevertheless, Noteholders are still exposed to the credit risk of the Issuer. By credit risk we understand the risk that the Issuer is unable to meet his financial obligations with regard to the Notes, resulting in a loss for the investor.

Risks associated with loan guarantees granted by the Issuer

The City and Department of Paris provide loan guarantees for partners falling into two main categories: on the one hand, guarantees for public and/or private companies specialising in the acquisition and renovation of social housing and, on the other, organisations outside the social housing sector such as Public Companies for Local Development (SPLA), Local Public Companies (SPL), public-private companies (SEM) and associations working on projects deemed to be in the general interest of Parisians.

The total value of outstanding loans guaranteed on 31 December 2015 is €8,934,211,346.82

Guarantees provided by the city and the department may be enforced. In such rare cases (2 enforcements of guarantees provided by the City of Paris over the past 10 years, with a total value of €24,756), the loan guarantee contracts, which are systematically signed between the City or Department and their beneficiaries for each new loan, include a clause stipulating full reimbursement to the guarantor of all sums paid by the latter as a result of enforcement of the guarantee.

Risks associated with derivative products

The use of financial contracts (derivative products such as swaps, caps, tunnels...) is only allowed in a rationale of hedging of interest rate risk or currency risk, as indicated in the ministerial circular no. NOR/IOCB1015077C of 25 June 2010 relating to the financial products available to local authorities and their public institutions. Speculative trading type operations are strictly prohibited. The policy of the Paris authority with respect to interest rate risk is cautious: it aims to protect Paris' debt against a rise in interest rates while reducing its cost.

In addition, the City of Paris takes no currency risks since from the outset it has taken out currency exchange contracts into euros when issuing securities in foreign currency.

On this point, Law no. 2013-672 of 26 July 2013 on the separation and regulation of banking activities inserted an Article L.1611-3-1 into the General Code of Public Authorities, by the terms of which when a local authority takes out a loan in foreign currency, the authority is required to conclude a swap contract for that currency against euros on taking out the loan, for the full amount and term of said loan.

Decree no. 2014-984 of 28 August 2014 issued in application of the law of 26 July 2013 governs, among other things, the terms on which local authorities enter into financial contracts.

Risk of changes in revenue

With regard to its resources, the City of Paris as a local authority is exposed to any changes in the legal and regulatory environment that could change the structure and performance, especially with regard to grants paid by the State. However, income from local taxes accounts for the majority of operating revenues for the City of Paris, with respect to the principle of financial autonomy guaranteed by Article 72-2 of the Constitution of 4 October 1958 under which “tax revenues and other resources of local authorities represent, for each category of authorities, a crucial part of all resources”.

In this context, the reduction in the level of Compensation paid by the State is likely to have an adverse effect on the Issuer's operating income. As budgetary equilibrium must be maintained, the Issuer could be required to make adjustments to the variation of its expenditure, or to increase its other resources.

Rating of the Issuer's long-term and short-term debt

The rating of the Issuer's long-term and short-term debt by Fitch Ratings and Standard & Poor's Rating Services, by its very nature, only constitutes the expression of an opinion concerning the level of credit risk associated with the Issuer and does not necessarily reflect all of the risks pertaining thereto. This rating does not constitute a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal by the rating agency at any time.

2. RISKS ASSOCIATED WITH THE NOTES

2.1. General market-related risks

(a) The Notes may not be an appropriate investment for all investors

Each prospective investor must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its personal situation. In particular, each prospective investor should:

- (i) have sufficient knowledge and experience to make a satisfactory assessment of the Notes, the interest and risks of investing in the Notes and the information contained in this Base Prospectus or in any supplement to this Base Prospectus and in the relevant Final Terms;
- (ii) have access to and know how to use appropriate analysis tools to make an assessment, in the light of its personal situation and its sensitivity to risk, of an investment in the relevant Notes and of the effects the Notes might have on its investment portfolio as a whole;
- (iii) have sufficient financial resources and liquidities to cope with all the risks of an investment in the Notes, including when the currency of payment of the principal or interest is different from that of the prospective investor;
- (iv) perfectly understand the terms of the Notes in question and be familiar with the behaviour of all relevant indices and financial markets; and
- (v) be capable of assessing (either alone or with the help of a financial advisor) the possible scenarios for the economy, interest rates or any other factor that might affect its investment and its ability to face the risks incurred.

A prospective investor should not invest in the Notes unless its expertise (alone or with its advisors) allows it to assess the way in which the Notes will evolve in changing conditions, the resulting effects on the value of the Notes and the impact of the investment on the whole investment portfolio of the potential investor.

Each prospective investor is invited to consult its own legal, fiscal, accounting and/or financial advisors before investing in the Notes.

(b) The debt Notes market may be volatile and adversely affected by many events

The securitisation market is influenced by economic and market conditions and, to various degrees, by interest rates, exchange rates and inflation rates in other European and industrialised countries. It cannot be guaranteed that events in France, Europe or elsewhere might not cause volatility on the market or that such market volatility might not affect the price of the Notes, or that economic and market conditions might not have some other adverse effect.

(c) An active market in the notes may not develop or be continued;

It cannot be guaranteed that an active market will develop in the notes or, if it does develop, that it will be continued or sufficiently liquid. If an active market does not develop in the Notes or if it is not continued, the market price or the price and liquidity of the Notes may be adversely affected. Investors might therefore not be in a position to dispose of their Notes easily or to dispose of them at a price offering a yield comparable to similar products for which an active market might have developed.

The Issuer may purchase Notes pursuant to the conditions set out in Article 5(e) and the Issuer may issue Notes again pursuant to the conditions set out in Article 12. Such operations may have a positive or an adverse effect on the price of the Notes. Such operations may have a positive or an adverse effect on the price of the Notes. If additional or competing products are put on the market, this may have an adverse effect on the value of the Notes.

(d) Investors cannot calculate their yield rate in advance on Floating-Rate Notes;

A key difference between Floating-Rate Notes and Fixed-Rate Notes is that the revenue from interest on Floating-Rate Notes cannot be anticipated. Due to variation in interest income, investors cannot determine a given yield on Floating-Rate Notes at the time they buy them, meaning that their return on investment cannot be compared with that on investments having longer periods of fixed interest. If the Terms and Conditions of the Notes provide for frequent interest payment dates, investors are exposed to the risk of re-investment if market interest rates decline. In this case, investors will be able to reinvest their interest income only at the rate in force at the time, which may be lower.

(e) Risks linked to Fixed-Rate Notes;

It cannot be ruled out that the value of Fixed-Rate Notes might be adversely affected by future changes on the interest rate markets.

(f) Exchange risks and exchange control risks;

The Issuer shall pay the principal and interest on the Notes in the currency specified in the relevant Final Terms (“**Specified Currency**”). This presents a number of risks relative to the conversion of currencies if the financial activities of an investor are carried on principally in a currency or in a monetary unit (the “**Investor Currency**”) different from the Specified Currency. These risks include the risk that exchange rates might vary significantly (including variations due to devaluation of the Specified Currency or due to revaluation of the Investor Currency) and the risk that the authorities having competence over the Investor Currency might impose or modify exchange controls. A rise in the Investor Currency against the Specified Currency would reduce (1) the equivalent yield of the Notes in the Investor Currency, (2) the equivalent value in the Investor Currency of the principal payable on the Notes, and (3) the equivalent market value of the Notes in the Investor Currency.

The Government and monetary authorities might impose exchange control measures (as some have done in the past) that could affect exchange rates adversely. Consequently, the investors might receive a lower-than-expected principal amount or interest, or perhaps even receive no principal or interest at all.

(g) Risks linked to rating

Independent rating agencies may award a rating to the Notes issued within the scope of this Programme. This rating does not reflect the potential impact of the risk factors described in this section or any other risk factors that might affect the value of the Notes issued within the scope of this Programme. A rating is not a recommendation to buy, sell or hold notes, and it may be revised or withdrawn by the rating agency at any time.

2.2. General risks relating to Notes

(a) The Notes may be redeemed before their maturity

If, at the time of redemption of the principal or of an interest payment, the Issuer is required to pay Additional Amounts in application of Article 7(b) of the Terms of the Notes, it may then redeem the Notes in full by paying the Early Redemption Amount plus all interest accrued to the date set for redemption, unless otherwise stated in the relevant Final Terms.

(b) Any early redemption option in favour of the Issuer provided for by the Final Terms of a given notes issue may result in a considerably lower yield than expected for the Holders

The Final Terms of a given Notes issue may provide for an early redemption option in favour of the Issuer. Consequently, the yield at the time of redemption may be lower than expected, and the value of the amount redeemed on the Notes may be less than the purchase price of the Notes paid by the Holder. Consequently, part of the capital invested by the Holders may be lost, meaning that the Holder will not receive the total amount of capital invested. Moreover, in case of early redemption, investors who choose to re-invest the funds they receive may be in a position to re-invest only in financial notes having a lower yield than the redeemed Notes.

(c) Risks relating to optional redemption by the Issuer

The market value of the Notes may be limited by the choice of optional redemption of the Notes by the Issuer. During periods when the Issuer can proceed with such redemptions, this market value generally does not increase substantially above the price at which the Notes can be redeemed. This may also be the case prior to any redemption period.

Exercising a redemption option at the Issuer's wishes may affect the liquidity of the Notes in this same Series for which such an option has not been exercised.

It may be expected that the Issuer will redeem the Notes when its borrowing cost is lower than the interest rate of the Notes. In such a situation, an investor generally cannot re-invest the proceeds of the redemption at as interesting an effective interest rate as that on the redeemed Notes. Prospective investors should therefore take account of the risk linked to re-investment in the light of other investments available at the time of their investment.

(d) Modification of the Terms of the Notes

Holders shall be grouped into body or "Masse" (as defined in Article 10 of the Terms and Conditions of the Notes, "Holder Representation") to defend their common interests and they may meet in a general meeting. The Terms and Conditions of the Notes make it possible in certain cases for Holders that are not present or represented during a general meeting to be bound by the vote of Holders that are present or represented, even though they disagree with this vote.

The General Meeting of Holders may, subject to the provisions of Article 10 of the Terms and Conditions of the Notes on "Holder Representation", vote on any proposal aimed at amending the

Terms and Conditions of the Notes, and in particular on any draft compromise or arrangement with regard to disputed rights or that have been the subject of court decisions.

(e) Risk of conflict of interest

Potential conflicts of interest may exist between the Calculation Agent and the Holders (including when a Dealer acts as a Calculation Agent) and especially in the context of determinations, calculations and judgements that such a Calculation Agent could be required to perform pursuant to the Terms and Conditions of the Notes, which could have an influence on the amounts to be received by the Holders during the possession of the Notes and until their redemption.

(f) Legislative change

The Terms and Conditions of the Notes are governed by French law at the date of this Base Prospectus. No assurance can be given as to the consequences of a court decision or of a change in legislation or in French regulations subsequent to the date of this Base Prospectus.

(g) Taxation

Prospective buyers and sellers of Notes must take account of the fact that they might be required to pay taxes or other levies or fees in accordance with the law or the practices in force in the countries where the Notes will be transferred or in other jurisdictions. In some jurisdictions, no official position of the tax authorities nor any court decision is available on financial notes such as the present Notes. Prospective investors are urged not to base themselves on the fiscal information contained in this Base Prospectus, but to seek counsel from their own tax consultants with regard to their personal situation concerning acquisition, remuneration, sale and redemption of the Notes. Only these advisors are in a position to correctly take into consideration the specific situation of a potential investor. Prospective investors are also urged to seek advice from their own tax consultants when a payment of interest or similar income is made by a paying agent (as defined by Directive 2003/48/EC of the Council) based in Austria. These considerations with regard to investment must be read together with the information contained in the section on “Taxation” in this Base Prospectus.

European Tax on Financial Transactions

On 14 February 2013, the European Commission adopted a proposal for a directive (the “**Commission Proposal**”) for a Tax on Financial Transactions (TFT) common to Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**Participating Member States**”). In March 2016, Estonia confirmed its intention to withdraw from the group of Participating Members.

The Commission Proposal is very far-ranging and, if it is adopted, could apply in certain cases to operations in the Notes (including on the secondary market).

According to the Commission Proposal, the TFT could also extend, in certain cases, to persons outside the Participating Member States. As a general rule, the tax would apply to certain transactions in the Notes when at least one of the parties is a Financial Institution and at least one of the parties is established in a Participating Member State. A financial institution would be, or would be deemed to be “established” in a participating member state in a very wide range of circumstances, including (a) if it has executed transactions with a person established in a Participating member State or (b) when the financial instrument subject to the transaction is issued in a Participating Member State.

The proposal for a directive remains subject to negotiations between the Participating member States. It is therefore likely to be amended prior to its transposition. Other Member States may choose to take part in it.

Prospective buyers of the Notes are invited to consult their own financial advisors on the subject of the TFT.

RETAIL CASCADES

The Issuer accepts responsibility in the Country of the Public Offer for information with regard to this Base Prospectus in the case where any offer of Notes in France (the “**Country of the Public Offer**”) which is not made pursuant to an exemption from the requirement to publish a prospectus under the Prospectus Directive (a “**Non-Exempt Offer**”), with respect to any person (an “**Investor**”) to whom any offer of Securities is made by any financial intermediary, to whom the Issuer has given consent for him to use this Base Prospectus (an “**Authorised Offeror**”), when the offer is made during the period and in the Country of the Public Offer for which consent has been given and in compliance with all other conditions attached to the granting of this consent, as specified in this Base Prospectus. However, neither the Issuer nor any Dealer can be held responsible for any conduct of any Authorised Offeror, including the compliance of any Authorised Offeror with the applicable rules of conduct or any other local regulatory requirements and legislative requirements regarding securities in connection with this offer.

The Issuer agrees to the use of this Base Prospectus for a subsequent resale of the Notes or for their final investment by any Authorised Offeror within the framework of a Non-exempt Offer during the Offer Period specified in the applicable Final Terms (the “**Offer Period**”) either (1) in the Country of the Public Offer specified in the applicable Final Terms by any Authorised Offeror with permission to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and which meets the conditions mentioned (if any) in the applicable Final Terms, or (2) by any Authorised Offeror indicated in the applicable Final Terms, in the Country of the Public Offer specified in the Final Terms and subject to the applicable conditions specified in the relevant Final Terms, for as long as they are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC). The Issuer may give consent to additional financial intermediaries after the date of the applicable Final Terms and, if it goes ahead with this, the Issuer will publish the above information about them on (http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots-2318#programme-d-emissions-de-titres-emptn_10).

Subject to compliance with the conditions specified in the relevant Final Terms, consent to the use of this Base Prospectus described above concerns periods of Offers occurring within twelve (12) months following the date of this Base Prospectus.

Any Authorised Offeror wishing to use this Base Prospectus under a Non-exempt Offer as set out in (1) above shall, for the duration of the Offer Period concerned, publish on its website a statement mentioning that it is using this Base Prospectus for such a Non-exempt Offer in accordance with the consent of the Issuer and the conditions attached thereto.

Insofar as this is indicated in the applicable Final Terms, a Non-exempt Offer may be made during the Offer Period concerned by each of the Issuers and Dealers or, subject to any restrictions on the consent, of any Authorised Offer in the Country of the Public Offer and subject to all applicable conditions in all cases as specified in the relevant Final Terms.

Unless otherwise noted, neither the Issuer nor any Dealer has authorised the initiation of any Non-exempt offer of Notes by any person in any circumstances and such a person is not authorised to use this Base Prospectus in the framework of his offer of Notes. Such unauthorised Non-exempt Offers are not made by or on behalf of the Issuer and Dealers or any Authorised Offeror, and neither the Issuer nor any Dealer or Authorised Bidder shall be held responsible for the conduct of any person setting up such offers.

An Investor intending to acquire or acquiring any Notes from an Authorised Offeror shall do so, and offers and sales of the Notes to an Investor by an Authorised Offeror shall be made, in compliance with any terms and other arrangements in place between such Authorised Offeror and the relevant Investor, including as regards price, allocations and settlement arrangements (the “Terms of the Non-Exempt Offer”). The Issuer shall not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, consequently, the Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised

Offeror at the time of the Non-exempt Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors is in any way responsible for such information.

DOCUMENTS INCORPORATED BY REFERENCE

The sections entitled “Terms and Conditions of the Notes” in the following base prospectus relating to the Programme, are incorporated by reference in this Base Prospectus for the sole purpose of enabling the issuance of similar Securities to form a single series together with the Securities which have already been issued pursuant to the “Terms and Conditions of the Notes” in the base prospectus referred to in (i) above.

Base Prospectus

Base Prospectus dated 23 December 2004 (approved by the AMF under number P.04-215 dated 23 December 2004)	pages 13 to 41
Base Prospectus dated 21 March 2006 (approved by the AMF under number 06-080 dated 21 March 2006)	pages 22 to 43
Base Prospectus dated 30 August 2007 (approved by the AMF under number 07-295 dated 30 August 2007)	pages 21 to 42
Base Prospectus dated 24 July 2008 (approved by the AMF under number 08-157 dated 24 July 2008)	pages 22 to 45
Base Prospectus dated 23 October 2009 (approved by the AMF under number 09-309 dated 23 October 2009)	pages 22 to 43
Base Prospectus dated 22 November 2010 (approved by the AMF under number 10-410 dated 22 November 2010)	pages 24 to 45
Base Prospectus dated 15 November 2011 (approved by the AMF under number 11-526 dated 15 November 2011)	pages 24 to 46
Base Prospectus dated 15 November 2012 (approved by the AMF under number 12-556 dated 15 November 2012)	pages 24 to 45
Base Prospectus dated 06 November 2013 (approved by the AMF under number 13-590 dated 06 November 2013)	pages 29 to 50
Base Prospectus dated 06 November 2014 (approved by the AMF under number 14-589 dated 06 November 2014)	pages 29 to 50
Base Prospectus dated 29 October 2015 (approved by the AMF under number 15-550 dated 29 October 2015)	pages 32 to 53

SUPPLEMENT TO THE BASE PROSPECTUS

Every significant new factor, any mistake or inaccuracy relating to the information contained in the Base Prospectus, which would likely have a significant impact on the valuation of Securities and would occur or be discovered after the date of this Base Prospectus, should be mentioned in a supplement to the Base Prospectus in accordance with Article 212-25 of the General Regulation of the AMF.

Subject to the applicability of Article 212-25-I of the AMF General Regulations, investors who have already agreed to purchase or subscribe to Securities before the publication of a supplement to the Base Prospectus have the right, pursuant to Article 212-25II of the General Regulation of the AMF, in the event of a public offer of the Securities, to withdraw their acceptance within a period of two (2) trading days following the publication of the supplement.

Any supplement to the Base Prospectus will be published on the websites of (i) the AMF (www.amf-france.org), (ii) the Issuer (http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots-2318#programme-d-emissions-de-titres-emtn_10), and (iii) any other relevant regulatory authority and will be available for consultation and to copy, free of charge, during the normal business hours of the office, on any day of the week (except Saturday, Sunday and public holidays) at the registered office of the Fiscal Agent or Paying Agents.

TERMS AND CONDITIONS OF THE NOTES

The following text presents the Terms and Conditions which shall be applicable to the Notes, as completed by the stipulations of the relevant Final Terms. In the case of Dematerialised Notes, the text of the Terms and Conditions of the Notes shall not be included on the back of physical securities materialising ownership, but shall consist of the text below as supplemented by the relevant Final Terms. In the case of Materialised Notes, either (i) the complete text of these Terms and Conditions as well as the relevant stipulations of the relevant Final Terms (and subject to possible simplification resulting from removal of stipulations that are not applicable) or (ii) the text of the completed Terms shall be indicated on the back of the Materialised Notes. All words in capitals that are not defined in these Terms and Conditions shall have the meaning they are given in the relevant Final Terms. References made in the Terms and Conditions to “Notes” concern the Notes of a single Series and not all Notes that might be issued within the scope of the Programme. The Notes shall constitute bonds within the meaning assigned by French law.

The Notes are issued by the City of Paris (the “**Issuer**” or the “**City of Paris**”) by Series (each one a “**Series**”) on the same issue date or on different issue dates. The Notes of a given Series shall be subject (with the exception of the first interest payment) to identical Terms and Conditions, it being supposed that the Notes of each Series are fungible with each other. Each Series may be issued by tranches (each one a “**Tranche**”) having the same issue date or different issue dates. The specific terms of each Tranche (which may be completed, if necessary, by additional terms identical to the terms of the other Tranches of the same Series (with the exception of the issue date, issue price, first interest payment and nominal amount of the Tranche)), shall be indicated in the Final Terms (“**Final Terms**”) completing this Base Prospectus. A financial service contract (as amended and completed, the “**Financial Service Contract**”) relating to the Notes was concluded on 4 November 2016 between the Issuer, BNP Paribas Securities Services as Fiscal Agent and Principal Paying Agent and the other agents designated therein. The Fiscal Agent, the Paying Agent and the acting calculating agent(s) (as the case may be) shall be named below, respectively, the “**Fiscal Agent**”, the “**Paying Agents**” (such expression including the Fiscal Agent) and the “**Calculation Agent(s)**”. Holders of interest coupons (“**Coupons**”) relating to Materialised Notes bearing interest and, as the case may be for these Notes, of talons making it possible to obtain additional Coupons (“**Talons**”) shall be named “**Coupon Holders**”.

All references below to “**Articles**” shall mean the numbered Articles below, unless the context requires another interpretation.

1. FORM, DENOMINATION, TITLE, REDENOMINATION AND CONSOLIDATION

(a) Form

The Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in physical form (“**Materialised Notes**”), as indicated in the relevant Final terms.

- (i) Title of Dematerialised Notes shall be established in book entry form in compliance with Articles L. 211-3 and following of the Monetary and Financial Code. No documents shall be issued in respect of the Dematerialised Notes (including representative certificates in application of Article R.211-7 of the Monetary and Financial Code).

Dematerialised Notes (within the meaning assigned by Articles L. 211-3 and following of the Monetary and Financial Code) are issued, at the option of the Issuer, either in bearer form, inscribed in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders, or in registered form and, in such latter case, at the option of the relevant Noteholder, either in administered registered form, in which case they shall be inscribed in the accounts of the Account Holder designated by the relevant Noteholder, or in fully-registered form, in which case they shall be inscribed in an account held by the Issuer or by a registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (“**Registration Agent**”).

In these Terms and Conditions, “**Account Holder**” shall mean any intermediary authorised to hold accounts, directly or indirectly, with Euroclear France, and this shall include Euroclear Bank S.A./N.V. as operator of the Euroclear system (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”).

- (ii) Materialised Notes are issued in to bearer form only. Materialised Notes represented by physical securities (the “**Physical Securities**”) are numbered in series and issued with Coupons (and, as the case may be, with “**Talons**”) attached to them.

In application of Articles L. 211-3 and following of the Monetary and Financial Code, securities (such as the Notes that are bonds within the meaning assigned by French law) in materialised form and governed by French law must be issued outside French territory.

Notes may be “**Fixed-Rate Notes**” or “**Floating-Rate Notes**” according to the interest base indicated in the relevant Final Terms.

(b) Denominations

The Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the “**Specified Denomination(s)**”). Dematerialised Notes shall be issued in one Specified Denomination only.

(c) Title

- (i) Title to Dematerialised Notes in bearer form and in administered registered is passed on, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Account Holders. Title to Dematerialised Notes in fully registered form is passed on, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or Registration Agent.
- (ii) Title to Materialised Notes having, as the case may be, Coupons and/or a Talon attached at the time of issue is passed on by tradition.
- (iii) Subject to a judicial decision handed down by a competent court or to applicable legal provisions, the holder of any Note (as defined below), Coupon or Talon shall be deemed, in all circumstances, to be the sole and unique owner thereof and may be considered as such whether the Note or Coupon has matured or not, regardless of any declaration of title, of any right to the said Note or Coupon, of any information that might have been added thereto, without consideration of it having being stolen or lost and without anyone being able to be held responsible for having considered the Holder as such.
- (iv) In these Terms and Conditions,

“**Noteholder**” or, as applicable, “**holder of Notes**” shall mean, (i) in the case of Dematerialised Notes, the person whose name appears on the account of the relevant Account Holder, of the Issuer or of the Registration Agent (as the case may be) as being the holder of such Notes, and (ii) in the case of Materialised Notes, any holder of any Materialised Note and of the Coupons or Talons pertaining thereto.

“**Outstanding**” shall mean, concerning Notes of any Series, all Notes issued other than (a) those that have been redeemed in accordance with these Terms and Conditions, (b) those for which the redemption date has passed and the amount of redemption (including the accrued interest on the Notes until the redemption date and all interest payable after this date) has been duly paid according to the stipulations of Article 6, (c) those that have become null and void with regard to which all legal action is barred, (d) those that have been bought back and cancelled in accordance with these Terms and Conditions, (e) for Materialised Notes, (i) mutilated or erased Materialised Notes that have been exchanged against replacement Materialised Notes, (ii) (solely for the purposes of determining the number of Materialised Notes in circulation and without prejudice to their status for any other purpose) Materialised Notes that have allegedly been lost, stolen or destroyed and

for which replacement Materialised Notes have been issued and (iii) any Temporary Global Certificate insofar as it has been exchanged against one or more Materialised Notes in application of its stipulations.

(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 advance notice in accordance with Article 14, redenominate in Euros all (and not just a part) of the Notes in each Series, on or after the date on which the European Member State in whose national currency the Notes are denominated became a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the "EC"), as amended (the "Treaty"), as described in more detail in the relevant Final Terms.

(e) Consolidation

Unless otherwise stated in the relevant Final Terms, the Issuer may, at each Interest Payment Date occurring on or after the date of redenomination, with the prior consent of the Fiscal Agent (which may not be reasonably refused) and without the consent of the holders of Notes or Coupons, by notifying the holders of Notes no less than thirty (30) calendar days in advance, in accordance with Article 13, consolidate the Notes in a Series denominated in Euros with Notes from one or more other Series it has issued, whether or not these Notes were originally issued in one of the European national currencies or in Euros, provided that these other Notes have been redenominated in Euros (if this was not the case originally) and also that they are subject to the same terms as the Notes for all periods following this consolidation.

2. CONVERSIONS AND EXCHANGES OF NOTES (A)

(a) Dematerialised notes

- (i) Dematerialised Notes issued in registered form may not be converted into Dematerialised Notes in bearer form, whether fully registered or administered registered.
- (ii) Dematerialised Notes issued in registered form may not be converted into Dematerialised Notes in bearer form.
- (iii) Dematerialised Notes issued in fully registered form may, at the option of the Noteholder, be converted into Notes in administered registered form, and vice versa. The exercise of any such option by the said Noteholder shall be in accordance with Article R.211-4 of the French Monetary and Financial Code. Any such conversion shall be effected at the cost of the Noteholder.

(b) Materialised Notes

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

3. DEBT RANKING AND MAINTENANCE OF THE LOAN AT ITS RANKING

The Notes and, where applicable, any Coupons pertaining to them, constitute direct, unconditional, unsubordinated and (subject to the provisions of the following paragraph) unsecured obligations of the Issuer and shall rank *pari passu* among themselves and (subject to the imperative exceptions by French law) with all other present or future unsubordinated and unsecured obligations of the Issuer.

As long as any of the Notes and, if applicable, any Coupons attached to the Notes, remain outstanding (as defined in Article 1(c)(iv) above), the Issuer shall not grant or allow there to remain any mortgage, charge, pledge or other security interest upon any of its present or future assets or revenues, for the purposes of securing any Debt (as defined below) incurred or guaranteed by the Issuer, unless obligations of the Issuer deriving from the Notes and, as applicable, Coupons, benefit from equivalent security and the same rank. For the purposes of this Article, "Debt" shall mean any

present or future borrowing represented by bonds, notes or other securities of a term exceeding one (1) year and which are (or may be) admitted for trading on a regulated market.

4. CALCULATION OF INTEREST AND OTHER CALCULATIONS

(a) Definitions

In these Terms and Conditions, unless required otherwise by the context, the words defined below shall have the following meaning:

"Reference Banks" shall mean establishments named as such in the relevant Final Terms or, if no establishment is named, four top-tier banks chosen by the Calculation Agent on the interbank market (or, if necessary, on the money market, on the exchange contracts market or the OTC market in index options) closest to the Market Reference (which, if the Market Reference concerned is EURIBOR or EONIA, shall be the Euro Zone, if the Market reference is LIBOR, LIBID or LIMEAN, shall be London, and if the Market Reference is the CMS rate, will be the swaps contract market of the Reference Financial Centre.

"Interest Commencement Date" shall mean the issue date of the Notes or any other date as may be specified in the relevant Final Terms.

"Interest Determination Date" shall mean, with respect to an Interest Rate and Interest Accrual Period, the date defined as such in the relevant Final Terms or, if no date is so specified, (i) the day falling two TARGET Business Days prior to the first day of the Interest Accrual Period if the Specified Currency is the Euro or (ii) the first day of the Interest Accrual Period if the Specified Currency is Sterling or (iii) if the Specified Currency is neither Sterling nor Euro, the day falling two (2) Business Days prior to the first day of the said Interest Accrual Period in the city specified in the relevant Final Terms.

"Coupon Payment Date" shall mean the date(s) specified in the relevant Final Terms.

"Reference date" shall mean, for all Notes or Coupons, the date on which the payment to which these Notes or Coupons might give rise becomes due or (if any amount payable might not be paid without justification or if payment is delayed without justification) the date on which the amount not yet paid is paid in full or (in the case of Materialised Notes, if this date is earlier) the day which is seven (7) calendar days after the date on which the Holders of these Materialised Notes are notified that such payment will be made further to a new presentation of said Materialised Notes or Coupons in accordance with the Terms, but on condition that payment is in fact made at the time of this presentation.

"Interest Period Date" shall mean each Interest Payment Date unless specified otherwise in the relevant Final Terms.

"Value Date" shall mean, as far as a Floating Rate to be determined on an Interest Determination Date is concerned, the date stated in the relevant Final Terms or, if no date is indicated, the first day of the Accrued Interest Period to which this Interest Determination Date relates.

"FBF Definitions" shall mean the definitions given in the FBF Framework Agreement 2007 relative to financial futures as completed by the Technical Addenda published by the Federation Bancaire Française (together the **"FBF Framework Agreement"**) as amended, where applicable, on the Issue Date.

"Specified Currency" shall mean the currency mentioned in the relevant Final Terms.

"Specified Duration" shall mean, for any Floating Rate to be determined in accordance with the Determination of the Rate on the Screen Page on an Interest Determination Date, the duration indicated as such in the relevant Final Terms or, if no duration is indicated, a period equal to the Accrued Interest Period, without taking account of the adjustments provided for in Article 4(c)(ii).

"Reference Time" shall mean, for all Interest Determination Dates, the local time on the Reference

Financial Centre indicated in the relevant Final Terms or, if no time is specified, the local time on the Reference Financial Centre at which the buyer and seller rates applied for deposits in the Specified Currency are usually determined on the interbank market of this Reference Financial Centre. “**Local Time**” shall mean, for Europe and the Euro Zone as Reference Financial Centre, 11 a.m. (Brussels time).

“**Business Day**” shall mean:

- (i) for the Euro, a day when the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET 2) (“**TARGET**”), or any system by which it might be succeeded, is in operation (a “**TARGET Business Day**”); and/or
- (ii) for a Specified Currency other than the Euro, a day (other than a Saturday or a Sunday) when commercial banks and exchange markets are proceeding with settlements in the main financial centre of the currency; and/or
- (iii) for a Specified Currency and/or one or more business centres as indicated in the relevant Final Terms (“**Business Centre(s)**”), a day (other than a Saturday or a Sunday) when commercial banks and exchange markets are proceeding with settlements in the currency of the Business Centre(s) or, if no currency is indicated, generally in each of these Business Centres indicated thus.

“**Days Count Method**” shall mean, for the calculation of an interest amount 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, hereafter the “**Calculation Period**”):

- (i) if the terms “**Actual/365**” or “**Actual/365 - FBF**” or “**Actual/Actual - ISDA**” are indicated in the relevant Final Terms, this is the actual number of days lapsed during the Calculation Period divided by 365 (or if any part of this Calculation period is during a leap year, the sum (A) of the real number of days in this Calculation Period in a leap year divided by 366 and (B) the real number of days in the Calculation Period not during a leap year divided by 365);
- (ii) if the terms “**Actual/Actual - ICMA**” are indicated in the relevant Final Terms:
 - (A) if the Calculation Period is a period less than or equal to the Determination Period in which it is situated, the number of days in the Calculation Period divided by the product (x) of the number of days in the said Determination Period and (y) the number of Determination Periods normally ending in the year; and
 - (B) if the Calculation Term is of a duration greater than the Determination Period, the sum of:
 - (x) the number of days of said Calculation Period during the Determination Period during which it begins, divided by the product (1) of the number of days of said Determination Period and (2) the number of Determination Periods that normally end in a year;
 - (y) the number of days of said Calculation Period during the Determination Period during which it begins, divided by the product (1) of the number of days of said Determination Period and (2) the number of Determination Periods that normally end in a year;

In each case, “**Determination Period**” shall mean the period beginning with an Interest Determination Date (inclusive) during any given year and ending with the next Interest Determination Date (exclusive), and “**Interest Determination Date**” shall mean the date indicated as such in the relevant Final Terms or, if no date is indicated, the Interest Payment Date;

- (iii) if the terms “**Actual/Actual - FBF**” are indicated in the relevant Final Terms, this is the

fraction whose numerator is the precise number of days lapsed during this period and whose denominator is 365 (or 366 if 29 February is included in the Calculation Period). If the Calculation Period is greater than one year, the base is determined as follows:

- (A) the number of whole years is counted since the last day of the Calculation Period;
- (B) this number is increased by the fraction on the period concerned, calculated as indicated in the first paragraph of this definition;
- (iv) if the terms “**Actual/365**” (**Fixed**) are indicated in the relevant Final Terms, this is the real number of days lapsed during the Calculation Period divided by 365;
- (v) if the terms “**Actual/360**” (**Fixed**) are indicated in the relevant Final Terms, this is the real number of days lapsed during the Calculation Period divided by 360;
- (vi) if the terms “**30/360**”, “**360/360**” or “**Bond Basis**” are indicated in the relevant Final Terms, this is the number of days lapsed during the Calculation Period divided by 360 (i.e. the number of days to be calculated for a year of 360 days including twelve (12) months of thirty (30) days each (unless (a) the last day of the Calculation Period is the thirty-first day of a month and the first day of the Calculation Period is a day other than the thirtieth or thirty-first day of the month, in which case the month including the last day of the Calculation Period is the last day of the month of February, in which case the month including the last day must not be shortened to a thirty (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 must not be lengthened to a month of thirty days));
- (vii) if the terms “**30/360 - FBF**” or “**Actual 30A/360 (American Bond Basis)**” are indicated in the relevant Final Terms, this means for each Calculation Period the fraction whose denominator is 360 and whose numerator is the number of days calculated as for the 30E/360 - FBF base, with the following exception:

when the last day of the Calculation Period is a thirty-first and the first is neither a thirtieth nor a thirty-first, the last month of the calculation period is considered to be a 31-day month.

The fraction is:

if $dd2 = 31$ and $dd1 \neq (30, 31)$,

then:

$$\frac{1}{360} \times [(aa^2 - aa^1) \times 360 + (mm^2 - mm^1) \times 30 + (jj^2 - jj^1)]$$

or:

$$\frac{1}{360} \times [(aa^2 - aa^1) \times 360 + (mm^2 - mm^1) \times 30 + \text{Min}(jj^2, 30) - \text{Min}(jj^1, 30)]$$

where:

D1 (dd1, mm1, yy1) is the period commencement date

D2 (dd1, mm2, yy1) is the period termination date

- (viii) if the terms “**30E/360**” or “**Euro Bond Basis**” are indicated in the relevant Final Terms, this means the number of days lapsed in the Calculation Period divided by 360 (the number of days to be calculated for a year of 360 days including twelve (12) months of thirty (30)

days, without taking account of the date on which the first or the last day of the Calculation Period falls, 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 must not be lengthened to a month of thirty days (30) and;

- (ix) if the terms “**30E/360 - FBF**” are indicated in the relevant Final Terms, this means, for each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days lapsed during this period, calculated on a year of twelve (12) months of thirty (30) days, with the following exception:

If the last day of the Calculation Period is the last day of the month of February, the number of days lapsed during the month is the exact number of days.

Using the same terms defined as for 30/360 - FBF, the fraction is:

$$\frac{1}{360} \times [(aa^2 - aa^1) \times 360 + (mm^2 - mm^1) \times 30 + \text{Min}(jj^2, 30) - \text{Min}(jj^1, 30)]$$

“**Coupon Amount**” shall mean the amount of interest due, and in the case of Fixed-Rate Notes, the Fixed Coupon Amount or Broken Coupon Amount, according to the case.

“**Given Amount**” shall mean, for any Floating Rate to be determined in accordance with a Rate Determination on the Screen Page on an Interest Determination Date, the amount indicated as such on this date in the relevant Final Terms concerned or, if no amount is indicated, an amount corresponding, on this date, to the trading on the relevant market.

“**Screen Page**” shall mean any page, section, heading, column or any other part of a document provided by a particular information service (including in particular Reuters (“**Reuters**”)) that may be designated in order to provide a Reference Rate or any other page, section, heading, column or any other part of a document of this information service or any other information service by which it might be replaced, in each case as designated by the entity or by the organisation providing or ensuring distribution of information appearing on said service in order to indicate rates or prices comparable to the Reference Rate, unless otherwise provided for in the Final Terms.

“**Interest Period**” shall mean the Period beginning on the Interest Period Commencement Date (inclusive) and ending on the first Interest Payment Date (exclusive) as well as each following period commencing on an Interest Payment Date (inclusive) and ending on the following interest Payment Date (exclusive).

“**Accrued Interest Period**” shall mean the Period beginning on the Interest Period Commencement Date (inclusive) and ending on the first Accrued Interest Period Date of the Coupon (exclusive) and each following period starting on an Accrued Interest Period Date of the Coupon (inclusive) and ending on the Following Accrued Interest Period Date of the Coupon (exclusive).

“**Reference Financial Centre**” shall mean, for a Floating Rate to be determined on the basis of a Rate Determination on a Screen Page at an Interest Determination Date, the financial centre that might be indicated as such in the relevant Final Terms or, if no financial centre is mentioned, the financial centre to which the Market Reference is nearest (in the case of EURIBOR or EONIA, it is the Euro Zone, in the case of LIBOR, LIBID or LIMEAN, it is London, and in the case of the CMS rate, it will be the reference financial centre relating to the Specified Currency) or otherwise it is Paris.

“**Market Reference**” shall mean the Reference Rate (EURIBOR, EONIA, the CMS Rate, LIBOR, LIBID, LIMEAN), as indicated in the relevant Final Terms.

“**Interest Rate**” shall mean the interest rate payable for the Notes, calculated according to the stipulations of Articles 4(b) and 4(c) and stipulated in the relevant Final Terms.

“**Reference Rate**” shall mean the Market Reference rate for a Given Amount in the Specified Currency for a period equal to the Specified Duration starting from the Value Date (if this duration is applicable to or compatible with the Market Reference).

“Euro Zone” shall mean the region comprising the Member States of the EU that have adopted the single currency in accordance with the Treaty.

(b) Interest on Fixed-Rate Notes

The interest for each Fixed-Rate Note is calculated on its unredeemed nominal value starting from the Interest Period Commencement Date at an annual rate (expressed as a percentage) equal to the Interest Rate, this interest being payable in arrears on each Coupon Payment Date.

If a Fixed Coupon Amount (“**Fixed Coupon Amount**”) or a Broken Coupon Amount (“**Broken Coupon Amount**”) is indicated in the relevant Final Terms, the interest payable on each Interest Payment Date is equal to the Fixed Coupon Amount or if applicable, to the Broken Coupon Amount as indicated, and in the case of a Broken Coupon Amount, it shall be payable on the Interest Payment Date(s) mentioned in the relevant Final Terms.

(c) Interest on Floating-Rate Notes

- (i) *Coupon Payment Dates:* Each Floating-Rate Note bears interest calculated on its unredeemed nominal value starting from the Interest Period Commencement Date at an annual rate (expressed as a percentage) equal to the Interest Rate, this interest being payable in arrears on each Coupon Payment Date. This/These Coupon Payment Date(s) is/are indicated in the relevant Final Terms or, if no Interest Payment Date is indicated in the relevant Final Terms, the Interest Payment Date shall mean each date situated at the end of the number of months or at the end of another period indicated in the relevant Final Terms as being the Interest Period, falling after the previous Interest and, in the case of the First Interest Payment Date, falling after the Interest Period Commencement Date.
- (ii) *Business Day Convention:* When a date indicated in the present Terms and Conditions and assumed to be adjusted according to the Business Day Convention, is not set on a Business Day and the applicable Business Day Convention is (A) the Floating Rate Business Day Convention, this date is to be deferred to the following Business Day unless this day falls in the next calendar month in which case (x) the date shall be brought forward to the Business Day immediately preceding it and (y) all subsequent maturity dates will be set on the last Business Day of the month where this maturity date would have fallen in the absence of such adjustments,(B) the Following Business Day Convention, this date will be set on the following Business Day,(C) the Modified Following Business Day Convention, this date will be set on the next Business Day unless this date falls in the next calendar month in which case the date shall be brought forward to the Business Day immediately preceding it, or (D) the Preceding Business Day Convention, this date will then be brought forward to the Business Day immediately preceding it.
- (iii) *Interest Rate on Floating-Rate Notes:* The Interest Rate applicable to Floating-Rate Notes for each Accrued Interest Period shall be specified in the relevant Final Terms, and shall be determined in accordance with stipulations below for both the FBF Determination and the Screen Rate Determination shall be applied, according to the option indicated in the relevant Final Terms.

(A) FBF Determination for Floating-Rate Notes:

When the FBF Determination is indicated in the relevant Final Terms as being the method applied to determine the Interest Rate, the Interest Rate applicable to each Accrued Interest Period must be determined by the Agent as being a rate equal to the relevant FBF Rate, plus or minus the Margin, as applicable (as indicated in the relevant Final Terms). For the purposes of this sub-paragraph (A) the “FBF Rate” for an Accrued Interest Period shall mean a rate equal to the Floating that would be determined by the Agent for an exchange operation executed in the framework of an FBF Framework Agreement completed by the Technical Addendum on the Exchange of Interest or Currency Terms, by which:

- (x) the Floating Rate is as indicated in the relevant Final Terms and
- (y) the Date of Floating Rate Determination is as indicated in the relevant Final Terms.

For the purposes of this sub-paragraph (A), “Floating Rate”, “Agent” and “Floating Rate Determination Date” shall have the meanings attributed to them in the FBF Definitions.

(B) Determination of the Screen Page Rate for Floating-Rate Notes

When a Screen Rate Determination is indicated in the relevant Final Terms as being the method of Interest Rate determination, the Interest Rate for each Accrued Interest Period must be determined by the Calculation Agent at the Reference Time (or close to this time) on the Interest Determination Date relating to the said Accrued Interest Period as indicated below:

- (a) if the main source for the Floating Rate is a Screen Page, subject to what is indicated below, the Interest Rate shall be:
 - (i) the Reference Rate (when the Reference Rate on the said Screen Page is a compound quotation or is habitually supplied by a single entity) or
 - (ii) the arithmetical average of the Reference Rate of the institutions whose Reference Rates appear on this Screen Page,

in each case as published on the said Screen Page at the Reference Time on the Interest Determination Date unless otherwise stated in the relevant Final Terms.

- (b) if the main source of the Floating Rate is composed by Reference Banks or if sub-paragraph (a)(i) applies and no Reference Rate has been published on the Screen Page at the Reference Time on the Interest Determination Date or if sub-paragraph (a)(ii) applies and less than two reference rates have been published on the Screen Page at the Reference Time on the Interest Determination Date, the Interest Rate, subject to everything indicated below, is equal to the arithmetic average of the Reference Rates that each Reference Bank suggests to top-tier prime banks on the Reference Financial Centre at the Reference Time on the Interest Determination Date, as determined by the Calculation Agent and
- (c) (c) if paragraph (b) above applies and the Calculation Agent notes that less than two Reference Banks thus suggest Reference Rates, then the Interest Rate, subject to everything indicated below, shall be equal to the arithmetic average of the annual rates (expressed as a percentage) that the Calculation Agent determines as being the rates (that are the closest possible to the Market Reference) applicable to a Given Amount in the Specified Currency that at least two out of five top-tier banks selected by the Calculation Agent in the main financial centre of the country of the Specified Currency or, if the Specified Currency is the Euro, in the Euro Zone, as selected by the Calculation Agent (the “**Main Financial Centre**”) proposed at the Reference Time or close to that time on the date on which the said banks habitually propose these rates for a period starting from the Value Date and equivalent to the Specified Duration (I) to top-tier banks conducting their activities in Europe or (when the Calculation Agent determines that fewer than two banks propose these rates to the top-tier prime banks in Europe) (II) to the top-tier banks conducting their activities in the Main Financial Centre, given that when fewer than two of these banks propose these rates to the top-tier banks in the Main Financial Centre, the Interest Rate shall be the Interest Rate determined on the preceding Interest Determination Date (after readjustment

taking account of all differences in Margins, Multiplier Coefficients and Maximum or Minimum Interest Rates applicable to the previous Accrued Interest Period and to the applicable Accrued Interest Period).

(d) Production of interest

Interest shall cease to accrue for each Note on the date of redemption unless (i) on this redemption date in the case of Dematerialised Notes, or (ii) on the date of their presentation for Materialised Notes, the redemption of the principal is wrongly withheld or refused, in which case interest shall continue to accrue (both before and after any judgement) at the Interest Rate, in accordance with the terms in Article 4 up until the Reference Date.

(e) Margin, Multiplier Coefficient, Interest Rate, Minimum and Maximum Redemption Amount, and Rounding Off

- (i) If a margin (“**Margin**”) or a Multiplier Coefficient is indicated in the relevant Final Terms (either (x) in general or (y) in one or more Accrued Interest Periods), an adjustment shall be made to all the Interest Rates, in the case of (x) or for the Interest Rates applicable to the relevant Accrued Interest Periods, in the case of (y), calculated according to subparagraph (c) above by adding (if it is a positive number) or by subtracting (if it is a negative number) the absolute value of this Margin or by multiplying the Interest Rate by the Multiplier Coefficient subject, in each case, to the stipulations in the following subparagraph.
- (ii) If an Interest Rate or a Minimum or Maximum Redemption Amount is indicated in the relevant Final Terms, the Interest Rates or Redemption Amounts may not exceed this maximum nor be less than this minimum, as the case may be.
- (iii) For all calculations that must be made in accordance with the present Terms and Conditions (unless indicated otherwise), (w) if the FBF Determination is indicated in the relevant Final Terms, all the percentages resulting from these calculations are to be rounded of, if necessary, to the nearest ten thousandth (halves being rounded up to the higher amount) (x) all the percentages resulting from the calculations are to be rounded of, if necessary, to the nearest fifth decimal place (the halves being rounded up to the higher sum)(y) all of the amounts are to be rounded off to the seventh decimal place (the halves being rounded up to the higher sum), and (z) all the amounts in currency that are redeemable are to be rounded off to the nearest unit of the said currency (the halves being rounded up to the higher sum) with the exception of the Yen that will be rounded down to the lower unit. For the purposes of the present Article, “unit” shall mean the smallest subdivision of the currency in circulation in the country using the said currency.

(f) Calculations

Whatever the period, the amount of interest payable on each Note shall be calculated by applying the Interest Rate to the unredeemed principal of each Note and multiplying the result obtained by the Day Count Method, except if an Interest Amount (or a formula for its calculation) is indicated for the said period, in which case the amount of interest payable on the Note for this same period shall be equal to the said Interest Amount (or shall be calculated according to the formula for its calculation). If any Interest Period should comprise two or several Accrued Interest Periods, the amount of interest payable for this Interest Period shall be equal to the sum of the amounts of interest payable for each of the said Accrued Interest Periods.

(g) Determination and publication of Interest Rates, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, and Optional Redemption Amounts.

As soon as possible after the reference time on the date when the Calculation Agent might have to calculate any rate or amount, obtain a quotation, determine an amount or make calculations, he or she shall determine this rate and calculate the Interest Amounts for each Specified Denomination of the Notes during the course of the corresponding Accrued Interest Period. He or she shall also calculate the Final Redemption Amount, the Early Redemption Amount and the Optional

Redemption Amount, obtain the corresponding quotation or determine or calculate anything else required. He or she shall then serve notice of the Interest Rate and Interest Amounts for each Interest Period as well as the relevant Interest Payment Date and, if necessary, the Final Redemption Amount, the Early Redemption Amount and the Optional Redemption Amount to the Fiscal Agent, the Issuer, each Paying Agent and any other Calculation Agents designated for the Notes in order to carry out any further calculations as soon as this information is received. If the Notes are admitted to trading on a regulated market and the rules of the said market so require, he or she shall also disclose this information to the market and/or to the Holders as soon as possible after its determination and no later than (i) the start of the relevant Interest Period, if the information is determined before this date, in the case of notification of the Interest Rate and Interest Amount to the market or (ii) in all other cases, no later than the fourth Business Day after its determination. When the Interest Payment Date or the Accrued Interest Period are subject to adjustment in accordance with Article 4(c) (ii), the Interest Amounts and Interest Payment Dates published in this way may be subject to modifications (or to other appropriate adjustment measures) without prior notice in the case of a lengthening or shortening of the Interest Period. Each rate or amount determined, each quotation obtained and each of the determinations or calculations carried out by the Calculation Agent or Agents shall be final and binding upon the parties (in the absence of manifest error).

(h) Calculation Agent and Reference Banks

The Issuer ensures that there are, at all times, four Reference Banks (or any other number that maybe necessary) possessing at least one office in the Reference Financial Centre, and one or more Calculation Agents if this is indicated in the relevant Final Terms, for as long as the Notes are outstanding (as defined in Article 1(c)(iv) above). If any Reference Bank (acting through the intermediary of its designated office) is no longer able or does not wish to act as Reference Bank, the Issuer shall designate another Reference Bank possessing an office in this Reference Financial Centre to act in this capacity in its place. If several Calculation Agents should be designated for the Notes, any reference to the Calculation Agent in the present Terms and Conditions shall be interpreted as referring to each of the Calculation Agents acting in accordance with the present Terms and Conditions. If the Calculation Agent is no longer able or no longer wishes to act in this capacity, or if the Calculation Agent is not able to establish an Interest Rate for any Interest Period or Accrued Interest Period, or is not able to calculate the Interest Amount, Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount, as the case may be, or cannot fulfil any other obligation, the Issuer shall designate a top-tier bank or investment bank acting on the interbank market (or, if appropriate, on the money market, the swaps market or the OTC index options market) most closely linked to the calculation and determination being effected by the Calculation Agent (acting via its main office in Paris or any other office operating on this market) in order to act in this capacity in its place. The Calculation Agent may not give up its functions without a new Calculation Agent being appointed under the conditions described above.

5. REDEMPTION, PURCHASE, AND OPTIONS

(a) Final redemption

Unless it has already been redeemed, bought or cancelled as stated below, each Note shall be redeemed on the Redemption Date indicated in the relevant Final Terms for its Final Redemption Amount (which shall be at least equal to its nominal amount).

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

If a Redemption Option is mentioned in the relevant Final Terms, the Issuer may, subject to compliance with all applicable laws, regulations and directives, and on the condition that it irrevocably notifies the holders of the Notes at least fifteen (15) calendar days and at most thirty (30) calendar days in advance, in accordance with Article 13 (or any other advance notice indicated in the relevant Final Terms), proceed with redemption of all or part of the Notes, as the case may be, on the Optional Redemption Date. Each of these Note redemptions shall be carried out at the Optional Redemption Amount plus the interest accrued until the date set for redemption. Each of these redemptions must concern Notes of a denomination at least equal to the minimum redeemable denomination as indicated in the relevant Final Terms and may not exceed the

maximum redeemable nominal amount as indicated in the relevant Final Terms.

The Early Redemption Amount payable for any Note for redemption in accordance with Article 5(b), shall be determined as follows:

“Early Redemption Amount” = Y x Denomination

where:

“Y” signifies the ratio expressed as a percentage as specified in the relevant Final Terms.

All Notes subject to such notice shall be redeemed on the date indicated in this notice, in accordance with the present Article.

In the case of partial redemption regarding Materialised Notes, the notice addressed to the holders of these Materialised Notes must also contain the number of the Materialised Notes being redeemed. The Notes must have been selected objectively and fairly in the circumstances, taking account of market practices and in accordance with the stock market laws and regulations in force.

In the case of partial redemption regarding Dematerialised Notes in the same Series, the redemption may be effected at the choice of the Issuer either (i) by reduction of the denomination of these Dematerialised Notes proportionally to the nominal amount redeemed or (ii) by full redemption of some of the Dematerialised Notes, in which case the choice of the Dematerialised Notes to be fully redeemed or not shall be made in accordance with Article R.213-16 of the French Monetary and Financial Code, with the stipulations of the relevant Final Terms and with the stock market laws and regulations in force.

(c) Early redemption

The Early Redemption Amount payable for all Notes on redemption of the said Notes in accordance with Article 5(d) or if a Note matures and is due in accordance with Article 8, shall be equal to the Final Redemption Amount plus any interest accrued up to the effective redemption date unless indicated otherwise in the relevant Final Terms.

(d) Redemption for fiscal reasons

- (i) If, on the occasion of redemption of the principal or payment of interest, the Issuer finds itself forced to make additional payments in accordance with Article 7(b) below, owing to changes in French legislation or regulations or for reasons resulting from changes in the official interpretation and application of these texts coming into effect after the issue date, it may, on any Interest Coupon Payment Date or, if it is indicated in the relevant Final Terms, at any time, on the condition of having informed the Holders by serving notice in accordance with the stipulations of Article 13, no more than forty-five (45) calendar days and no less than thirty (30) days before the said payment (this notice being irrevocable), redeem all, and not part, of the Notes at the Early Redemption Amount, plus any interest accrued up to the redemption date, on the condition that the early redemption date indicated in the notice does not fall before the latest date on which the Issuer is entitled to pay the principal amount and interest without having to deduct French withholding tax).
- (ii) If, on the occasion of the next redemption of the principal or the next payment of interest, the payment by the Issuer of the total sum due to the Holders or Coupon Holders should be prohibited by French legislation, despite the commitment to pay any additional sum provided for in Article 7(b) below, the Issuer should inform the Fiscal Agent immediately. The Issuer, subject to advance notice of seven (7) calendar days addressed to the Holders in accordance with Article 13, must then redeem the total amount, and not a part only, of the Notes outstanding at the time at their Early Redemption Amount plus any interest accrued up to the redemption date as of (A) the latest Interest Payment Date on which the full payment relating to these Notes can be effectively made by the Issuer, subject to the condition that if the notice indicated above expires after this Interest

Payment Date, the redemption date of the Holders will be the later of either (i) the latest date at which the Issuer is entitled, in practice, to effect the payment of the total amount due in respect of the Notes, and (ii) fourteen (14) calendar days after advising the Fiscal Agent, or (B) if indicated in the relevant Final Terms, at any time, on the condition that the redemption date scheduled in the notice is the latest date on which the Issuer is entitled, in practice, to effect the payment of the total amount due in respect of the Notes or, as the case may be, of the Coupons, or as soon as possible if this date has already passed.

(e) Buybacks

The Issuer may, at any time, execute buy backs of the Notes either on or off the stock market (including by public offer) at any price (on the condition, however, that in the case of Materialised Notes, all the unmatured Coupons and non-exchanged Talons pertaining to them are attached or returned with these Materialised Notes), in accordance with the laws and in regulations force.

Unless this option is expressly excluded in the relevant Final Terms, the Notes purchased by or on behalf of the Issuer may, at the option of the Issuer, be kept in accordance with Articles L.213-1 and D.213-A A1 of the Monetary and Financial Code, for the purpose of promoting the liquidity of such Securities, or cancelled in accordance with Article 5(f).

(f) Cancellation

All Notes bought back for cancellation in accordance with Article 5(e) below shall be cancelled, in the case of Dematerialised Notes by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Notes, by providing the Fiscal Agent with the relevant Temporary Global Certificate or the Physical Securities in question to which shall be added all the unmatured Coupons and non-exchanged Talons attached to these Notes, as applicable, and in each case, on the condition that they are transferred and returned, all these Notes and all the Notes redeemed by the Issuer shall be cancelled immediately (in addition, for Dematerialised Notes, to all rights relating to the payment of interest and other amounts pertaining to these Dematerialised Notes and, for Materialised Notes, all the unmatured Coupons and non-exchanged Talons attached to them or returned at the same time). The Notes cancelled in this way or, as may be the case, transferred or returned for cancellation may not be reissued or resold and the Issuer shall be freed of all obligations relating to these Notes.

6. PAYMENTS AND TALONS

(a) Dematerialised notes

All Payment of principal and interest relating to Dematerialised Notes shall be made (i) for Dematerialised Notes in bearer form or in administered registered form, by transfer to an account in the name of the Account Holders and in the Specified Currency, to the benefit of the holders of the Notes, and (ii) for Dematerialised Notes in fully registered form, by transfer to an account opened with a Bank (as defined below) designated by the holder of the Notes in question. All valid payments made to the said Account Holders or the said Bank shall release the Issuer from its payment obligations.

(b) Physical Securities

(i) Payment method

Subject to all that follows, any payment in a Specified Currency must be made by credit or transfer to an account in the Specified Currency or to which the Specified Currency can be transferred or credited (which, should the payment be in Yen to a non-resident of Japan, shall be a non-resident account) held by the beneficiary, or at the choice of the beneficiary, by cheque made out in the Specified Currency drawn on a bank located in the main financial centre of the country of the Specified Currency (which, if the Specified Currency is the Euro, will be one of the countries in the

Euro Zone, and if the Specified Currency is the Australian dollar or the New Zealand dollar, will be in Sydney or Auckland respectively).

(ii) Presentation and return of Physical Securities and Coupons

All payments of the principal pertaining to Physical Securities must be made (subject to all that is indicated below) in the way stated in paragraph (i) above only upon presentation and return (or, in the case of a partial payment of a sum due, on annotation) of the corresponding Notes, and all payment of interest on the Physical Securities must be made (subject to all that is indicated below) under the conditions indicated above on presentation or return (or, in the case of a partial payment of a sum due, on annotation) of the corresponding Coupons, in each case at the office designated by any Paying Agent located outside the United States of America (this expression defining the United States of America for the purposes of the present (including the States and the District of Columbia, their territories, possessions, and other places under its jurisdiction)).

The Fixed-Rate Notes represented by Physical Securities must be presented for payment with the related unmatured Coupons (for the purposes of the present, this expression shall include Coupons to be issued in exchange for matured Talons), failing which the amount of any missing unmatured Coupon (or in the case of partial payment, the part of the amount of the missing unmatured Coupon corresponding to the amount paid in relation to the amount due) shall be deducted from the sums due. Each principal amount deducted in this way shall be paid as indicated above on return of the relevant missing Coupon before January 1st of the fourth year following the due date of this amount, but in no case thereafter.

When a Fixed Rate Note represented by a Physical Security becomes due before its Redemption Date, the related unmatured Talons are null and void and shall not give rise to issue of any further Coupons.

When a Floating-Rate Note represented by a Physical Security becomes due before its Redemption Date, (any) related unmatured Coupons and Talons (whether attached to them or not) are null and void and shall not give rise to any payment or, if applicable, to issue of any further Coupons.

If the redemption date of a Physical Security is not an Interest Payment Date, any accrued interest (where applicable) relating to this Note since the previous Interest Payment Date (inclusive) or, as the case may be, the Interest Period Commencement Date (inclusive) shall only be paid on presentation and return (where applicable) of the relevant Materialised Note.

(c) Payments to the United States of America

Notwithstanding the above, when any of the Materialised Notes is in US dollars, the related payments may be made to the office of any designated Paying Agent in New York under the conditions indicated above if (i) the Issuer has designated Paying Agents with offices outside the United States of America and which he or she reasonably thinks is able to make the relevant payments to the Holders as described below when these are due, (ii) the payment in full of these amounts to this office is prohibited or excluded, in practice, by exchange control regulations or by any other similar restriction relating to payment or reception of such sums, and (iii) such payment is authorised, however, by American legislation without this implying, in the opinion of the Issuer, any adverse fiscal consequences for the latter.

(d) Payments subject to fiscal legislation

All payments are subject to any applicable legislation, regulation, or directives, fiscal or others, without prejudice to the stipulations of Article 7. No commission or fees shall be charged to the holders of Notes or Coupons on the occasion of these payments.

(e) Designation of Agents

The Fiscal Agent, Paying Agents, Calculation Agent and Registration Agent initially designated by the Issuer and their respective designated offices are listed at the end of the Base Prospectus of the Notes Programme of the Issuer. The Fiscal Agent, Paying Agents and Registration Agent only act as

representatives of the Issuer and the Calculation Agents as independent experts and none of the above have any obligation whatsoever as representatives of holders of the Notes or of Coupons. The Issuer reserves the right to change or terminate the appointment of the Fiscal Agent, Paying Agent, Calculation Agent or Registration Agent at any time and to appoint other Fiscal Agent(s), Paying Agent(s), Calculation Agent(s), or Registration Agent(s) or additional Paying Agent(s), Calculation Agent(s) or Registration Agent(s) provided that, at any one time, it has (i) one Fiscal Agent, (ii) one or more Calculation Agents, when the Terms and Conditions so require, (iii) one Paying Agent with designated offices in at least two major European cities (and provided financial service for the Notes in France for as long as the Notes are admitted to trading on Euronext Paris and for as long as the regulations applicable to this market so require), (iv) for Materialised Notes, a Paying Agent with its office in a Member State of the EU that does not require it to withhold or deduct any sums in accordance with European Council Directive 2003/48/EC and 2015/2060/EU (the Paying Agent may be one of those mentioned in (iii) above), (v) for Dematerialised Notes in fully registered form, a Registration Agent and (vi) any other agents who may be required by the rules of any regulated market on which the Notes may be admitted to trading.

The Issuer shall also appoint a Paying Agent in the city of New York for the purposes of the Materialised Notes in American dollars for the circumstances stated in sub-paragraph (c) above.

Any such modification or any modification of a designated office must be subject to notice served promptly to the holders of the Notes, in accordance with the stipulations of Article 13.

(f) Talons

On the Interest Payment Date of the last Coupon on the Coupon sheet provided with all Materialised Notes or after this date, the Talon forming part of this Coupon sheet may be sent to the office that the Fiscal Agent has designated in exchange for a new sheet of Coupons (and if necessary another Talon related to this new sheet of Coupons) (with the exception of Coupons that have been cancelled by virtue of Article 9).

(g) Business Days for payment

Should any payment date relating to any Note or Coupon not fall on a business day, the Holder of the Notes or Holder of Coupons may not claim any payment whatsoever until the following business day, nor any other sum in compensation for this postponement. In the present paragraph, “Business Day” shall mean a day (other than Saturday and Sunday)(A)(i) for Dematerialised Notes, on which Euroclear France is operating, or (ii) for Materialised Notes, on which the banks and foreign exchange markets of the financial centre of the place where the Note is presented for payment are open, (B) when the banks and foreign exchange markets are open in the countries indicated as “Financial Centres” in the relevant Final Terms and (C) (i), for payment in a currency other than the Euro when the payment must be effected by transfer to an account opened with a bank in the Specified Currency, a day on which exchange operations can be carried out in that currency in the main financial centre of the country in which this currency is used or(ii) for payment in Euros, a day which is a TARGET Business Day.

(h) Bank

For the purposes of the present Article 6, “Bank” shall mean a bank established in the main financial centre in which the specified currency is used or, in the case of payments effected in Euros, in a city where banks have access to the TARGET System.

7. TAXATION

(a) Tax exemption

All payments of principal amounts, interest or other proceeds pertaining to the Notes, made by or on behalf of the Issuer, shall be made without any withholding or deduction of any taxes or duties of any kind imposed, levied or collected by or on behalf of the French government or any authority having power to levy taxes, unless this withholding or deduction is required by the law.

(b) Additional amounts

If, by virtue of French legislation, the payments of any principal amount or interest pertaining to any Note or Coupon should be subject to the deduction or withholding of any present or future tax or duty, the Issuer undertakes, in every way allowed by law, to increase its payments in such a way that the holders of the Notes and Coupons receive the full sums that would have been paid to them in the absence of such withholding, it being understood that the Issuer shall not be required to increase the payments pertaining to any Note or Coupon in the following cases:

(i) Other reasons

the holder of the Notes or Coupons or a third party acting on its behalf is liable in France for the said taxes or duties on grounds other than its sole ownership of the said Notes or Coupons;

(ii) More than thirty (30) calendar days have lapsed since the Reference Date

for Physical Securities, more than thirty (30) calendar days have lapsed since the Reference Date, except if the holder of the Notes or Coupons would have been entitled to a larger amount on presentation of the said Notes or Coupons for payment on the last day of the said thirty (30)-day period;

(iii) Payment to natural persons or entities in accordance with European Directive 2003/48/EC and 2015/2060/EU

this deduction or withholding at source is required by the Council Directives 2003/48/EC and 2015/2060/EU; or

(iv) Payment by another Paying Agent

for Materialised Notes presented for payment, this deduction or withholding is effected by or on behalf of a holder who could have avoided it by presenting the relevant Note or Coupon to another Paying Agent located in a Member State of the EU.

The references in the present Terms and Conditions to (i) “principal” shall be deemed to include any premium that is payable pertaining to the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and all other principal sums, payable in accordance with Article 5 of the relevant Final Terms (ii) “interest” shall be deemed to include all Interest Amounts and other amounts payable in accordance with Article 4 of the relevant Final Terms, and (iii) “principal” and/or “interest” shall be deemed to include all additional sums that might be payable by virtue of the present Article.

8. CASE OF ACCELERATION OF MATURITY

The Representative (as defined in Article 10) acting on behalf of the Masse (as defined in Article 10), acting on its own initiative or at the request of any Holder or, if there is no Representative of the Masse, the single Holder, may, by providing written notice served by registered letter with acknowledgement of receipt to the Issuer (with a copy to the Fiscal Agent), before the breach in question is remedied, make the redemption of all Notes due immediately or, if there is no Representative of the Masse, of all the Notes held by the single Holder serving notice, at the Early Redemption Amount plus all interest accrued up to the effective date of redemption, if any of the following events should occur (each a “**Default Event**”):

(a) failing payment of the principal or interest pertaining to any Note (including any additional amount in accordance with Article 7) by the Issuer for more than thirty (30) calendar days as of the date on which this payment is due; or

(b) in the case of a breach by the Issuer of any other obligations pertaining to the Notes, if this breach has not been remedied within sixty (60) calendar days as of receipt by the Issuer of notice of the said breach served by the Representative or a holder of Notes; or

- (c) (i) failing repayment by the Issuer of a principal amount exceeding €200 million (or its equivalent in any other currency) on one or more of its bank or bond borrowing debts on the scheduled or expected repayment date and after expiry of any extension that might be applicable; or
- (ii) failing payment by the Issuer of an amount exceeding €200 million (or its equivalent in any other currency) on one (or several) guarantee(s) granted pertaining to one or more bank or bond borrowing operations entered into by any third parties when such guarantee(s) is/are due and called,

unless, in all cases, the Issuer challenges the fact that the said debts are due and payable or the validity of the implementation of the said guarantee(s) and has referred this challenge to the competent courts, in which case the said failure to pay shall not be deemed to be a case of Default for as long as the relevant court has not issued a final ruling;

It being understood that any event provided by (a), (b), or (c) above shall not constitute a Default Event and that the deadlines mentioned (if any) shall be suspended, in the Issuer should serve notice to the Fiscal Agent before expiry of the relevant deadline (if a deadline is indicated) of the need, in order to remedy this or these breach(es), to adopt a resolution to allow the payment of unexpected or additional budgetary expenses due to the debt burden, up to (and including) the date on which this resolution comes into effect, from which date the suspension of the time limits stated below, if there is one, shall end. The Issuer must serve notice to the Fiscal Agent of the date on which this resolution comes into effect. The Fiscal Agent must inform the Holders of any notice it has received from the Issuer in application of the present Condition, in accordance with the stipulations of Article 13.

9. PRESCRIPTION

Claims against the Issuer pertaining to Notes and Coupons (excluding Talons) shall be prescribed unless made within four years as of 1st January of the year following that in which they became payable.

10. REPRESENTATION OF THE HOLDERS

If the Final Terms specify "**Legal Masse**", the Holders shall, for all Tranches in the same Series, be automatically grouped for the defence of their common interests into a body or "masse" (in each case referred to as the "**Masse**") which shall be governed by the provisions of the French Commercial Code.

For as long as the Notes are held by a single Holder, and if there is no Representative (as defined hereinafter), the Holder concerned shall exercise all of the powers devolved to the Representative and to the General Meeting (as defined hereinafter) by the Terms and Conditions. The single Holder shall keep (or ensure that any authorised agent keeps) a register of all the decisions made by the latter in his/her official capacity and shall make it available, on request, to any subsequent Holder.

A Representative must be appointed as soon as the Notes in a Series are held by more than one Holder (unless a Representative has already been appointed in the relevant Final Terms).

If the Final Terms stipulate "**Contractual Masse**", the Holders shall, for all Tranches of a single Series, be grouped together automatically for the defence of their common interests into a single Masse that will be governed by the provisions of the French Commercial Code, except for articles L.228-48, L.228-59, L.228-65 II, R. 228-63, R. 228-67 and R. 228-69, and subject to the following stipulations:

(a) Legal personality

The Masse shall be a separate legal entity and shall act in part through a representative (the "Representative") and in part through a General Meeting of the Holders (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 upon a person of any nationality. However, the following may not be chosen as Representatives:

- (i) the Issuer, the members of its Municipal Council, its employees or their respective ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers, general managers, members of their Board of Directors, Executive Board or Supervisory Board, their statutory auditors, employees or their respective ascendants, descendants and spouse; or
- (iii) persons to whom practising as a 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 replacement shall be indicated 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 that Series.

The Representative shall be entitled to the remuneration corresponding to its functions or duties, if such remuneration is provided for, on the date or dates indicated in the relevant Final Terms.

In the event of death, winding up, resignation or revocation of appointment of the Representative, such Representative shall be replaced by the replacement Representative. In the event of the death, winding up, retirement or revocation of appointment of the replacement Representative, another Representative shall be appointed by the General Meeting.

Pursuant to the provisions of article R.228-71 of the French Commercial Code, each Holder shall provide justification of the right to participate in General Meetings by entry in the accounts, in his/her name, of his/her Notes in the books of the Account Holder concerned at 12.00 a.m. (Paris time) on the second Business Day in Paris preceding the scheduled date of the General Meeting.

All interested parties shall have the right at all times to obtain the names and addresses of the initial Representative and the replacement Representative from the address of the Issuer and the specified offices of each of the Paying Agents.

(c) Powers of the Representative

The Representative shall have the power (in the absence of any decision to the contrary by the General Meeting) to carry out all acts of management necessary to defend the common interests of the Holders.

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

The Representative may not be involved in managing the affairs of the Issuer.

(d) General Meeting

A General Meeting may be held at any time, called either by the Issuer or by the Representative. One or more Holders, holding together at least one-thirtieth of the nominal amount of the Notes outstanding, may send the Issuer and the Representative a demand to call the General Meeting. If the General Meeting has not been called within two months of such a demand, the Holders may commission one of their number to petition a competent court in Paris to appoint an agent who shall call the General Meeting.

Notice of the date, time, venue and agenda of any General Meeting shall be published in

accordance with Article 13.

Each Holder is entitled 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 the Note.

(e) Powers of the General Meeting

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

The General Meeting may also deliberate on any proposal relating to the modification of the Terms and Conditions, including any proposal for arbitration or settlement, relating to rights in dispute or which have been the subject of judicial decisions; it is specified, however, that the General Meeting may not increase the liabilities of the Holders, nor establish any unequal treatment between Holders.

General Meetings may deliberate validly when called for the first time first only if the Holders present or represented hold at least one quarter of the principal amount of the Notes then outstanding. When called for the second time, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by the Holders attending such General Meetings either in person or represented by a proxy.

The resolutions passed by the General Meeting must be published in accordance with the stipulations of Article 13.

(f) Holder information

During the fifteen (15)-calendar day period preceding the holding of each General Meeting, each Holder or proxy thereof will have the right, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented to the General Meeting, all of which shall be at the disposal of the relevant Holders at the address of the Issuer, from the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.

(g) Costs

The Issuer will pay all costs 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 the interest payable under the Notes.

(h) Single Masse

The holders of Notes in the same Series, and the holders of Notes of any other Series consolidated with the aforementioned Series, in accordance with Article 1(e) or Article 12, shall be grouped in a single Masse for the defence of their respective common interests. The Representative appointed in respect of the first Tranche of any Series of Notes shall be the Representative of the single Masse of all that Series.

For the purposes of the present Article 10, the term “**outstanding**” shall not include those Notes subscribed or bought back by the Issuer pursuant to Article L.213-1 A of the Financial and Monetary Code, which are kept by the Issuer and not cancelled.

11. REPLACEMENT OF PHYSICAL SECURITIES, COUPONS, AND TALONS

If any Materialised Note, Physical Security, Coupon or Talon is lost, stolen, defaced or destroyed, it may be replaced, subject to applicable laws and stock market regulations, at the specified office of the Fiscal Agent or any other Paying Agent as may be designated from time to time by the Issuer for the purpose and notice of whose designation shall be served to Holders. This replacement shall be effected in return for payment by the claimant of the fees and costs incurred on that occasion and subject to the conditions of proof, security and indemnity (if the allegedly lost, stolen or destroyed Physical Security, Coupon or Talon should subsequently be presented for payment or, as the case may be, for exchange for further Coupons, payment shall be made to the Issuer on demand of the amount payable by the Issuer in respect of these additional Physical securities, Coupons or Talons). Partially destroyed or defaced Physical securities, Coupons or Talons must be returned before replacement.

12. ASSIMILATED ISSUES

The Issuer shall be entitled, without permission from the Note or Coupon holders, to create and issue additional notes that may be consolidated with the Notes to form a unique Series on condition that these Notes and the additional notes confer identical rights on their holders in all regards (or identical in all respects except for the first payment of interest) and that the terms of these Notes provide for such a consolidation, and the references to “Notes” in the present Terms and Conditions must be interpreted accordingly.

13. NOTICE

- (a) Notices served by the Issuer to the holders of Dematerialised Notes in registered form shall be valid if either, (i) mailed to them at their respective postal addresses, in which case they will be deemed to have been served on the fourth Business Day (other than a Saturday or a Sunday) after the dispatch or, (ii) at the choice of the Issuer, published in a leading daily business newspaper that is widely read in Europe (the Financial Times in principle). It is specified that for as long as the Notes are admitted to trading on a regulated market and the rules of the said regulated market so demand, notice shall only be deemed valid if published in a leading daily business newspaper that is widely read in the city(ies) where the Notes are admitted to trading which, in the case of Euronext Paris, shall be expected to be Les Echos and in any case as required by the rules applicable to the said market.
- (b) Notices sent to Holders of Materialised Notes and of Dematerialised Notes in bearer form are valid if they are published in an economic and financial daily newspaper that is widely read in Europe (mainly the Financial Times) and, for as long as the Notes are admitted to trading on a market and the rules of the said market so demand, notices must also be published in a leading daily business newspaper that is widely read in the city(ies) where the Notes are listed which, in the case of Euronext Paris, shall be expected to be Les Echos and in any case as required by the rules applicable to the said market.
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily business newspaper widely read in Europe, it being specified that for as long as the Notes are admitted to trading on a regulated market, notices must also be published in any other way required by the rules applicable to the said regulated market. Holders shall be deemed to have been informed of the content of such notices on their date of publication or, in the case of notices published several times or on different dates, on the date of first publication as described above. Holders of Coupons shall be deemed for all purposes to have been informed of the contents of any notice served to the holders of Materialised Notes in accordance with the terms of the present Article.

- (d) Notices required to be served to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be delivered to 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 of a notice required by Articles 13(a), (b) and (c) above; except that (i) for as long as the Notes are listed and admitted to trading on a regulated market and the rules of such regulated market so require, notices shall also be published in a leading daily business newspaper widely read in the city(ies) where the Notes are admitted to trading which, in the case of Euronext Paris, shall be mainly Les Echos, and by any other way required by the rules applied on this market and (ii) notices concerning the calling and decisions of General Meetings, as provided for in Article 10, must also be published in a business daily newspaper that is widely read in Europe.

14. APPLICABLE LAW, LANGUAGE, AND COMPETENT COURTS

(a) Applicable law

The Notes, Coupons, and Talons are governed by and must be interpreted in accordance with French law.

(b) Language

This Base Prospectus is drawn up in French. There is a translation in English for information purposes but only the French version approved by the AMF is legally binding.

(c) Competent courts

Any claims against the Issuer pertaining to the Notes, Coupons, or Talons must be brought before the competent courts in Paris. The Issuer accepts the competence of French courts. However, no civil proceedings may be initiated or any attachment proceedings against the assets or property of the Issuer.

TEMPORARY GLOBAL CERTIFICATES FOR MATERIALISED NOTES

1. TEMPORARY GLOBAL CERTIFICATES

A Temporary Global Certificate in connection with the Materialised Notes, without interest Coupons, shall initially be issued (a “**Temporary Global Certificate**”) for each Tranche of Materialised Notes and shall be deposited no later than the date of issue of the said Tranche with a common depositary (the “**Common Depositary**”) at Euroclear Bank S.A./N.V. as operator of the Euroclear system (“**Euroclear**”) and to Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”). After deposit of this Temporary Global Certificate with a Common Depositary, Euroclear or Clearstream, Luxembourg shall credit each subscriber with a nominal amount of Notes equal to the nominal amount for which it has subscribed and paid.

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

2. EXCHANGE

Each Temporary Global Certificate issued in respect of Materialised Notes shall be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicate that the Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (see “Programme Summary - Restrictions on Sale”), in whole but not in part, for Physical Securities and
- (ii) in all other cases, in full and not in part, after certification, if required by section § 1.163-5(c) (2) (i) (D) (3) of the US Treasury regulations (and by any other replacement regulation issued by virtue of the Federal Income Tax (Internal Revenue Code) of 1986, as amended, that might contain rules that are materially identical to those currently applicable by virtue of Section 163(f)(2)(B), after certification that the Notes are not held by US nationals, for Physical Securities (a certification model must be available from offices designated by each of the Paying Agents).

As long as a Materialised Note is represented by a Temporary Global Certificate, any payment relating to this Materialised Note which is due prior to the exchange Date (as defined below), will be made only if the certificate described in (ii) above has been received by Euroclear and/or Clearstream, Luxembourg and if Euroclear and/or Clearstream, as applicable, has given this type of certificate (based on the certificate received) to the appropriate Paying Agent. The holder of a Temporary Global Certificate shall not collect any payment that would result from it on the day of or after the Exchange Date unless, if a certificate as described above is provided, the exchange of the Temporary Global Certificate against the interest relating to the Physical Notes is improperly withheld or retained.

3. REMITTANCE OF PHYSICAL SECURITIES

On or after its Exchange Date, the holder of the Temporary Global Certificate may remit such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for the Temporary Global Certificate so surrendered, the Issuer shall deliver or have delivered a corresponding total nominal amount of duly signed and countersigned Physical Securities. For the purposes of the present Base Prospectus, “**Physical Securities**” shall mean, in relation to any Temporary Global Certificate, the Physical Securities for which such Temporary Global Certificate may be exchanged (with, if necessary, all coupons attached corresponding to amounts of interest that might not yet have been paid on the Temporary Global Certificate, and a Talon). The Physical Securities shall be security printed, in accordance with any laws and stock market regulations in force.

With regard to a Temporary Global Certificate, **“Exchange Date”** shall mean the day at least 40 days after the issue date, providing that in the case of a new issue of Materialised Notes to be consolidated with the aforementioned Materialised Notes and issued before this day, in accordance with Article 12, the Exchange Date may, at the choice of the Issuer, be postponed to the day forty (40) calendar days after the issue date of these additional Materialised Notes.

In the case of Materialised Notes in bearer form that have a minimal maturity of more than 365 days (to which Rules C do not apply), the Temporary Global Certificate must contain the following paragraph:

"ANY US PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, WHO HOLDS THIS NOTE WILL BE BOUND BY THE RESTRICTIONS OF US FEDERAL LEGISLATION ON INCOME, NOTABLY THOSE IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED."

USE OF FUNDS

The net proceeds of the issue of Notes are to be used to finance the Issuer's investments. If in the case of an issue of Securities, the use of funds is specific, it will be indicated in the relevant Final Terms.



CITY OF PARIS

2016 EMTN Prospectus

Description of the issuer

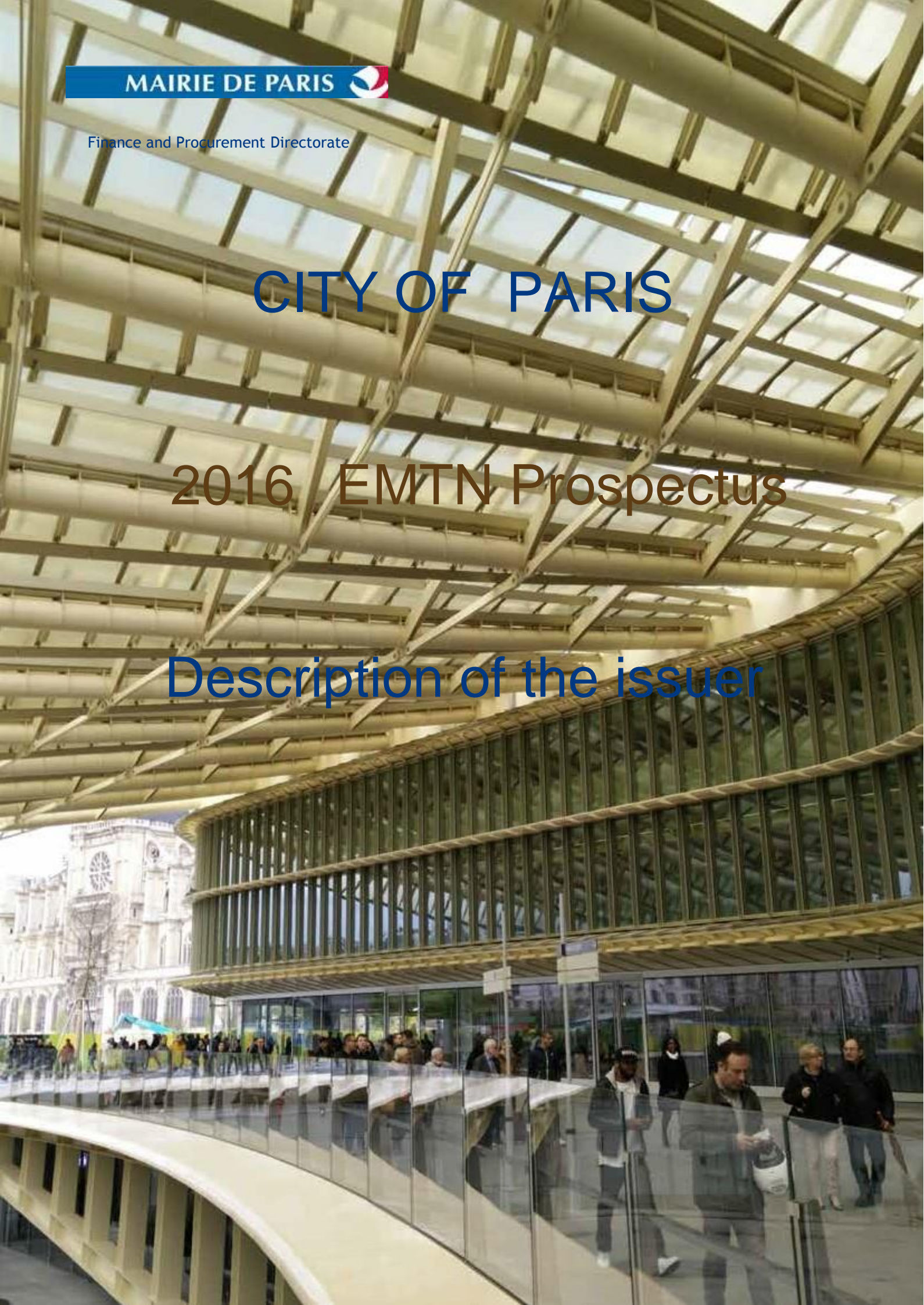


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PRESENTATION OF THE PARIS AUTHORITY

DESCRIPTION OF THE ISSUER

As well as being the political and administrative capital, Paris is also the most densely-populated city in France and its economic, financial and cultural centre. This importance is the reason why it has an administrative structure unique in France.

French territory is divided up administratively into three categories of local authorities - the region, the department and the municipality - each of which has its own geographic territory, legal personality, specific powers, regulatory power and independent budget. Paris, however, is alone in combining two of these levels of state in the same territory and within a single entity.

The link between the municipality of Paris and department of Paris is defined by the provisions of article L. 2512-1 of the General Local Authority Code (CGCT). In fact, the interdependence between the two entities is very strong. In particular, the affairs of both these authorities are governed by the decisions of the same assembly, the “Council of Paris”, comprising 163 members elected for six (6) years chaired by the Mayor of Paris.

Also, although the municipalities and departments are financially independent of each other, Paris is the exception with many transfers between its two budgets (the municipality contributes to the budget of the department and vice-versa). Political and financial decisions are therefore taken on the basis of the existence of two legal entities making up “the City of Paris”.

Therefore, although the issuer of this bond programme is the municipality of Paris and despite the existence of separate budgets for the City of Paris and Department of Paris, this base prospectus describes the City of Paris as a whole.

I. ISSUER'S LEGAL AND ADMINISTRATIVE STATUS

A. INFORMATION ON THE ISSUER

1. NAME, OFFICE AND POSTAL ADDRESS

CITY OF PARIS
Finance and Procurement Directorate -
Financial Management Department (FMG)

VILLE DE PARIS
Direction des Finances et des Achats -
Service de la Gestion Financière (SGF)

17, boulevard Morland - 75184 Paris cedex 04

17, boulevard Morland - 75184 Paris cedex 04

2. GEOGRAPHICAL LOCATION

Capital of France and main local authority of the Île-de-France Region

3. DATE OF INCORPORATION

The issuer was incorporated in its current form by the Act of 31 December 1975, which created two distinct authorities on the territory of Paris: the Municipality of Paris and the Department of Paris.

4. REGISTRATION NUMBER

Business registration number (SIRET): 21750001606743

Business activity code (APE): 8411Z

5. LEGAL STATUS, LAW APPLICABLE TO THE ISSUER AND COMPETENT COURTS

Municipality governed by the French General Local Authorities Code (CGCT), to which French law applies and for which any disputes are brought before the courts of Paris.

6. ORGANISATION AND FUNCTIONING OF THE CITY

Like any local authority, the City of Paris governs itself via an elected council and, in particular, has regulatory powers to exercise its duties.

The institutions of Paris, however, remain one of a kind. Though each French municipality and department has institutions that are separate from each other, Paris is governed by a single deliberative assembly and by a single executive authority, despite being both a department and a municipality. Accordingly, the dual nature of the City of Paris is balanced out by the unity of its decision-making bodies.

The Council of Paris has 163 members elected for 6 years by proportional representation with a majority bonus, on the basis of the arrondissements. It meets 9 times a year, as a general rule about once a month, and deliberates, depending on the issues on the agenda, either as a municipal council or as a departmental council.

Since the March 2014 municipal elections, 6 political groups have been represented on the Council of Paris, which is governed by a left-leaning coalition.

The Mayor of Paris acts on behalf of the City of Paris or on behalf of the Department of Paris and exercises, as applicable, the powers, duties and functions of a Mayor or of President of the departmental council. He/she has both his/her own powers and powers delegated by the Council of Paris. The Mayor is also de jure chair of a number of bodies linked to the City, such as the City of Paris Social Welfare Centre (CASVP) and Crédit Municipal.

The current Mayor of Paris is Mrs. Anne Hidalgo (Socialist Party).

She is assisted by 21 Deputy Mayors, to whom powers have been delegated, each in a specific area of municipal and departmental work, and 5 delegated councillors.

The Senior Deputy Mayor is Mr. Bruno Julliard, who is responsible for culture, heritage, artistic professions, cultural enterprises, "night-life" and relations with the arrondissements.

The Municipality of Paris comprises 20 administrative subdivisions known as arrondissements which have no legal personality but which reproduce, on their scale, the standard statutory municipal structure with a deliberate

assembly, the arrondissement council, and an executive body chaired by a Mayor. The powers of these councils were strengthened by the Act of 27 February 2002 on grass-roots democracy. In particular, they are consulted on schemes set to be fully or partially implemented within the boundaries of their arrondissements.

The municipality and department of Paris are managed by a single, highly-structured administrative authority, which has more than 45,000 employees, supervised by the secretariat general.

In addition to its four main budgets, for the specific management of certain areas, the City of Paris has five subsidiary budgets: four municipal (municipal automotive transport, funeral services, sanitation and water) and one departmental (managing departmental child welfare services).

Certain of the authority's activities are managed by communal public institutions, with their own legal personality and each with a separate budget.

The City of Paris Social Welfare Centre (CASVP) is an independent public institution, chaired by the Mayor of Paris, and its operating expenses are covered by the City of Paris. This centre implements the social aids granted by the City in addition to those it is required to provide as part of its duties. Though mainly focusing on the elderly, this social welfare policy now also targets disabled people and families, as well as both unemployed and homeless people.

Paris Habitat-OPH and Crédit Municipal de Paris are both public institutions that are run by the City of Paris but have their own budgets.

The City of Paris and its adjacent municipalities also contribute to the financing of 3 public institutions: SIAAP (Syndicat Intercommunal d'Assainissement de l'Agglomération de Paris) for waste-water treatment; SYCTOM (Syndicat de Collecte et Traitement des Ordures Ménagères) for household waste collection and treatment and IIBRBS (Inter-Departementale des Barrages Réservoirs du Bassin de la Seine), which manages the dams and reservoirs on the Seine river.

Finally, AP-HP (Assistance Publique-Hôpitaux de Paris, i.e. the public hospital system for the city of Paris and its suburbs), which has a separate budget, is a public institution that is State-supervised and chaired by the Mayor of Paris.

For some of its duties, the City of Paris has chosen to entrust specific tasks to local corporations: semi-public corporations (SEM), local public corporations (SPL) and local public development corporations (SPLA).

These local corporations implement the strategies defined by the Paris municipal authority. They are active in different sectors: urban development; improving living conditions, developing social housing, combating poor housing and providing a large number of public services.

The City of Paris has stakes in 15 semi-public corporations and 4 local public development corporations and is the main shareholder in 16 of these corporations. The only semi-public corporations in which the authority does not hold a majority stake are SOGARIS (49.5%), CPCU (Compagnie Parisienne de Chauffage Urbain), on account of the history of this SEM, and SEML Energie Posit'If, a regional operator in which the City bought a stake in January 2013.

However, though these operators benefit from the flexibility of private company status, the City of Paris keeps a careful eye on its interests, particularly through its elected members who sit on the boards.

Since 2010, the City of Paris has increasingly opted for local public development corporation status in which the capital is wholly in the hands of public-sector shareholders. These are Paris Batignolles Aménagement and SEMAPA (Société d'Etude, de Maîtrise d'Ouvrage et d'Aménagement Parisienne) which conduct large-scale development operations on behalf of the City. There is also SOREQA (Société de Requalification des Quartiers Anciens), serving to fight against unfit housing conditions.

In 2012, the City of Paris set up a new tool to boost local dynamism: SPL Carreau du Temple. This corporation has the remit of managing and promoting this new multi-purpose local amenity with areas for sports, culture and events.

The twenty or so local corporations cover three sectors of activity:

- urban development (via urban development zones), building and renovating homes (3 semi-public corporations: SPS (SEM Paris-Seine), SEMAEST, SEMAVIP and 3 local public development corporations: SOREQA, Paris Batignolles Aménagement and SEMAPA).
- construction, management and maintenance of buildings (3 semi-public corporations: SIEMP, ELOGIE, RIVP);
- services comprising, in particular, drinking water distribution, funeral services, urban heating, operating the Rungis food market, the Palais Omnisports de Bercy and the Eiffel Tower or the thermal renovation of homes (10 service semi-public corporations: Eau de Paris, SAEMES, SAEMPF, SAEML Parisienne de Photographie, SAEPOPB, SETE, SOGARIS, CPCU, SEMMARIS, SEM Energies Posit'If and SPL Carreau du Temple).

B. CHANGES IN THE POWERS OF THE ISSUER

Greater Paris Metropolitan Area was created by Act 2014-58 of 27 January 2014 on modernisation of local state activities and metropolitan areas (MAPTAM), and will be established from 1st January 2016, as provided for in Article L. 5219-1 of the General Local Authorities Code, amended by Act 2015-991 of 7 August 2015 on new local state organisation (referred to as the “NOTRe” Act).

Created in the form of a public inter-municipal cooperation establishment (EPCI), with its own tax-raising powers and special status, the Greater Paris Metropolitan Area will include the City of Paris and the 124 municipalities of the three departments of the inner suburbs. It will replace the 19 EPCI with their own tax-raising powers which existed previously within the boundary of the inner suburbs.

The aim is to define and implement actions in the metropolitan area to improve the living environment of its inhabitants, to reduce inequalities between the districts within this area, to develop a sustainable urban, social and economic model, the means for greater attractiveness and competitiveness for the benefit of the entire country, by means of a metropolitan area project. To achieve this, a transfer of powers currently held by the member municipalities is planned from 1st January 2017, particularly in terms of urban planning, local housing policy, development and economic, social and cultural planning and also protection and enhancement of the environment and living environment policy.

The Metropolitan Area will be governed by a metropolitan council made up of around 330 councillors, i.e. one councillor for each municipality and an additional councillor per 25,000 inhabitants in the municipality. The President of the Greater Paris Metropolitan Area will be elected by the metropolitan councillors by an absolute majority.

The Greater Paris Metropolitan Area will be organised into territories in a single stretch without any enclaves, each with at least 300,000 inhabitants, without a separate legal personality from the Metropolitan Area. The City of Paris is one of these territories. In each territory, a territorial council will be created, composed of delegates from the municipalities within the confines of the territory. The Council of Paris is considered one such territorial council.

The territorial council has powers of an advisory nature. It is called upon to give an opinion on reports, presentations and draft deliberations of the Greater Paris Metropolitan Area council in terms of economic development, urban planning, local housing policy, the environment, city policy and living environment.

To date, the implementation of these principles has not yet been decided so this Base Prospectus will have a supplement added to it in due course.

In any event, the legislator has specified that for any transfer of powers provided for by the General Local Authorities Code (CGCT), the local authority or public establishment automatically replaces the State, local authority or public establishment in all of its rights and obligations, in all its deliberations and acts. The contracts are then performed under the previous conditions until their expiry, unless agreed otherwise by the parties. Within the framework of delegation or transfer of powers, the substitution of the legal entity does not imply an entitlement to any right of termination or compensation for the contra-party.

C. INFORMATION ON THE ACTIVITY OF THE ISSUER

By virtue of the principle of subsidiarity, reaffirmed in 2003 in Article 72 of the Constitution, the intention is that Paris institutions take decisions in all matters which can better be implemented at their level. These powers are entrusted by common law to the municipalities and departments, with a few specific characteristics.

As a municipality, Paris has jurisdiction for all local policies. These local matters include, among others, early childhood (schools and day-care centres), municipal roads, water treatment and waste collection, and also urban planning, housing and cultural activities.

The Mayor is responsible for implementing the decisions of the municipal council regarding these local policies, subject to the powers granted to the mayors of arrondissements and those granted to the police prefect.

In fact, Paris remains the only city in France where the duties of the municipal police (traffic, public health and safety) are not fully exercised by an elected mayor, but by a civil servant, the Police Prefect, appointed via the French Ministerial Council by the President of the Republic. To exercise his/her powers, duties and functions, the police prefect has a “special” separate budget, voted by the Council of Paris. The organisation of transport is another specific feature of Paris, being governed by a regional entity, STIF (*Syndicat des Transports d’Île-de-France* - Ile-de-France Public Transport Syndicate), to which the City makes a financial contribution.

Moreover, the policy specific to the capital has an impact far beyond its municipal boundaries, like for example in the field of urban planning or in the organisation of major sporting events. In addition, in order to develop the capital’s international reputation, the municipality of Paris can sign agreements with private- or public-sector third parties (except for States), underwrite loans and award grants.

As a department, Paris has powers for all social solidarity and Paris-based policies. This means that Paris manages local infrastructure within its boundaries. The department builds and maintains inter alia secondary schools and roads. It also manages social welfare expenditure for children, the elderly, the disabled and people in difficulty.

The President is responsible for implementing the decisions of the Departmental Council, as part of these departmental powers.

Finally, if the City of Paris has a wide discretion to implement the powers attributed to it by law, it must sometimes bend to the constraints imposed on it by the State in the exercise of these powers.

Thus from 2002, the Paris department had to apply a national scheme providing assistance for the elderly, the Personal Autonomy Allowance (APA), in addition to pre-existing schemes, including those of the City of Paris Social Welfare Centre (CASVP). As a result of the Act of 18 December 2003, the department of Paris had to take charge of the national scheme for helping people in financial difficulty, the minimum income allowance (RMI), and later in addition the minimum activity income (RMA), then replaced in 2009 by the earned income supplement (RSA). These RSA benefit expenses are offset by the corresponding transfer of a share of income from the French domestic tax on petroleum products (TIPP). Finally, like the other departments, Paris has put in place, since the 1st January 2006, disabled compensation benefits (PCH) for disabled adults.

D. A BALANCE IMPOSED BY THE LAW

While decentralisation has increased the powers devolved to the City and Department of Paris, the French State, as guarantor of the general interest, always ensures that these are exercised in accordance with the Constitution, laws and regulations defining these. Consequently, the State continues to be responsible for respect of the overall balance.

1. Administration of resources by the State

The State administers the local taxes of Paris: it determines their bases (including calculating the rental value of taxable premises), then from these bases and the rates voted by the local authority, it notifies the local authority of the amount it will receive, and above all, it guarantees that Paris as a city and as a department, will receive the full amount of these reported taxes, regardless of the amount actually collected. Furthermore, it pays out an advance each month of one twelfth of the amount of taxes voted. In return for these benefits, the State requires Paris, like all other French local authorities, to deposit its funds on an unremunerated Treasury current account.

2. A check on balances

Although the decentralisation laws eliminated the State's financial supervision of the City of Paris, they nevertheless reiterated the principle of State control over its administrative acts and financial decisions.

Firstly, the 1982 laws made the acts of the City of Paris bodies "immediately" enforceable. However, the Prefect of Paris, representing the State, carries out ex-post administrative checks of the "legality" of these acts. Thus, if he/she considers that an act does not comply with the laws and regulations in force, he/she may, within two months from the date the act was submitted to him/her, submit it to the Administrative Court of Paris. Secondly, although decentralisation may have increased Paris' income, it has also been accompanied by an increase in checks carried out on the use of public funds. These financial checks are carried out not only by the Prefect of Paris but also by two other State representatives: the General Directorate of Finance's public accountant and the Regional Chamber of Auditors.

Paris financial transactions are not carried out by the Parisian executive who orders them, but by a public accountant, a specialised employee of the French Ministry of Finance, who advises him/her and only executes his/her orders after first checking the legal and accounting regularity.

The public accountant then assumes personal and financial liability, which provides a further guarantee for the local authority's financial security.

The Regional Chamber of Auditors can present ex-post observations on the management of the whole Paris authority, city and department: this is a check on the "proper use" of public funds by the executive that ordered the expenditure. Above all, the Regional Chamber of Auditors ensures that the public accountant has fulfilled his/her obligations and that the local authority adopts within the legal deadline, a balanced budget displaying all compulsory expenditure.

It may be noted that the expenditure required for the payment of the debts of the local authority, is compulsory expenditure, which is a first-rate guarantee for investors.

GENERAL PRESENTATION OF THE ECONOMY OF PARIS AND ÎLE-DE-FRANCE IN 2015

Paris enjoys a central geographical and administrative location, in the heart of the Île-de-France region. As France's main demographic, economic and administrative hub, it has a high concentration of top level professionals, major decision-making centres, world-class educational and research centres and exceptional infrastructure, and is also a prime tourist destination, making it one of the most powerful regions in Europe.

I. POPULATION

(Sources: INSEE and Paris Urbanism Agency)

On 1st January 2013, the legal municipal population of Paris was 2,229,621 inhabitants, i.e. nearly one third of the population of the Greater Paris Metropolitan Area. This figure reflects an increase of 18,324 inhabitants compared with a legal municipal population of 2,211,297 in 2008. Every year between 2008 and 2013, the population of Paris increased by an average of 3,665 inhabitants, i.e. a rate of +0.2% per year. A lower rate than during the 1999-2008 period, when Paris gained an average of 9,561 inhabitants per year. Though the 2013 municipal population was below the 2012 figure (2,240,621 inhabitants), it should be reiterated that every year the latest figures published supersede the previous ones, without the possibility of measuring changes from year to year. The only comparisons possible are between two full census cycles (census spread over 5 years). The pertinent analyses therefore cover the 2008-2013 period and show a continued increase in the population. However, the trend shown by the annual figures reveals a possible slowdown in Parisian demographic growth, reflecting the fall in births observed from 2010 to 2013.

II. WEALTH

(Sources: INSEE and Customs)

A. GROSS DOMESTIC PRODUCT

In 2012, Gross Domestic Product (GDP) for Île-de-France was €623.6bn. This represents 30% of the GDP of Metropolitan France. GDP per capita is 1.9 times higher in the region than in the provinces. GDP per job in Île-de-France is also much higher, although the gap is narrower.

Regional Gross Domestic Product (GDP) in 2012

	Île-de-France		Mainland France	
	2012	2012/2011 change (%)	2012	2012/2011 change (%)
GDP in €m	623,673	1.3	2,052,553	1.5
GDP per capita in €	52,298	0.9	32,317	1.1
GDP per job in €	103,256	0.7	77,903	1.4

The tertiary sector contributes 86% of the added value in Île-de-France, as against 74% in the provinces. This difference in structure is explained by the very considerable presence in the region of services for businesses, financial and real-estate activities and services for individuals. In the region, industry represents only 9% of production, 7 points less than in the provinces.

B. INCOME AND WAGES

In 2013, the annual gross disposable income of households in Île-de-France was €24,035 per capita, 23% higher than in the provinces (€19,482). This is composed of 75% of gross wages and remunerations, as against 58% in the provinces. The proportion of benefits (including pensions) in the income of people in Île-de-France is ten points lower, and the proportion of their taxes seven points higher. This is accounted for mainly by the fact that the population of Île-de-France is younger, includes more active people and has much higher wages than the average. The proportion of households paying income tax in 2011 was higher in Île-de-France (73%) than in the provinces (59%). The level of taxable income that is declared here is also higher.

C. ÎLE-DE-FRANCE FOREIGN TRADE

(Source: Customs)

In 2015, Paris accounted for 15.6% of exports and 20.1% of imports in Île-de-France. The region represented 18.7% of French exports and 26.9% of its imports.

III. LABOUR MARKET

(Sources: INSEE and Paris Urbanism Agency)

Continuing the trends in place for several decades, socio-professional changes during the 2006--2011 period in Paris and in the centre of the Paris conurbation area were again characterised by a growth in “management and the higher intellectual professions” and a decline in “manual” and “non-manual” workers.

In Paris, 43.1% of the active population belongs to the management category (+2 points as compared with 2006), which is higher than the figures observed in the other large French conurbations (29.1% in Lyon, 17.3% in Marseille). In the Hauts-de-Seine department, 36.3% of the active population work in management (+2.4 points). Val-de-Marne occupies an intermediate position within the inner suburbs, with 23.2% of the active population occupying management posts (+1.6 points). The increase in the proportion of management posts can also be seen in Seine-Saint-Denis, a little faster than in the whole of Metropolitan France: 13.2% of the active population occupied management posts in 2011 in Seine-Saint-Denis and 15.6% in Metropolitan France (i.e. respectively +1.6 points and +1.1 points).

The increase in management posts reflects the general raising of qualifications which the economy requires. Their higher concentration in Paris is linked to roles related to its status as an economic and administrative capital and to the strategic jobs associated with the presence of large companies and central state organisations. The capital alone has 14% of the management jobs in Metropolitan France. In 2011, 34% of Paris jobs were at management level as against 29% in Toulouse, 28% in Lyon and 20% in Marseille.

The proportion of “non-manual workers” is falling. In Paris, their proportion fell from 21.8% in 2006 to 20.6% in 2011. This fall was less marked in Île-de-France (from 28.4% to 27.4%) and at national level (from 29.4% to 29%). The proportion of “workers” continues to fall in Paris as it does throughout French territory, due to the decreasing number of manufacturing jobs in the regional and national economy. In Paris, their proportion fell from 8.3% in 2006 to 7.8% in 2011.

The proportion of “craftsmen, shopkeepers and business leaders” is stable, increasing from 4.9% to 5.0% of the active population. This stability has been achieved after a downwards trend lasting several decades (6.2% of the active population in 1999). However, this category still represents more than 8% of the active population residing in the 7th, 8th and 16th arrondissements.

The proportion of “intermediate occupations” is falling slightly, from 23.9% to 23.4%. At the same time, it is stabilising in Île-de-France (26.1%) and increasing in France (23.4% to 24.2%).

Generally speaking, the socio-professional changes observed in the conurbation area reflect both the change in employment structure and the effect of property prices on housing choices.

A. EMPLOYMENT TRENDS IN PARIS

(Sources: INSEE, the Directorate for Research, Studies and Statistics (DARES)/Regional Directorates for Business, Competition, Consumption, Labour and Employment (DIREECTE) and the Paris Urbanism Agency)

Paris also attracts a high number of jobs, with 1.61 jobs per resident worker (as compared with: Lyon 1.4 - Toulouse 1.5). In 2011, Paris had an active population of almost 1.109 million for 1.788 million jobs (based on census) which makes Île-de-France the department with the best jobs/worker ratio followed by Hauts-de-Seine with 1.3 jobs per resident worker.

Paris has the highest proportion of people living and working in the same municipality of the whole of Île-de-France (68.5% of Parisians work in the capital) and the lowest proportion of people travelling elsewhere to work (only 31.5% of Parisians work outside Paris).

The capital also has the largest proportion of workers commuting from other parts of the region: 31.1% of the active population of Île-de-France work in Paris. The proportion of incoming workers is 57.5% which means that the majority of jobs in Paris are performed by people from outside of Paris: flows which mainly concern manual and non-manual workers as Paris has around 640,300 manual and non-manual jobs and only 293,800 Paris residents who do these jobs.

On 1st January 2011 (based on INSEE census) the centre of the Paris conurbation area had almost 3,800,230 jobs, salaried and non-salaried, in the private and public sectors, including 1.788 million jobs in Paris.

The breakdown of jobs per sector places the majority of the tertiary sector, which accounts for 89% of all jobs, in the centre of the Paris conurbation area.

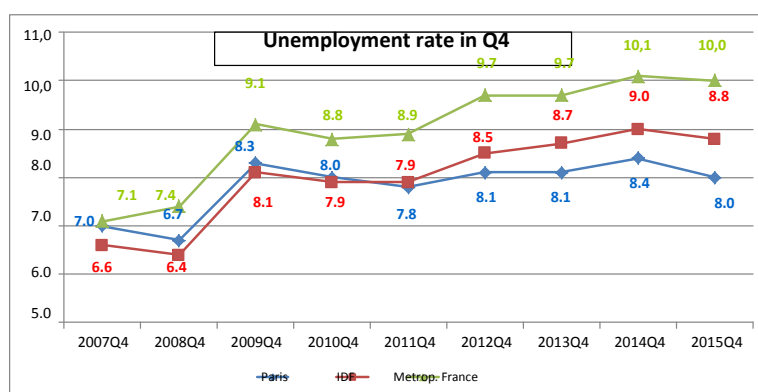
- services to businesses are highly represented in the centre of the conurbation area (642,242 jobs), particularly the activities of operational services and of administrative and support services.
- trade accounts for 416,998 jobs, almost 11% of which are occupied by non-salaried workers.
- public administration is still a major provider of jobs, with 364,682 jobs. With the addition of the healthcare, social welfare, education and administrative services, all of these activities account for one job out of every four.

- 7% of jobs were provided by the industrial sector in 2011. These are mainly concentrated in the production and distribution of gas and electricity (35,677 jobs), food, drink and tobacco manufacture (29,639 employees) and the manufacture of transport equipment (25,353 jobs).

B. UNEMPLOYMENT

(Sources: INSEE and Pôle Emploi/French National Employment Centre)

The unemployment rate (INSEE) stood at 8.0% in December 2015 in Paris as against 8.8% in Île-de-France and 10.0% in Metropolitan France. Over a year, growth in the number of job-seekers (French National Employment Centre) stood at 1.9% for category A (job-seekers without employment required to actively seek employment) in Paris (136,220 job-seekers), +3.0% for Île-de-France and +2.6% for Metropolitan France.



IV. BUSINESS AND FOREIGN INVESTMENT

(Sources: Business Registry of Paris Commercial Court, INSEE, PRE, and AFII)

A. BUSINESSES

1. Total number of businesses

(Source: Business Registry of Paris Commercial Court)

The Business Registry of Paris Commercial Court indicates that there were 381,028 businesses in activity in Paris on 31 December 2015 (excl. the professions and individual trade activities), making a 2.3% increase compared to the same period in 2014.

2. Business start-ups and failures

(Source: INSEE - raw data)

a. Business start-ups

Start-ups excl. auto-entrepreneur scheme	2014	2015	2014 / 2015 change
Paris	26,345	28,251	7.2%
Île-de-France	69,549	76,982	10.7%

Monthly data:

Start-ups excl. auto-entrepreneur scheme	2015											
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Paris	2,205	2,521	2,594	2,489	1,832	2,492	2,533	1,594	2,060	2,512	2,427	2,992
Île-de-France	6,180	6,682	7,020	6,619	5,149	6,620	6,863	4,479	6,216	6,921	6,574	7,659

Source: INSEE, register of businesses and establishments (Sirene) - Market activities field, excl. agriculture)

In 2015, 28,251 businesses were created in Paris, i.e. 36.7% of regional start-ups.

Annual change:

Set-ups under auto-entrepreneur scheme	2014	2015	2014 / 2015 change
Paris	21,982	22,042	0.3%
Île-de-France	72,192	66,645	-7.7%

Monthly data:

Monthly data:	2015											
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Paris	1,824	1,824	1,965	1,792	1,448	1,732	1,701	1,200	2,208	2,469	2,078	1,801
Île-de-France	5,751	5,566	6,306	5,572	4,503	5,401	4,804	3,672	6,651	7,089	5,962	5,368

Source: INSEE, register of businesses and establishments (Sirene)

In 2015, there were also 22,042 start-ups in Paris under the auto-entrepreneur scheme¹, representing 33.1% of set-ups in Île-de-France.

b. Businesses in difficulty

(Source: Business Registry of Paris Commercial Court)

The number of safeguard and receivership proceedings for businesses in Paris increased in 2015 compared with 2014 (+29.1% and +11.5% respectively). Judicial winding-up proceedings remained stable in 2015 compared to 2014 (-0.1%).

¹ Since January 1st 2009, "auto-entrepreneur" status has applied to natural persons who set up or already possess a sole proprietorship, for the purpose of exercising a commercial or craft-based activity or one of the professions (with the exception of certain activities), as a main or complementary activity, whose sole proprietorship fulfils the conditions of the micro-enterprise fiscal category, and who opt for VAT exemption.

	Number of proceedings opened regarding:		
	safeguard	receivership	judicial winding-up (opening judgments)
2014	55	373	3,452
2015	71	416	3 447
2014 / 2015 change	29.1%	11.5%	-0.1%

c. Business failures

(Source: INSEE - Fiben - Banque de France)

Quarterly change:

Failures	2014	2015				Variation
	4 th quarter	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	4 th qtr 2015 / 4 th qtr 2014
Paris	992	1,137	1,020	730	1,017	2.52%
Île-de-France	3,038	3,550	3,226	2,568	3,388	11.52%

Annual change:

Failures	2014	2015	2014/2015 change
Paris	3,870	3,904	0.88%
Île-de-France	11,709	12,732	8.74%

In 2015, 3,904 businesses in Paris failed, i.e. +0.88% compared with 2014, while in Île-de-France there was an increase of +8.74%.

Business failures in Paris over the year accounted for approximately one third of failures in Île-de-France.

3. Two new economic sectors are gaining ground in Paris

(Sources: INSEE and Paris Urbanism Agency).

The social solidarity economy sector brings together organisations and businesses advocating “a different type of economy”. This sector is regarded as a driver for employment but also for regional economic and social development, in favour of greater social cohesion. At the end of 2009, Paris was the department with the largest number of social and solidarity economy enterprises (12,284) and jobs (15,102) in Île-de-France. It is also the region's department with the highest proportion of jobs in the sector (9%).

The environmental sector still offers a low volume of jobs but is growing. In December 2010, Île-de-France had 2,800 active enterprises whose main activity was devoted to environmental activities. They employ around 40,700 people, 85% of whom work, in this branch, either in waste management (43%), or water management (42%). Almost 3,600 employees are involved in collection activities, amounting to 9% of the workforce. One quarter of these Île-de-France employees work in Paris, mainly in the area of the collection and treatment of waste-water.

B. FOREIGN INVESTMENT IN PARIS AND ÎLE-DE-FRANCE IN 2015

(Source: Paris Région Entreprises and AFII)

With 340 international investment projects implemented in 2015 (+22% in two years), Île-de-France remains the number one start-up destination for international businesses in continental Europe, and number two behind Greater London on the continent as a whole.

In an unfavourable international context (the number of international investment projects in the world's main economic areas fell by -7% to -9% in Asia, North America, and Western Europe between 2014 and 2015), Île-de-France gives encouraging signs in one key area: jobs. In 2015, international businesses that chose the region declared that they wanted to create/secure nearly 10,000 jobs between now and 2018, as against a little more than 5,000 announced in 2014.

Of these 340 investment projects, Paris hosted 190 (i.e. more than 55% of projects), representing 2,853 jobs created and 2,116 jobs secured.

These investments are linked to the many assets which Paris and the surrounding region enjoy:

- The quality of its infrastructures, the high-quality workforce, the central geographic location within a market and the presence of other important economic stakeholders are all powerful attractiveness factors.
- Paris is the most accessible city in Europe with an exceptionally dense urban network, at the meeting point of numerous infrastructures: 6 major stations, 5 RER (Réseau Express Régional - Regional Express Network) lines, 16 underground lines, 1 tramway, 74 bus lines and connection to 6 motorways.
- The Île-de-France region boasts top-quality infrastructures: it is Europe's second largest airport hub, is linked in with the high-speed rail network and has a great range of infrastructures: 210 km of underground lines, 1,400 km of RER and standard rail lines, 3,000 km of bus lanes and 2,100 km of highways and motorways. With 70 ports spread over 500 km of waterways, the region is also the second biggest river transport hub in Europe. Air transport traffic is considerable: 92.7 million passengers and 693,200 commercial flights in 2014.
- The prospect of the Greater Paris Metropolitan Area and the Greater Paris Express projects, major urban and scientific projects of the future based in the Paris area with an extremely ambitious dynamic, are also particularly attractive factors for investors. The growth of a highly-dynamic innovation ecosystem based around dozens of incubation, co-working and fab lab centres also ideally positions Paris for major businesses keen to successfully manage their digital revolution and find new ways to grow.

V. TOURISM IN PARIS

(Source: Paris Convention and Visitors Bureau (OTCP))

A. TOURISM JOBS

(Source: OTCP - Acoess)

Île-de-France is one of the world's leading tourist destinations, both for business and leisure travellers.

This tourism activity brings jobs that cannot be off-shored and is a major asset for the economic development, international reputation and attractiveness of the region.

In 2014, 226,224 direct salaried jobs were reported in typical tourism activities in Paris.

- 54,044 positions in transport (23.9% of tourism jobs)
- 39,477 in accommodation (17.5%)
- 99,222 in catering (49.9%)
- 33,481 in leisure activities (14.8%)

B. TOURIST ACTIVITY IN PARIS

(Source: Atout France - OTCP)

In 2015, tourism activity in Paris, as a result of the terror attacks, recorded slightly lower visitor numbers: the number of arrivals fell slightly to 15.2 million (-1.5% compared to 2014), as did the number of bed nights, to 35.2 million (-2.3% compared to 2014). The average occupancy rate of star-rated hotels was 75.6%, slightly down (-3.7 points) over a year.

There were 1,593 hotels in Paris, of which 1,363 were star-rated, offering a total of 82,186 rooms.

The vast majority of Parisian hotels are 3* and 4*, representing 64.3% of all hotels and 69.6% of all rooms.

Category	Nb of Hotels	Change	Nb of rooms	Change
1*	30	-14.29%	1,553	-15.96%
2*	247	1.23%	9,994	3.09%
3*	709	1.43%	32,028	1.37%
4*	315	2.61%	25,177	1.87%
5*	62	5.08%	6,181	3.66%
not * rated (1)	230	-5.74%	7,253	-13.76%
TOTAL	1 593	0.31%	82,186	-0.05%

(1) Hotels which are not star-rated by the Paris Prefecture or are awaiting rating.

C. LEISURE TOURISM

In 2015, visitor numbers at museums and monuments were heavily hit by the tragic events of January and November 2015, with a particularly sharp fall for school groups.

The main 15 Paris museums and monuments - 2014-2015 results

Museums and monuments	2014	2015	2015/2014 change
Musée du Louvre*	9,134,612	8,700,000	-4.8%
Eiffel Tower*	7,097,302	6,910,000	-2.6%
Musée d'Orsay*	3,480,609	3,440,000	-1.2%
Cité des Sciences et de l'Industrie (1)	2,673,899	1,992,422	-25.5%
Muséum National d'Histoire Naturelle (3)	1,929,365	1,676,972	-13.1%
Grand Palais (2)	1,880,627	1,775,017	-5.6%
Arc de Triomphe	1,751,046	1,760,694	0.6%
Musée du Quai Branly	1,495,817	1,301,277	-13.0%
Musée de l'Armée	1,525,030	1,410,191	-7.5%
Sainte Chapelle	1,067,206	900,969	-15.6%
Tour Montparnasse	1,168,543	1,066,884	-8.7%
Parc Zoologique de Paris (4)	1,300,000	911,000	-29.9%
Palais de Tokyo (5)	756,080	820,850	8.6%
Musée de l'Orangerie*	800,000	770,000	-3.8%
Petit Palais (6)	996,469	808,324	-18.9%

(1) Closure for 7 weeks from 20 August 2015 due to the fire at the Vill'Up shopping centre

(2) Success in 2014 of the "Bill Viola", "Cartier", "Niki de Saint Phalle", and "Hokusai" exhibitions.

(3) This data includes: the main evolution gallery, the palaeontology gallery, the main greenhouses and the botanical garden mini-zoo

(4) Reopened on 12 April 2014. 2015 saw bad weather during peak visitor periods

(5) Total visitors to the Palais de Tokyo

(6) Success in 2014 of the "Paris 1900, la ville spectacle" and "Baccarat, la légende du cristal" exhibitions.

* Estimated 2015 visitor data.

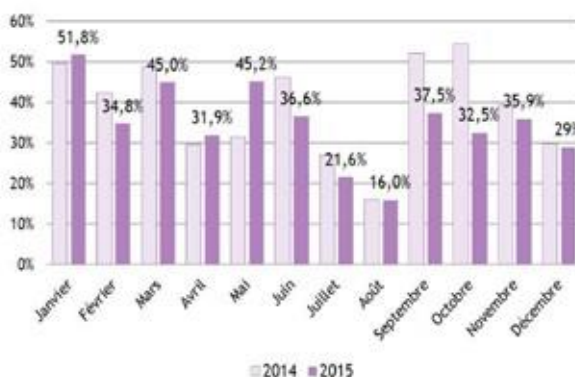
D. BUSINESS TOURISM

Business tourism accounted for 16.7 million bed nights in Paris hotels, i.e. 34.2% of bed nights (-4.3 points compared to 2014), and 34.9% in Greater Paris (-5.0 points) in 2015. The Salon du Bourget (15-21 June; 351,000 visitors) and COP21 (30 Nov. - 11 Dec.; 40,000 participants) were the year's flagship events. The first weekend of COP 21 particularly helped the hotel occupancy rate to temporarily bounce back just a few weeks after the attacks.

TOURISME D'AFFAIRES DANS L'HÔTELLERIE HOMOLOGUÉE À PARIS ET DANS LE GRAND PARIS (DONNÉES INSEE)

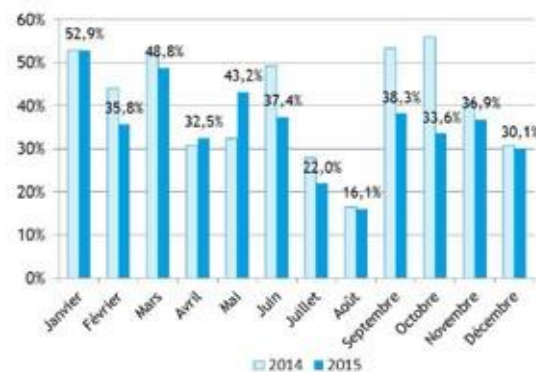
Clientèle affaires à Paris

Volume nuitées affaires déc. 2015: 671 140 (-19,9 %)
Proportion nuitées affaires déc. 2015: 29,0 % (-1,0 pt)



Clientèle affaires dans le Grand Paris

Volume nuitées affaires déc. 2015: 952 637 (-18,7 %)
Proportion nuitées affaires déc. 2015: 30,1 % (-0,6 pts)



2015 key figures:

- 1,004 conferences were recorded in 2015 in Paris. On average, conferences lasted 2.3 days and were attended by 758 conference-goers, 32% from abroad.
- The medical field is still the most common at Parisian conferences (32% of conferences).
- Finally, 68% of Parisian conferences are held on an annual basis.

VI. THE REAL ESTATE MARKET IN PARIS AND ÎLE-DE-FRANCE IN 2015

(Sources: Paris-Île-de-France Chamber of Notaries, BNP Real Estate, JLL, Immostat)

A. RESIDENTIAL REAL-ESTATE IN PARIS AND ÎLE-DE-FRANCE

After a difficult start to the year, growth in business continued in Île-de-France and the year ended with an excellent 4th quarter: 2015 will therefore be remembered as a good real-estate year, with a 17% annual increase in sales of old real-estate and 16% for new real-estate. This recovery relied on two factors that worked together. Historically attractive interest rates in 2015 and slightly lower prices returned purchasing power to households. The very moderate and slow fall in prices finally convinced both buyers and sellers that they should no longer expect a sudden adjustment. The market, which had been reduced to compulsory sales, therefore expanded again over 2015.

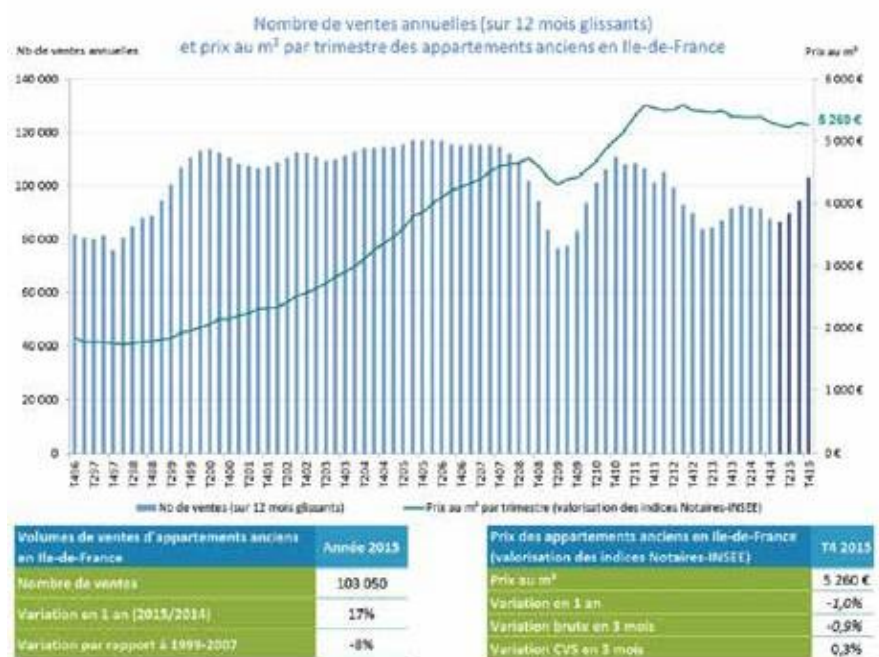
The upturn in old real-estate was observed in all the departments of Île-de-France. Only Seine-Saint-Denis saw its activity practically stagnate (+4% for apartments and +2% for houses) in spite of attractive prices. Volumes of sales progressed at the same rate (+17%) from 2014 to 2015 for apartments and houses. Buyers were more willing to look at 3-room apartments and large houses, of which sales grew even more quickly than for other types of housing.

The stability of business had no impact on prices, even if the market in Île-de-France is easily susceptible to tensions due to the structural lack of available housing. In Paris, the price per m² has fluctuated over the last year at around €8,000 (+0.4% in a year). It should continue to fluctuate around this figure over the coming months, according to the assessment of the Île-de-France Chamber of Notaries.

a. In Île-de-France

2015 was marked by a sharp rise (+17%) in volumes of sales of old apartments compared to 2014, i.e. approximately 15,000 additional sales. The upturn in business was above all seen in the second half of the year, with two very good final quarters.

As for the price of apartments in Île-de-France, it remained quite stable in 2015 (-1% in a year). The price per m² was €5,260 at the end of 2015 compared to €5,310 at the end of 2014. The advanced indicators on preliminary contracts show that the price stability observed in 2015 for old apartments should continue for the start of 2016.



b. in Paris

In 2015, the number of old apartments sold in Paris increased by 20% on 2014. This change is greater than that observed in the Inner Suburbs (+15%) and in the Outer Suburbs (+18%).

This high number of transactions follows several years of low activity. However, the volume of sales recorded in 2015 still remains below (-11%) the average for the period 1999-2007.



In line with the last 6 quarters, the price of old apartments remained stable at the end of 2015 in Paris and continues to fluctuate around €8,000/m², with a price of €7,890/m² in December 2015. As on the scale of the Capital, prices in the most expensive and the least expensive districts remained quite stable in 2015.

The high variation observed in the Champs-Élysées district is accounted for by the structure of the properties sold. In the 4th quarter of 2015 there was a difference of approximately €8,300 between the Champs-Élysées, the most expensive district in the Capital and Pont de Flandre, the least expensive district.

Les quartiers les plus abordables

Arr.	Quartier	Prix/m ²	Évolution sur 1 an	Évolution sur 5 ans
19	Pont de Flandre	5 740 €	0,9%	7,7%
18	La Chapelle	6 130 €	0,8%	9,9%
19	Amérique	6 290 €	-0,5%	11,5%
19	La Villette	6 300 €	2,8%	13,7%
18	La Goutte-d'Or	6 340 €	6,2%	17,4%

Les quartiers les plus chers

Arr.	Quartier	Prix/m ²	Évolution sur 1 an	Évolution sur 5 ans
8	Champs-Élysées	14 050 €	25,2%	-6,8%
7	St-Thomas-d'Aquin	13 240 €	-0,9%	14,0%
7	Les Invalides	12 700 €	-7,0%	9,1%
4	Notre-Dame	12 670 €	n.s.	n.s.
6	St-Germain-des-Prés	12 590 €	n.s.	0,2%

B. OFFICE REAL-ESTATE IN PARIS AND ÎLE-DE-FRANCE

1. Office real-estate in Île-de-France

In spite of an increase in volumes at the end of the year as a result of major transactions, such as the La Poste lease (42,500m²) in the Lemnys building in Issy-les-Moulineaux, or Novartis (42,000m²) in the Les Fontaines building in Rueil-Malmaison, major transactions (> 5,000m²) fell by 16% in volume and 11% in number compared to 2014. However, small and medium floor areas increased (+12%), whether from 0-500m² (+10%), from 500-2,000m² (+13%) or from 2,000-5,000m² (+14%).

The re-focusing of users on traditional business districts particularly benefited inner Paris, which concentrated 43% of volumes located in Île-de-France in 2015. Transactions there increased by 15% compared to 2014, whether in the Central Business District (CBD) (+18%) or in districts outside the CBD (+11%).

With an increase in volume of 92%, the Boucle Sud (Boulogne-Billancourt, Issy-les-Moulineaux, Meudon, Sèvres, St-Cloud) very easily outperformed sectors outside Paris, and saw increases for both large floor areas (+283%) and small floor areas (+13%). Though the La Défense area also recorded an increase in volumes compared to 2014 (+27%), other geographical sectors had a harder time. Despite confirming its attractiveness, by attracting new users from outside the area, La Défense suffered from a lack of transactions for large floor areas, and saw a fall of 41% in marketed volumes. Though the southern inner suburbs and the outer suburbs equalled their 2014 performance, the volumes located in these sectors were far from achieving their 10-year average. In other sectors, transactions were down.

The floor area available within a year as of 1st January 2016 was 4.85 million m², down by 2% compared to the end of 2014. The proportion of new premises in turn continues to fall, now accounting for only 19% of the total available floor area, i.e. 960,000 m². However, the floor areas under construction in Île-de-France increased by 31% in a year, to reach 820,000 m². The vacancy rate in Île-de-France remained stable compared to the third quarter, at 7.4%. In spite of a decrease of 0.9 points over the last three months, the La Défense area still recorded the highest vacancy rate in the region, i.e. 16.9%. With 15% vacancy, the Boucle Nord (Argenteuil, Asnières, Colombes, Clichy, Bois-Colombes, Gennevilliers & Villeneuve-la-Garenne) also remains well above the regional average. On the contrary, inner Paris maintained the lowest vacancy rate, with 4.7 %.

2. [Office real-estate in Paris](#)

a. [Annual transactions inside and outside of Paris Central Business District in 2015](#)

2015 transactions inside and outside of Paris CBD were 950,000 m², compared to 829,000 m² in 2014, i.e. an increase of +9.3%. Paris accounted for 43% of offices marketed in Île-de-France in 2015.

Paris CBD:

Transactions for all types of property together rose from 378,000 m² in 2014 to 447,000 m² in 2015. Transactions for Paris CBD in 2015 rose in comparison with those for 2014 by +18% (+ 69,000 m²).

Paris non-CBD:

Transactions for all types of property together outside of Paris CBD rose from 451,000 m² in 2014 to 503,000 m² in 2015 making a rise of +11.5% (+ 52,000 m²).

b. [Rents](#)

As for "prime" headline rents, after having recorded an increase in the 3rd quarter, the "prime" rent of the Central Business District stabilised at €720 for the second consecutive quarter. On the contrary, in La Défense, it fell, standing at €515/m²/year.

As for incentive measures, they have changed very little but remain at a high level in all sectors. "The market continues overall to offer a high level of available floor area, and negotiating conditions are still advantageous for businesses. This trend is notable on large floor areas. This extra incentive can probably explain the conclusion of certain transactions at the end of the year" (*M-L Leclercq De Sousa*).

c. [Vacancy rate inside and outside Paris CBD](#)

The vacancy rate in the 4th quarter 2015 in the Paris CBD was 4.7%, sharply down compared to the previous year when it stood in the 4th quarter 2014 at 5.7%.

For Paris Non-CBD the vacancy rate fell slightly to stand at 4.8% in the 4th quarter 2015 compared to 4.9% in the 4th quarter 2014.

MUNICIPAL POLICY FOR THE ECONOMY AND EMPLOYMENT IN PARIS

The issue of economic development and employment is interlinked with issues connected to real-estate, entrepreneurship, innovation, tourism, trade, professional training, higher education and international attractiveness. It is a complex dynamic which can be understood from an overall perspective; Anne Hidalgo's new term of office takes this approach and displays a great desire to make Paris a *"benevolent, harmonious, sustainable and intelligent city, at the forefront of the urban transformations and innovations rendered necessary by the issues of climate, housing, changes in social lifestyles and modes of working"* (Anne Hidalgo).

In the road maps sent to the elected representatives more directly in charge of economic issues, the emphasis is therefore placed on:

- a very ambitious urban development policy with the continuation of major urban projects already begun, the development of numerous other projects (Bercy-Charenton, Foch-Dauphine-Auteuil and the call for projects "Réinventer Paris"), the stimulation of the housing sector and modification of the PLU (city urbanism plan)
- the encouragement of entrepreneurship (support, funding, places in business nurseries; etc.) and support for small businesses in the area
- the advent of Paris as a Smart City ("Arc de l'Innovation", spreading innovation throughout the city)
- taking the metropolitan dimension into account in Paris economic strategy,
- support for cultural businesses, artistic professions, fashion, design and local shops
- the desire to make Paris the world's number one Campus-City
- better matching of supply and demand in terms of employment
- the development of a Paris "Tourist Development Programme" with a multi-year strategy for attracting tourists, and a Destination Paris Committee, a tool for coordinating and pooling actions and ideas to promote tourism.

I. THE ECONOMIC POLICY OF THE CITY OF PARIS

A. CORPORATE REAL-ESTATE

The Directorate for Attractiveness and Employment works on the economic programming of Paris development operations, monitors demand for corporate real-estate, training, teaching and research centres in conjunction with the Directorate for Urban Planning and the Paris & Co Agency for Economic Development and Innovation (searching for sites to which major businesses can move, etc.); it also develops real-estate operation projects for the hosting of start-ups in incubators, nurseries, business hotels, shared premises, co-working spaces and on research platforms.

Paris has initiated many corporate real-estate schemes, designed to promote economic activity and research in the capital.

Several modes of management are possible:

- direct management when the city owns and manages the property (as is the case with the Taillandiers and Les Frigos craft workshops, and Ateliers de Paris);
- business hotel management agreements (agreement 80) which involve 16 buildings, the setting up of which is currently being modified;
- building leases, long-term leases, administrative long-term leases, public services delegations (PSD) for business incubators, nurseries and business hotels and other business premises, as well as for indoor markets, commercial premises, craft courtyards and premises.

Economic development is therefore one of the City's main priorities: it has been developed and supported since 2001 by the construction of new real estate stock which is more diverse and more flexible allowing new emerging sectors to be accommodated.

Municipal policy on economic development has led to the creation of a total of approximately 360,000 m² of commercial real estate including:

- 220,000 m² of premises for the use of craft and manufacturing businesses for the first buildings created between the 1980s and 2001;
- 41,000 m² of business hotels and nurseries for new businesses and innovation economy businesses created between 2001 and 2008;
- 100,000 m² since 2008, accommodating the new economy sector since the beginning of the 21st century (human health, biotechnology, e-health, smart cities, environmental activities, construction and energy, publishing, digital, finance, design, aeronautics, personal services, services for businesses, social and solidarity economy, e-learning, circular economy, sport, leisure and culture, etc.).

To this can be added more than 200 sets of premises dedicated to the creative and design industry, epitomising the expertise of France and the capital: Ateliers de Paris Rue du Faubourg St Antoine (12th arrondissement), Ateliers Paris Design Rue Faïdherbe (11th arrondissement) in collaboration with the Boule, Duperré, Estienne and Olivier de Serres schools, Viaduc des Arts and its incubator, Frigos and M1D on the left bank of the Seine, Mila for supporting music production (20 sets of premises), and Fontaines O livres, etc.

A new dynamic has also just been set in motion, that of the Arc de l'Innovation: this involves "creating an additional 100,000 m² of incubators and an "Innovation Arc" between Porte de Versailles and Porte de Clichy, a mixed area which includes universities, start-ups and nurseries, in order to enable the development of a new area focused on knowledge and innovation" (Anne Hidalgo): establishments devoted to innovation, places of research, teaching, accommodation and new forms of commerce, etc. The project will also incorporate spaces connected to what are referred to as the new forms of economy: the sharing economy, the circular economy, and the collaborative economy, etc. so it's about rethinking our ways of manufacturing, travelling, living and getting around etc. and drawing conclusions with regard to real estate and construction.

The development of this new type of urban planning near the ring road and in the surrounding areas, partly connected by the tram line, would thus allow us to broach a new policy for those areas which have always been the subject of development policies in Paris; this dynamic should allow us to rebuild and repair links between Paris and its periphery, to erase urban, social and economic divisions, to gradually span the ring road and create the Metropolitan Area.

The "Innovation Arc" is intended to produce this effect, and embodies the new urban development project backed by the City, aiming to establish urban and economic continuities in expanding sectors. This Innovation Arc will connect all developing neighbourhoods, which still have rights-of-way which can be altered and developed: wasteland, land below the ring road, SNCF land, sites which can be regenerated or transformed, "invisible" land, Paris above and below ground capable of changing use, capable of producing new useful space, capable of inventing new forms and capable of accommodating the "smart city".

It will also stimulate the future locations of sites dedicated to innovative businesses, both in Paris and in the area of the “Petite Ceinture” railway. The Innovation Arc, following the lines of the ring road, the tram line and the Petite Ceinture railway, represents in a kind of way the inner boundary of the Metropolitan Area.

So the geography of the Innovation Arc should initially be that of the working class districts of the City: Porte Pouchet, Porte Saint Ouen, Porte de Montmartre, Porte de Clignancourt, Porte de la Chapelle, Porte d'Aubervilliers, Porte de la Villette, including the wider north-eastern Paris area, Porte des Lilas, Porte de Bagnolet - Python Duvernois, Porte de Montreuil, Porte de Vincennes, Saint Blaise, Bercy-Charenton, Paris Left Bank, Bédier-Porte d'Ivry, Porte de Vanves and Porte de Versailles, Porte d'Auteuil, Porte Maillot and Porte des Ternes, etc.

B. SUPPORT FOR YOUNG BUSINESSES AND INNOVATIVE SECTORS

The City of Paris is working to facilitate the development of businesses in order to increase local employment and the attractiveness of Paris at international level. These objectives are implemented through several support schemes and via large structural projects. In 2015, the City of Paris launched new projects aiming to pursue the establishment of innovation and economic activities in the city. This move towards a smarter and more connected city presupposes total cooperation between Paris and economic stakeholders. Businesses and industrialists accordingly played a special role in the creation and implementation of the Innovation Arc project, officially launched on 17 December 2015 by the Mayor of Paris and the presidents of the territories of north-eastern Paris.

1. Accommodation for businesses

Paris & Co, a result of the merger of the Paris Region Innovation Laboratory and Paris Développement, has fulfilled the role of City of Paris Committee for Economic Expansion since 1st January 2015. This committee is in charge of developing Paris's international attractiveness, implementing support for innovation in Paris incubators, experimentation with innovative solutions by businesses in the region as well as the organisation of events promoting the local economy. With the support of the City of Paris, Paris & Co accommodates and assists around 200 start-ups per year with their development, on 10 different sites. The last of these, Cargo, which opened on 8th March 2016, is the biggest incubator in Europe, covering 15,000 m².

Accommodation and support for innovative start-ups is also offered within the network of incubators with “Paris Innovation” accreditation. These incubators, both public and private, offer legal and strategic advice as well as low-cost accommodation to the businesses they house.

This policy for the accommodation of young innovative businesses in the Paris area has been developed as a result of the implementation of the Paris Incubator / Nursery Plan. The ambitious aim of the 2008-2014 term of office, building 100,000 m² of business incubators and nurseries, was exceeded, now making Paris, with 130,000 m² of incubators, the number one European city for hosting start-ups.

These incubators focus on different themes in order to meet as broadly as possible the needs and expectations of innovative young businesses: design, e-health, smart city, aeronautics, construction, energy, publishing, digital technologies, video games, etc. Several new innovation platforms continue to complete and reinforce the supply of accommodation for innovative businesses in the area:

- Welcome City Lab, the largest international incubator for tourism, opened its doors in September 2014. A result of a collaboration between the City of Paris and numerous partners such as Aéroports de Paris, Air France and Sodexo, the incubator offers businesses a dedicated space of 1000 m² where they can create the tourism of tomorrow. In 2016, this innovation platform shall move to Mattei Towers, near Gare de Lyon, to further develop its offer to start-ups and extend to companies that are “taking off”.

- Le Tremplin, the first incubator in the world dedicated to innovation in sport opened on 8 April 2015. This incubator accommodates 17 start-ups involved with innovation in sport (new technologies, data, seat sales, etc.). Managed by Paris & Co, this incubator is supported by many partners such as INSEP, UCPA, La Française des Jeux and Bercy Arena. In May 2016, thirty or so businesses, i.e. two years of admissions, will enter the incubator's new premises in the Jean Bouin stadium in the 16th arrondissement.
- The Le Cargo innovation platform, located on Boulevard MacDonald (19th), was opened in 2015. This building offers young innovative businesses in the digital content sector premises and support services at low costs. It is made up of 125 lots between 30m² and 120 m² in size, with 3,000 m² devoted to the incubator, 7,000 m² to the business hotel and 2,800 m² for miscellaneous and communal use. It is intended to be a place of reference for the Metropolitan Area, combining on the same site a multiple offer of uses and practices bringing together entrepreneurs, researchers, artists, students and training in the digital sector.
- The Smart Food innovation programme, dedicated to the food industry, will welcome its first admissions in mid-2016. Its aim is to help young innovative businesses to emerge that will contribute to reinventing gastronomic and food culture.
- The "Real-estate of tomorrow" incubation programme covers a broad scope: building information modelling (BIM), new lease-on-demand practices, new heating solutions and even urban agriculture. In 2016, it will welcome a first selection of 20 start-ups to the Nord Express building, the 8,000 m² incubator dedicated to sustainable cities in the 18th arrondissement.
- Following the Les Halles restructuring project, a 1,400 m² space under the Canopy called La Place will house a hip-hop cultural centre including a project incubator to promote the entrepreneurial dimension of hip-hop from mid-June 2016.

2. Funding

Several economic sectors are funded by the City of Paris. Support is offered to start-ups, SMEs and research laboratories by several different schemes.

Paris Innovation Seed Fund (PIA), created in 2009 is a scheme which is the result of a partnership between the Department of Paris and Bpifrance Île-de-France. Its role is to financially support young innovative businesses in the creation, project launch and development stages. PIA is a fund which completes the range of services (welcome, accommodation and support) offered by the two financial backers to people proposing projects and young businesses developing innovative projects in the capital, in incubators with "Paris Innovation" accreditation.

Since 2009, PIA has been funded equally by the Department which tops up the funds, and by Bpifrance Île-de-France, which invests in projects in the same proportions and manages the funds. In 2015, the Department invested €3.5m, leading to an equivalent innovation-based contribution by Bpifrance Île-de-France, bringing the total amount of funds to €35m since its creation.

This fund finances three business support schemes. Firstly, it is made up of a start-up fund for businesses incubated in the "Paris Innovation" network, offering them grants of €30,000. It also supports innovative businesses admitted in the take-off phase to "stage 2 incubators" with "Paris Innovation" accreditation via repayable advances between €50,000 and €100,000. Finally, this fund is used to fund experimentation projects for innovative solutions in the Paris area. A framework agreement on experimentation in Paris (with or without use of public property) was also approved in 2015 by the Council of Paris, in order to facilitate its implementation and development.

In 2016, it was decided to abolish the third payment of repayable advances for developing businesses, in the "take-off" phase. It in fact appears necessary to refocus the assistance provided on supporting fund-raising during the start-up phase and initial development, particularly given all the assistance provided by the Region and BPI, which already aim numerous measures at young innovative businesses at a more advanced stage.

A fund for the guarantee of bank loans managed by BPI Île-de-France is also made available to businesses. This fund is non-specific to innovation and open to very small enterprises and SMEs in Paris and guarantees 70% (up to €730,000) of the finance agreed by a bank for investment projects, working capital requirements or cash consolidation. In addition, every business benefiting from the scheme must fill in a Social and Environmental Responsibility (SER) questionnaire describing the actions that shall be taken to tackle these issues.

Innovation is also financed via the support provided to competitiveness clusters. In 2015, the Department of Paris financially supported via operating grants six French State-accredited competitiveness clusters of international status by financing for the first time Mov'éo, the number one transport and mobility competitiveness cluster in France:

- Cap Digital Paris Region (€90,000)
- Medicen Santé Paris Region (€40,000)
- Systematic Paris Region (€80,000)
- Advancity (€20,000)
- Astech (€20,000)
- Mov'éo (€10,000)

The competitiveness cluster policy was introduced in 2005 in order to increase the competitiveness of the French economy through innovation. The clusters have three main roles. First and foremost, to break down the barriers in terms of research and development (R&D) activities between public and private stakeholders in France and promote investment in research and innovation in the private sector. They contribute via their actions to the growth of small and medium enterprises (SME) in high-potential sectors to increase the number of middle-market companies (MMC). Finally, they reinforce the competitiveness and attractiveness of areas by promoting collaboration between stakeholders in a given area and by creating a local innovation and growth ecosystem.

Accordingly, the City of Paris supports major events organised by the clusters. Futur en Seine, for example, organised by Cap Digital, is devoted to digital creation and aims to become a cultural and technological event on an international scale, helping to increase the visibility of the activity of stakeholders in the Île-de-France digital sector. The Open World Forum, renamed Paris Open Source Summit in 2016, organised by Systematic, represents the number one European Free and Open-Source event.

These competitiveness clusters back collaborative R&D projects between businesses and research laboratories supported by the FUI (Single Inter-ministerial Fund). The Department co-finances projects via investment grants awarded to SMEs and research laboratories. In 2015, two annual calls for projects managed by the FUI resulted in the following departmental assistance:

- for the 19th call for projects, the Department's efforts were concentrated on 2 projects, Sécur'Sport at the Cap Digital cluster (€147,756) and Nenufar at the AStech cluster (€139,620)
- or the 20th call for projects, the Department focused its aid on 2 Medicen projects: Somnonaute (€28,155) and papEOS (€200,000).

The City of Paris's action in favour of businesses is not limited to innovation. The City thus allocates grants to the activities of clusters or local production systems such as NUMA, Capital Games, the eau-milieux-sols cluster and Durapole.

At the same time, the City supports private entrepreneurship funding networks. Paris Initiative Entreprise funds the takeover and development of businesses and the development of employment-generating associations via unsecured loans or bank guarantees. The Réseau Entreprendre Paris helps businesses with high development potential via unsecured loans. In addition, the Paris authority supports Scientipôle Croissance, which supports and advises innovative start-ups supported by the Scientipôle Initiative association, which also offers unsecured loans.

Finally, Paris is a partner of Pacte PME, a scheme which promotes SME access to procurement contracts via meetings between public sector buyers and innovative businesses. Pacte PME has also set up a one-stop shop for innovation, allowing SMEs to propose new open innovation solutions to major clients.

3. Promotion and support for the activities of Paris businesses

The City of Paris' experimentation policy, which has been in place since 2009, has the aim of allowing businesses in the area to test their products under real conditions within the municipal public domain. These experiments with innovative goods and services in the Parisian public domain continued with operational support from Paris & Co. Accordingly, since 2010, ten calls for projects have been launched, covering everything from smart street furniture to innovative greening as well as the energy efficiency of buildings. Overall, more than 60 experiments have been put in place in Paris (mushroom farms using coffee grounds as substrate, energy consumption monitoring tools, fun street furniture, etc.).

Because the cultural economy is a driver of economic development, the administration's investment plan includes €6m over the administration to favour the emergence, development and adaptation to new standards of local stakeholders in the cultural sector. Two areas of intervention were selected for this investment programme, with a plan to support concert halls and a plan to support stand-out cultural businesses (book shops / music shops / galleries) including support for the existing network.

The City of Paris, with the support of Paris & Co, also seeks to promote the richness of the Paris innovation ecosystem internationally. The attractiveness of Paris is based on two areas of action: welcoming foreign businesses to the area and the internationalisation of local businesses. In addition to supporting any business moving to Paris, the aim of the municipality is to achieve a ratio of 30% of innovative start-ups in Paris incubators during the 2014-2020 term of office. On the other hand, the City of Paris is setting up partnerships with foreign cities in order to make exports easier for Paris-based start-ups and SMEs. As part of these partnerships, Paris is twinned with London and New York. Paris & Co also launched a new welcome plan for foreign businesses, Paris Landing Pack, with the aim of making it easier for international businesses to move to the capital by offering incubation and accommodation solutions.

A year ago, the City of Paris and the French Tech mission jointly launched the "Paris French Tech Ticket" programme, aimed at foreign entrepreneurs with an ambitious project to create or develop a start-up. Following the call for projects launched in May 2015, 1,372 candidates from more than 100 countries submitted bids to create their start-up in Paris. Following a selection process lasting several months, 50 entrepreneurs were selected and arrived in Paris in January 2016. This first admission was honoured at the City Hall "Hacking" on 22 March 2016 on the theme of "Start-ups without borders", featuring 3,000 participants from 50 countries. A second admission is expected in January 2017.

Finally, the City of Paris also provides assistance for businesses by managing an innovation and entrepreneurship network in Paris. Numerous events are organised by the City in partnership with Paris & Co and major clients via the Open Innovation Club, which currently has more than 70 members representing most of the major firms on the French stock exchange. The aim of these events is to promote the start-up projects of the "Paris Innovation" network, to facilitate meetings between investors and start-ups and to promote innovation and entrepreneurial spirit in Paris. For example, in 2015, the 14th edition of the City of Paris Grands Prix de l'Innovation recognised 7 businesses, in the following categories: digital technologies, health, environmental innovation, social welfare, cultural and creative industries, services for individuals and services for business. Each prize-winner, chosen from more than 520 start-ups that applied, received a cheque for €12,000 and was also allocated a place in one of the City of Paris' incubators.

Paris' innovation policy, which aims to make Paris a global centre for start-ups and for innovation in general, was also recognised on 8th April 2016 at the European Capital of Innovation contest organised by the European Commission. Its strategy, based on open innovation, connectivity, creativity and collective intelligence was accordingly recognised on a continental scale and places it among the 3 most innovative cities in the EU in 2016.

Finally, on 26th March 2015, as a prelude to COP21, which was organised from 29 November to 11 December, Anne Hidalgo welcomed the Mayors of major European cities to Paris City Hall. At the instigation of the Mayor of Paris, they examined ways to pool authorities' procurement contracts, and to incite the industrial sector to develop its investments in clean, sustainable and environmentally-friendly technologies.

COP 21 was also an opportunity for the City of Paris to demonstrate to Parisians, with demos organised in public places (Banks of the Seine, City Hall, Bassin de La Villette lake), the latest equipment and innovations helping to tackle climate issues.

4. Les Ateliers de Paris

This organisation, composed of two incubators and one nursery and dependent on the Directorate of Attractiveness and Employment, is dedicated to the development of creative businesses in the sectors of art and crafts, fashion and design. With exhibitions, economic support, training and an incubator, Les Ateliers de Paris make up a real network, a complete support structure for the creative professions, either accommodated or operating elsewhere, with an event-based dynamic in the Faubourg Saint-Antoine and elsewhere.

a. Support and promotion

The Pôle Conseil advice centre accommodates, informs and supports businesses and future entrepreneurs with assistance from various specialists. There are also group training sessions to look into business management issues.

The Ateliers de Paris economic support component involved the following in 2015:

- 40 projects permanently accommodated in the 3 incubators: After the departure in September of the first admission hosted by Ateliers Paris Design, 136 applications were submitted to join the incubator, 15 applicants were selected and joined the incubator in September, 6 were placed on a waiting list, 2 of which joined over the following months.
- 220 individual consultations given by consultants specialising in management, communications, law and accountancy: 200 by the Geai Incubator, 100 by BGE and 180 by the Ateliers de Paris team.
- 80 training courses offered and 600 beneficiaries.
- More than 5,500 requests for information were recorded. These requests concern calls for applications (Grands Prix de la Création, Development Awards, etc.), searches for business premises, assistance and training, the ADP incubator, different events such as exhibitions or the professionals presented.

Regarding the **promotional aspect**, with 7 exhibitions and a presentation of the collections of 4 fashion designers, the gallery hosted exhibitions for 100 creative professionals in 2015 and welcomed approximately 17,000 visitors. The exhibitions covered a wide range of creative professions by focusing either on a theme (innovation), a colour (green) or on a group of creative professionals (craftspeople from Kyoto, Grand Prix winners, young graduates from applied arts schools, fashion designers and even residents of the Ateliers during D'Days). The gallery also hosts events such as Pop-Up stores, private sales and sales of fabrics organised by Ateliers de Paris residents.

Every year, the City of Paris awards **6 Grands Prix de la Création**, in three disciplines: fashion, design and arts & crafts. For each field, a beginner creative professional (who has been active for less than 3 years) and an experienced creative professional (active in France for more than 3 years) are recognised. 161 applications were submitted in the 3 disciplines. After pre-selection, 53 were chosen and presented to juries of qualified persons on 3 successive juries. The winners each receive a €8,000 grant. In 2015, partners topped up these grants. For fashion, the French women's prêt-à-porter federation gave €10,000 to be shared between the two winners and for design, Galeries Lafayette gave €10,000 via the Paris Création grant fund. Finally, One Muze awarded the winner in the experienced arts & crafts category a grant of €2,000 and funded the making of a video report: the winner in the beginner category received services and assistance worth €2,695.

An additional prize was awarded, the Paris Ireland Design Exchange award. The winner was Clément Bazille, who will spend 4 months in Kilkenny in 2016.

In 2015, 10 **development awards** of €10,000 each were allocated by the City of Paris to young people finishing their training, or to people retraining for the artistic professions. Thirty of so applications were received and analysed by the Jury. These awards recognise young adults, with or without qualifications, who have a real professional integration project in one of the 217 artistic professions concerned: leather goods, picture restoration, cabinet-making, etc.

Ateliers de Paris participated in **8 events external events**: 11th arrondissement town hall arts & crafts fair, artistic professions days at Viaduc des Arts, Objets de Visite, Salon Révélation, Design de Jeunesse at the 17th arrondissement town hall, Nuit Blanche at Kyoto, Salon Traffic, Esprit de Paris at the Musée Carnavalet, shop-in-shop at the Paris Rendez-Vous Boutique, Materials in Movement Workshop with the association Générations Boule.

15 grants to associations were awarded by Ateliers de Paris. These grants support the work of managing the network of professionals done by associations such as Viaduc des Arts, Gouttes d'Or de la Mode et du Design and 37bis Rue de Montreuil. This management involved the creation of a partnership for the organisation of events at the Viaduc des Arts such as the Viaduc's 20th anniversary celebrations during Nuit Blanche, JEMA and D'Days; supporting Goutte d'Or association on a range of subjects: meetings with experts in the legal and business fields, examining actions; coordination to organise group training sessions at the Goutte d'Or on different subjects led by Ateliers de Paris instructors.

Ateliers de Paris was also mentioned 124 times in the written press, and a dozen times on radio and TV.

b. Expertise and juries

The Ateliers de Paris team offers its expertise to numerous partners in the sector. It also sits on the juries for many awards as well as schools (49 juries).

- Advisory sessions for businesses applying to join incubators (monthly).
- Jury for the Voyager programme to learn about artistic professions organised by Fondation Culture & Diversité.
- Juries for diplomas: ESMOD, Mod'art, Duperré, Mod Spé, ENSAAMA, FORMAMOD, CREAPOLE, LISAA, Strate Collège.
- Juries and commissions: Prix Bettencourt Schuller, Esprit de Paris contest, Ateliers d'Art de France contest, Commission des Maîtres d'art, the Institut National des Métiers d'Art's Prix Avenir, Prix de l'Observateur du Design, Grand Prix du Luminaire, Défi Innover Ensemble, Un des Meilleurs Ouvriers de France glass-blowing section.

c. Presentations and conferences

Presentation of Ateliers de Paris at the Boule and Duperré schools, involvement in Assises de la Jeune Création - Training work group.

Conferences at the Traffic fair, Révélations, at Atelier Néerlandais, at the Gaîté Lyrique, at the study days of the National Institute for Artistic Professions, Assises de la Jeune Création, the Commission Fabriquer à Paris, ISM design and artistic professions conference.

Organisation and participation at the Conference on the Kyoto Contemporary project at City Hall.

d. Travel and reception

Trip to Saint Etienne for the Biennale de Design. Trips to Milan, Taiwan, Carrara, Brussels and Kyoto.

Reception of an Irish delegation for the Ireland design programme (ambassador and minister of design) and visit of the Ateliers Paris Design incubator. Other delegations: South Korean, Italian, Cameroon fashion design centre, Chinese buyers in partnership with VIP in Paris, Delegation from Wuhan (China), Delegation from Quebec.

e. The Ateliers de Paris fund

The Ateliers de Paris fund for creative professions (PARISCREATION grant fund) was again supported by several sponsors in 2015 (€165,100 for projects completed or started in 2015).

The Fondation Bettencourt-Schuller continued to support the Viaduc des Arts incubator in the 12th arrondissement (€86,000), providing support for 5 companies (6 creative professionals).

Crédit Agricole / Paris Regional Directorate contributed €20,000 to an exhibition and workshop by creative professionals at the Viaduc des Arts for the Journées Européennes des Métiers d'Art (27-29 March 2015).

Support from the company Victoire (€4,500) helped to fund a residency featuring both French and Belgian designers supported by Ateliers de Paris and the Mad Brussels incubator, on a project to reuse materials in partnership with the Emmaüs Défi waste sorting and recovery centre (Paris 19th) and Les Petits Riens (Brussels). This project aims to model, with the aim of developing a global design approach, a production process that can be duplicated at other reuse structures committed to social integration (involvement of employees in integration programmes). The project was launched in December 2015 and shall be finalised and promoted in 2016.

In partnership with Ateliers de Paris, the PARISCREATION fund also launched the 1st edition of the **Esprit de Paris contest**. This contest, inspired by the approach adopted since 2011 by the city of Montreal "Code Souvenir Montréal", invited creative professionals and emerging brands from Paris and Île-de-France to propose objects evoking this "spirit of Paris". Out of the 150 objects presented (67 applications), 37 objects proposed by 23 creative professionals were selected by a jury of recognised professionals. They were included in a catalogue and proposed to buyers, businesses and institutions that wanted to offer their clients or partners original and creative gifts.

Ateliers de Paris continued their **partnership with ESSEC**, with support provided by Masters students to 8 businesses and entrepreneurs, residents and former residents of Ateliers de Paris, regarding one or more components of their activity (business model, communications strategy, business management, international strategy, etc.).

Monitoring of the 12 successful applicants for the **CARASSO support programme** (€54,600) 1st session and selection out of 16 applications received from 9 new beneficiaries of this programme enabling entrepreneurs in artistic professions to receive help to develop their activity from 3 experts (management, marketing, communications and web).

Launch at the start of 2015 of the support programme aimed at businesses in fashion, design and arts and crafts that are already involved in the social and solidarity economy and want to consolidate and develop their activity, 14 businesses benefited from this support over the year.

C. TOURISM

Paris was the number one tourist destination with 50.3 million visitors in 2015 over the whole of "Destination Paris". This attractiveness drives continuous improvement of the reception of visitors, enrichment of their experiences, stimulation of the economic impact of their visits, by continuously proposing an updated and increasingly personalised offer.

In June 2015, the Mayor of Paris met for the first time the Destination Paris Committee, set up to discuss and jointly develop solutions and projects combining all tourism stakeholders, including public, institutional and associative partners, major firms, transport companies, cafés, hotels and restaurants, shops, culture and leisure sites, with the aim of producing a tourism development strategy for the administration that is environmentally-friendly, sustainable, participative, interactive between the districts' inhabitants and worldwide visitors.

1. Reception / Information / Promotion

The City contributes to funding the Paris Convention and Visitors Bureau (covering 62.2% of its expenses in 2015) which manages every year actions in favour of tourist reception and information, particularly via its website www.parisinfo.com and its physical information points (Rue de Rivoli and Rue des Pyramides, Gare de l'Est, Gare du Nord, Gare de Lyon, Anvers-Montmartre kiosk in the 18th).

The City also works:

- to improve tourist facilities at the Gare du Nord as part of the station renovation project;
- to develop innovative solutions to guide tourists in public areas for Euro 2016;
- to reinforce tourist reception in public areas for the most vulnerable people by deploying young alternative civilian service volunteers on the busiest tourist sites.

These information and reception measures are backed up by two "culture/tourism" reception kiosks managed by a private-sector service provider (square in front of Gare Montparnasse in the 14th and Place de la Madeleine in the 9th) as well as support provided to the Montmartre tourist office in Place du Tertre (18th arrondissement).

Tourism promotion is mainly carried out by the Paris Convention and Visitors Bureau which organises initiatives targeted at traditional markets (Europe, North America, Japan) and rapidly emerging markets (Asia, South America, Russia, the Middle East, etc.).

2. Tourist accommodation

The City continues to implement the "Hotel Plan" with the objective of creating 12,000 rooms throughout the Metropolitan Area including 6,000 in inner Paris. To achieve this objective, available municipal land or land in development areas for tourist accommodation projects (hotels, hotel resorts, youth hostels) is closely monitored, projects on private land are pinpointed, and investors and businesses are kept informed and provided with support.

The City encourages and especially supports the opening of tourist accommodation for young people and families.

It supervises seasonal tourist rentals and alternative accommodation in guest rooms.

It decided to work in conjunction with other authorities in Greater Paris in order to share data, identify ongoing projects, and develop joint promotion in order to increase the metropolitan area's accommodation capacity.

3. Business tourism

The City works, in conjunction with the tourist office's convention bureau, to support Paris as a candidate for major international conventions and trade shows and to promote them being held there. This sector is particularly strategic for Paris, both in terms of the economic benefits it generates in the area and the international awareness that it raises. With €5.5bn of economic benefits and nearly 35% of hotel nights in Greater Paris in 2014/2015, Paris tops the international rankings for business tourism. According to the ICCA (International Congress and Convention Association) rankings, Paris has topped the tables since 2013 ahead of Vienna, Barcelona, Berlin, London, Singapore and Beijing. Constant hard work and investment is required to maintain this position faced with highly aggressive international competition. Against this backdrop, the company that holds the concession for the Porte de Versailles exhibition centre, which is owned by the City, began in 2015 a major 10-year equipment renovation project. At a cost of €500m excl. VAT, the programme includes the renovation of two thirds of the centre, the construction of a 5,200-seat modular conference centre, a gastronomic restaurant, 52,000m² of green proofing and a 440-room hotel complex, a service hub, plus various shops including an innovation cafe that shall bring the site to life.

4. Participative and creative tourism

Paris wants to make tourism an industry that respects the quality of life of Parisians but still proposes another way of discovering the capital, creating opportunities for encounters between tourists and Parisians (city walks, guest rooms, meals in local people's homes, events such as "Paris Face Cachée", treasure hunts, etc.).

5. Tourism innovation

In April 2014 Paris opened the world's first incubator devoted to innovative start-ups in the field of tourism, the "Welcome City Lab", an incubation, training, experimentation and monitoring centre.

The purpose of the Welcome City Lab is to identify future international tourism business ventures, to support their growth and create a true innovation culture in the Paris tourism industry and also to encourage start-up businesses to become involved in the leisure tourism sector. The WCL's start-up businesses propose new ideas and can identify new openings, allow experimentation with new services, new ways of receiving tourists, offering them a unique experience in Paris, a new way of travelling. The site offers entrepreneurs the possibility of developing and testing their solutions in partnership with the major groups associated with WCL.

6. Sustainable tourism, tourism for everyone

In conjunction with the City's services, the Paris Convention and Visitors Bureau implements a strategy to assist hotels with improving their environmental management.

At the Paris Convention and Visitors Bureau, professionals, institutions and public authorities discuss and standardise good practices. The Convention and Visitors Bureau encourages its members to take account of the specific needs of disabled customers and promotes adapted offers. Since 2013, a specific guide and French/English bilingual map have been available for download on parisinfo.com to allow visitors to enjoy the full range of accessible activities.

Paris also supports holiday assistance schemes for Parisians with modest revenues, holidays and recreation for the disabled, and associative tourism.

7. Destination Paris Committee and Tourism development programme

A Destination Paris Committee was created to coordinate, pool and converge initiatives for tourism development in Paris and to set up a “Tourism Development Programme” which will formalise the multi-annual strategy of the City of Paris and all those involved in tourism.

This strategy must reach beyond strict tourism policies (reception, information, accommodation, promotion), and cover all Paris' public policies relating to tourist interests and experience: safety, hygiene, transport, culture, green spaces, etc.

A four-phase action plan is being implemented:

- to put the City in a situation to coordinate all Paris' public policies with an impact on tourism;
- to draw up an objective review of the situation and identify the areas of work for the Destination Paris Committee;
- to consult and develop solutions on the Destination Paris Committee;
- to develop and implement a tourism development programme.

This programme will be prepared by the City of Paris, based on the work of the Destination Paris Committee. It will set the direction of public tourism initiatives and will become the roadmap for cross-mobilisation of the City Directorates and the different stakeholders.

This Programme is intended to formalise investments and the development of all municipal public policies which contribute to the quality of the tourist experience, the dynamism of the tourist economy and the promotion of Paris as a destination. The aim of the programme is also to identify and structure new tourist areas in Paris and collaborations in the metropolitan area.

D. TRADES AND CRAFTS

1. "Vital Quartier"

The Vital' Quartier operation, initiated in 2004 in six initial sectors (*Vital'Quartier 1* 2004-2015) and extended to five additional sectors (*Vital'Quartier 2* 2008-2021), aims to support or restore business diversity by addressing an excess of single activity or commercial vacancy.

The Vital Quartier 1 operation that began in 2004 ended on 31/12/2015. It allowed the management of 292 sets of premises, i.e. a total surface area of 35,000 m², and the creation of 341 jobs.

The Vital Quartier 2 operation that began in 2008 is continuing until 2021. Over 2015, 6 sets of premises were acquired, i.e. a total of 80 in addition to the 23 agreements signed to manage the use of the premises in question. The total number of sets of premises managed was therefore 103 as of 31/12/2015. Fifteen or so new tenants moved in during 2015.

In 2015, a diagnostic study of commercial revival was conducted across Paris and enabled the launch of a wide-ranging analysis of 12 areas of Paris, in order to prefigure the lines of a future crafts and trades revitalisation agreement.

2. Booksellers on the banks of the Seine

Today nearly 240 booksellers and their 1,000 “green boxes” have set up on the banks of the Seine, both right and left. Since the setting up of a selection committee composed of elected representatives, booksellers and qualified public figures in 2010, the City has re-allocated more than 90 stands, helping to rejuvenate and feminise the profession.

These have been added on the basis of an ongoing dialogue with the existing booksellers, the Paris booksellers cultural association and applicants to get into this unusual business trading only in “old and second-hand books, old etchings and old papers”, continuing the history of this site, the banks of the Seine, which has been classed as a UNESCO heritage site since 1991.

In order to preserve the identity and specific characteristics of the booksellers, visits to the banks are regularly carried out, in order particularly to check the type of products sold and respect for the occupancy of this prestigious site. The City of Paris also pays for graffitied boxes to be repainted.

II. THE EMPLOYMENT POLICY OF THE CITY OF PARIS

Through its proactive policy, the City of Paris supports return to employment. It sets up and manages return to work schemes in liaison with the Île-de-France Region, whether through vocational training, subsidised jobs, support or the solidarity economy. More than 80,000 people are directly contacted by the City of Paris's Directorate for Attractiveness and Employment each year.

A. EMPLOYMENT AND VOCATIONAL TRAINING

1. Fairs

In 2015, the City of Paris renewed its financial support for the association Carrefours pour l'Emploi, contributing €325,000. It organises large recruitment fairs annually with the aim of bringing together Parisian job-seekers and businesses with positions vacant.

3 employment and training fairs were accordingly proposed: “*Paris Métropole pour l'emploi des jeunes*” (Paris Metropolitan Area for the employment of young people), “*Paris des métiers qui recrutent*” (Paris - professions recruiting), “*Paris pour l'emploi*” (Paris for employment). Overall, these events received 73,000 visitors including 52,000 for just “Paris pour l'Emploi” organised over two days.

2. Training

As part of the Departmental Employment Support Program (PDAE), long-term back-to-work vocational and language courses (which combine a French refresher course and vocational training) are offered free of charge to Paris job-seekers, in the sectors creating the most jobs, such as basic support & care services, IT, export sales & trade, etc.

In 2015, 50 training courses were attended by nearly 1,270 trainees (including 872 new registrants). 41% of trainees are earned income supplement (RSA) beneficiaries, 30% have been unemployed for over a year and 55% are women. The return to employment rate was 50% following a training course leading to the award of a qualification.

Furthermore, the Ecole de la Deuxième Chance de Paris offers young people aged from 18 to 26 who are in difficulty and living in deprived districts, who have volunteered and are motivated, the possibility of resuming training and qualifying for a chosen profession. In 2014, 430 young people were welcomed as vocational trainees.

As of 31 December 2014, 146 were still on courses. Out of 181 that completed the scheme, 62 found a job, 30 signed an apprenticeship or vocational training contract, 26 were on courses to earn a qualification or diploma. The positive outcome rate (employment, work-study programme, training) in 2014 was 65% and concerned 118 young Parisians.

3. Support

The local plan for integration and employment, managed by the association *PLIE Paris Nord-Est* since 2005 supports the job-seekers in most difficulty. It is aimed at the inhabitants of 5 arrondissements (11th, 12th, 18th, 19th and 20th arrondissements). During 2014, 2,642 people received support (including 1,252 earned income supplement (RSA) beneficiaries and 913 residents of city policy districts). Of the 814 Participants to have participated in this scheme, 330 finished with a positive outcome (ongoing contract and fixed-term contract + 6 months), i.e. a 41% rate of return to lasting employment.

The Mission Locale de Paris, created on 23 February 2011 by combining the five Missions Locales in Paris ("PARIS CENTRE", "SOLEIL", "BELLIARD", "PARI d'AVENIR" and "PARIS EST") receives, informs and supports more than 20,000 young Parisians. As a public stakeholder in terms of local employment, MLP participates with its institutional and associative partners to defining a concerted and single local vocational and social integration policy for young people. In 2015, 9,105 new young people were received initially. 19,602 young people received support from job counsellors and benefited from one activity as a minimum during the period, including 56.6% of young people with level V training (certificate of professional competence (CAP), technical school certificate (BEP) and infra V level. 4,489 young people received training, 779 young people gained access to a work-study contract and 5,539 young people found a job (ongoing contract, fixed-term contract, single integration contract (CUI) or other contracts): 997 of them signed *Emploi d'Avenir* ("Jobs for the Future") contracts.

4. Initiative Emploi

On 20 November 2014, the Mayor of Paris called for "a general mobilisation" to give all Parisians access to employment. The Department of Paris, as part of the Initiative Emploi employment initiative, intends to use all the tools at its disposal to effectively match the needs of businesses that are recruiting with job-seekers. The Directorate of Attractiveness & Employment (DAE) is accordingly in charge of coordinating all employment stakeholders. To handle this challenge, it set up Initiative Emploi. It is comprised of several bodies:

- *the Major Firms Employment Initiative Unit* which develops the authority's collaboration with businesses offering good employment opportunities and those moving to Paris. Commitments are formalised by signing employment charters that set out the development of common actions in favour of the recruitment of Parisians. In 2015, a first charter was signed with Altaréa Cogédim regarding business premises located on Boulevard MacDonald in the 19th arrondissement. Since 2016, the Casino group has committed to employing Parisians via the signing of a charter with the City of Paris.
- *the Local Development Employment Initiative Unit* which mobilises the very dense local network of public stakeholders contributing to employment policies (arrondissement town halls, Paris integration spaces, local development teams, associations, the local integration and employment plan, the Mission Locale, Pôle Emploi national employment centre, etc.). It positions itself as a project facilitator, mobilising several local partners and the emergence of innovative projects on a local scale. The "employment" project managers forming this unit are also the key local contacts for each of Paris's arrondissements. The service organises recruitment sessions, 874 sessions for 8,547 participants in 2015, job dating sessions, and local fairs, proposes information on professions and job offers. In 2015, 12,000 job-seekers benefited from the schemes organised by the Maisons des Entreprises et de l'Emploi.

The *Employment Initiative Service* coordinates the "*ParisEmploi*" ("Paris employment") points. Following accreditation at the start of 2016, these sites have been committed to welcoming anyone facing employment issues and working in a network under the aegis of the Employment Initiative Service. These are welcome points managed directly or sub-contracted to the City of Paris's employment partners, particularly including: Mission Locale, EPEC (formerly the association *PLIE Paris Nord Est*), Ecole de la 2^{ème} chance, Mozaïk RH, etc. Other sites may be used under this accredited scheme (arrondissement town halls, EPIs, associative premises in districts prioritised by the City's policy).

B. OCCUPATIONAL INTEGRATION OF EARNED INCOME SUPPLEMENT (RSA) BENEFICIARIES AND DEVELOPMENT OF THE SOCIAL AND SOLIDARITY ECONOMY

As part of the Departmental Integration and Employment Programme, the City develops schemes to help with the occupational integration of people in difficulty: career review (assessment-advice), individual employment assistance, vocational key skill training measures, employment access or even new business set-up support services and funding assistance.

The City also supports the development of work integration enterprises (EI - *Entreprises d'Insertion*), temporary work integration enterprises (ETTI - *Entreprises de Travail Temporaire d'Insertion*), intermediary associations (AI - *Associations Intermédiaires*), neighbourhood development centres (RQ - *Régies de Quartier*) and integration workshops (ACI - *Ateliers Chantiers d'Insertion*), helping the work integration sector to continue to grow regularly.

In 2015, the City of Paris spent €1,300,000 on access to employment.

1. Support for creative professionals

a. Boutiques de Gestion de Paris (BgE PaRif).

In 2014, the association Boutiques de Gestion de Paris helped 511 Parisian earned income supplement (RSA) beneficiaries, including 153 first met in 2014. 358 support actions were therefore implemented. 108 entrepreneurs received support for their business start-up, after registering. Finally, on 31 December 2015, 91 businesses were set-up (76) or relaunched (16), 78 are in the final phase of set-up, 11 project leaders have incorporated an incubator to test the viability of the intended activity.

In total, the action of BGE PaRIF in 2015 enabled the creation of 99 jobs, to which were added eight project leaders who returned to employment in the market sector.

Ultimately, 107 jobs have been created for Parisians through this action.

b. The seven Parisian Business & Employment Cooperatives (*Coopératives d'Activités et d'Emplois - CAE*).

In 2015, seven CAEs were active in Paris. Some are generalist while others are dedicated to arts, services to the person, new information and communication technologies, or building (eco-construction), thus contributing to an integration offering with a greater range of activities.

Overall these 7 structures hosted 1,722 people at group information meetings in 2015, including 841 Parisians, at least 108 of whom were earned income supplement (RSA) beneficiaries.

They supported 329 projects leaders, including 191 Parisians, 26 of whom were RSA beneficiaries, and allowed the return to employment of 295 people, including 128 Parisians, 14 of whom were RSA beneficiaries.

c. The five incubators managed by Astrolabe Conseil (SCOP), the Projets-19 associations for "EPICEAS), BgE ADIL for the Paris Sud and Intergénérationnelle incubators, and BgE PaRif for the gEAI incubator.

The SCOP (*Société Coopérative et Participative* - cooperative and participatory company) Astrolabe Conseil, created in 2004 as a CAE, opted in 2009 to support start-ups by operating as an "incubator", not wishing to employ entrepreneurs within the SCOP but instead to encourage them to go out and start their own business.

The EPICEAS incubator, managed by the association Projets-19, was created in 2009: it is specialised in the hosting of projects in the social and solidarity economy sector.

The association BGE ADIL manages two incubators: one "Paris Sud" generalist incubator, and an "Intergénérationnelle" (i.e. intergenerational) incubator, which proposes an enhanced support programme helping to facilitate the conditions for setting up a business for creative professionals for whom it is one of the final means of professional integration, which includes people under 30 and over 45 years old.

Finally, the generalist incubator, "GEAI", managed by BGE PaRIF.

In 2015, four of these incubators (GEAI's 2015 results have not yet been published) hosted, at group information meetings, 532 people, including 286 Parisians, supported 162 of them, including 95 Parisians, and allowed the return to employment of 80 people, including 46 Parisians, 5 of whom were RSA beneficiaries.

d. The "CréaJeunes" Programme, managed by the ADIE ("association for the right to economic initiative")

The CréaJeunes campaign offers young Parisians intensive free business set-up support. It focuses on the project start-up phase and will help them to develop an idea into a structured project and gain good business management knowledge.

The CréaJeunes scheme consists of 5- to 8-week pre-launch support combining group training modules, small group workshops, individual coaching by a tutor from the teaching staff and a "checkpoint" jury to practice presenting the project. The young people receive individual support up until set-up in order to continue the work following the jury's recommendations or continue validating the technical aspects of the project.

Actions to put them in contact with professionals involved in either the area of business and/or business set-ups are proposed.

54% of the young people that work with CréaJeunes then set up a business following the course and 28% return to salaried employment.

In 2015, 107 young Parisians were selected to receive support at the Paris site in Belleville (20th).

2. [Help for business start-up projects through supportive funding](#)

a. The Paris Initiatives Entreprises (PIE) association

Paris Initiatives Entreprises (PIE - "Paris business initiatives") was formed as an association in 1999. It aims to support the start-up and takeover of small businesses or social and solidarity economy structures, particularly by granting unsecured loans and guarantees on bank loans.

PIE gave supportive associations and businesses, particularly very small enterprises, support and access to funds.

In 2015, PIE:

- assessed 672 (597 in 2014, i.e. +12.5%) applications for funding, including 113 (69 in 2014, i.e. +64%) that concerned the social and solidarity economy;
- supported 363 projects, including 53 relevant to the social and solidarity economy;
- granted funding to 308 businesses including 50 relevant to the social and solidarity economy, via its funding tools: unsecured loans and bank guarantees (FAG SA fund).

3,297 jobs were thus able to be created (803) or secured (2,494), i.e. an increase of +112% compared to 2014, 2,789 of which in the social and solidarity economy sector (295 jobs created and 2,494 jobs secured).

b. Association CIGALES de Paris (Investor Clubs for Alternative Local Management of Savings and Solidarity)

CIGALES are at the crossroads of local savings, savings ethics and solidarity savings. They help to develop active citizenship among their members.

These clubs invest locally in small businesses, collecting savings from their members. To be eligible for supportive investment from CIGALES, structures must have a social, cultural, ecological or innovative vocation. 14 active CIGALES were located in Paris in 2015, featuring 198 members (savers) funding the creation and/or development of companies in the Paris area.

In 2015, the association's work saw the creation of four new CIGALES clubs in the Paris area.

Five companies benefited in 2015 from the financial support of CIGALES, including two associations, one SCOP, one SAS and one SARL, with the creation or securing of 23 jobs.

The amount of savings collected from the savers totalled €52,066, including €17,300 invested in favour of these six businesses.

c. ADIE (Association for the Right to Economic Initiative)

The Department of Paris's partnership with the association focuses on support for entrepreneurs and core earned income supplement (RSA) beneficiaries in Paris who have been granted a professional micro-loan from the association.

ADIE also develops its action towards women (46% of beneficiaries of ADIE support in 2014) and young people from areas within the City's urban policy area. In 2015, ADIE granted 322 (286 in 2014, i.e. +12.50%) professional micro-loans, including 109 to Parisian RSA beneficiaries. It also granted, in addition to its micro-loans, 185 unsecured loans to Parisian start-ups in Paris, of whom 71 were core RSA beneficiaries.

3. Support for Integration Structures through Economic Activity (SIAE)

The Department's support of work integration enterprises (EI): in 2015, 22 EIs were funded, including funding of 3 EIs outside Paris which had recruited Parisian core RSA beneficiaries. These gave work to 616 people including 148 Parisian core RSA beneficiaries.

Support for Temporary Integration Work Enterprises (ETTI): support to 7 ETTIs that employed 986 people in 2015, 184 of whom were Parisian core RSA beneficiaries.

Support for Intermediary Associations (AI): 16 Intermediary Associations (including one outside Paris) were in operation in 2015. These gave work to 2,807 people including 665 Parisian core RSA beneficiaries.

Support for Régies de Quartier (RQ): 10 Régies de Quartier or neighbourhood development centres are spread out over the Paris area. In 2015, there were 277 employees in integration programmes, 114 of whom were Parisian core RSA beneficiaries.

Support from the Department for integration workshops (ACI): in 2015, 29 associations led 66 integration projects (39 of these were finished in 2015 and 27 begun in 2015). One same association can work on several projects.

The implementation of these 66 integration schemes led to the recruitment of 1,379 employees, including 771 Parisian core RSA beneficiaries.

4. Dispositif Premières Heures

The Dispositif Premières Heures ("early hours scheme") aimed to allow 100 Parisians in situations of severe social exclusion, including the homeless, who could not access *prima facie* Structures for Integration through Economic Activity (*Structures d'Insertion par l'Activité Economique* - SIEA) and 26 hours a week contracts, to fit very gradually into the professional world. This scheme allowed these people to return to work at a very gradual pace sequenced as follows: from 1 to 4 hours per week or 5 to 16 hours per week.

All employees were living on the street or in Emergency Accommodation Centres. They received social care in terms of accommodation, medical care and access to rights through social workers from the hosting and/or original structure. The tasks performed by the employees were varied: clearing, moving, catering, green space activities, textile activities, sales, etc.

For 2015, 11 associations were involved with this scheme. The 123 people monitored (including 108 recruited in 2015) worked 14,970 hours. The support provided included 46 gaining access to rights (minimum social benefits), 107 to administrative support, 56 to accommodation and 41 returning to work.

The City of Paris was also involved in funding for associations carrying out actions to promote the solidarity economy: Regional Resource Centre of the Social and Solidarity Economy / L'Atelier / Organisation de la Quinzaine du Commerce Equitable (Fairtrade Fortnight Organisation) and a social and solidarity economy stand at the Paris Pour l'Emploi employment forum.

The launch of a call for proposals in 2009 for the development of the social and solidarity economy, resulted in mobilisation of 304 project leaders, 56 of whom were selected (including 7 in 2015) and received financial support, publicising of their initiative and/or support for their search for premises, etc.

C. "SUBSIDISED" CONTRACTS, APPRENTICESHIPS, PLACEMENTS

During summer 2014, the Apprenticeship, Placements & Subsidised Contracts Department, formerly linked to the former Directorate for Economic Development, Employment & Higher Education (now the Directorate for Attractiveness & Employment), joined the Directorate of Human Resources. This reorganisation ended in January 2016 with the transfer of the subsidised contract employee training unit to the Training Bureau.

An association not run by the Department of Paris, the Paris Local Solidarity Employment Fund (**Fonds Local Emploi Solidarité - FLES**), created in 2004, identifies training organisations for subsidised contracts. FLES is also responsible for the administrative management of employees (individual agreements for access to training courses).

A decision of the Council of Paris validates the payment of an annual budget to the Paris FLES. Training organisations directly bill the courses to FLES. Finally, every month FLES sends a statement of the training courses billed, undertaken and scheduled.

1. Subsidised contracts

a. 2015 FLES account balances

The tables, below, show the 2015 account balances. The funds available for the year are equivalent to the balance of the previous year, plus the grant for the current year, paid in two instalments. The expenses were broken down according to trainee status:

- **Single Integration Contracts (*Contrats Uniques d'Insertion* - CUI)**, aimed at those excluded from the labour market, with a term of one year, renewable once. People who are recognised as disabled workers and those at least 48 years old at the start of the contract and encountering particular difficulties that prevent their long-term employment integration, can benefit from four one-year renewals, up to a total of five years. The prefectural order of 06 October 2015 now authorises renewal until retirement for people at least 58 years old at the end of the contract.
- **Jobs for the Future (*Emplois d'Avenir* - EAV)**, aimed at people either under 26 years old, or at least 30 years old and recognised as disabled workers. These persons benefit from a three-year contract and enhanced employment support from the Mission Locale de Paris.
- City of Paris employees, **tutors** of an employee on a subsidised contract who was trained as a tutor.

b. Subsidised contract training expenses:

The details of the account balances per trainee category are given below:

	DEBIT				CREDIT
	Single integration contract (CUI)	Jobs for the Future (EAV)	Tutors	TOTAL	
2014 BALANCE					€196,871.01
2015 GRANT					€1,000,000.00
2015 INVOICES	€650,611.36	€243,448.74	€27,600	€921,660.10	
2015 BALANCE AS OF 31/12/2015					€275,210.91€

c. Subsidised contract training balance:

The number of trainees (single integration contracts (CUIs), Jobs for the Future (EAV), tutors) increased between 2013 and 2015: 1,142 employees in 2013, 1,100 people in 2014, 1,287 people in 2015. Tutor training, which had not been renewed in 2013, enabled in 2015 the preparation of 74 City of Paris employees for the essential role that they play in supporting employees.

Furthermore, the number of training schemes for subsidised contracts also increased: 1,503 interns in 2013, 1,827 in 2014, 2,231 in 2015. Employees were therefore able to benefit from more schemes over the years: 1.4 training schemes in 2013, 1.6 schemes in 2014 and 1.8 schemes in 2015.

	Number of trainees				Number of interns				Number of hours of training			
	CUI	EAV	Tutors	TOTAL	CUI	EAV	Tutors	TOTAL	CUI	EAV	Tutors	TOTAL
2015	994	219	74	1,287	1,734	497	74	2,305	48,527	21,711	1,036	71,274

The development of training schemes enabled an improvement in positive outcome rates for employees whose contracts expired during this period: 15.4% positive outcomes including 66.9% recruitments by the City in 2013 to 19.1% positive outcomes including 67.9% of recruitments by the City in 2015. The fall in total outcomes, in spite of the increase in recruitments, is accounted for by the average extension of the term of contracts (three-year contract for Jobs for the Future, exceptional renewals up to five years of single integration contracts (CUIs) for certain categories).

	Recruitments without competitive exams			Positive outcomes excl. City			Total outcomes		
	CUI	EAV	TOTAL	CUI	EAV	TOTAL	CUI	EAV	TOTAL
2015	42	32	74	31	4	35	503	67	570

d. changes to subsidised contract training:

Over the last three years, reviews of job support schemes led to the following improvements:

- **More qualitative orientation of employees from their joining the subsidised contract scheme:** the takeover of individual orientation interviews by an external training organisation has been implemented. These interviews help to define at the start of the contract the employee's career goals and training path. The interview arrangements have increased in terms of quality and efficiency (increase from one- to two-hour interviews, compulsory definition of two career plans and corresponding training schemes, sitting of a compulsory French language test for people with qualifications below Baccalaureate level).
- **Job-seeking Technique Workshops (ATRE) have been improved:** ATREs were firstly proposed as a whole to employees, over two, non-modular days. This rigidity led to a high level of employee absenteeism and a fall in enrolments. Since summer 2015, employees have been able to choose the workshops they want to attend according to their needs. Employees can choose to enrol for a maximum of five modules, each lasting three hours (CV, cover letter, business practices, job interview and internet job-seeking).
- **Introduction of individual monitoring of employees on Jobs for the Future contracts recruited in 2013:** since September 2015, the subsidised job training section has worked closely with the Mission Locale de Paris in order to offer training courses leading to a certificate or qualification to all employees on Jobs for the Future contracts recruited in 2013 and who will definitively leave the scheme in 2016 (189 employees concerned on 22/01/2016). These workshops are systematically proposed to these people and individual job-seeking support shall be proposed by the Mission Locale before the end of the employee's contract.

e. Innovative schemes:

The range of training courses aimed at employees on subsidised contracts has increased over this period:

- significant development of **preparation for recruitments without competitive examinations** in 2015 (Sports Centre Technician, Day-Care Centre Technician, Waste Disposal Technician, Cleaning Technician and School Technician),
- **medical secretary training** introduced from January 2015,
- **individual support** introduced for certain employees facing difficulties to define their career plans, from July 2015,
- **introduction to accounting** proposed from September 2015,
- **self image and business practice workshops** introduced in September 2015,
- **new tutor training courses** in October 2015 to teach the basics of private law and management,
- **plumbing course** proposed in October 2015,
- **functioning of local authorities** for employees who want to sit a category A or B competitive examination in December 2015

2. Apprenticeships

Paris is the number one employer of apprentices as a local authority: since 1994, 6,142 apprentices have been effectively trained and prepared for their professional examinations with a success rate appreciably higher than the national average (87%).

Since 2007, the steady increase in staff numbers has fluctuated between 650 and 700; in autumn 2015, 468 young people were recruited. Apprenticeships in Paris are present at many forums, including the Alternance forum held annually in spring at the Cité des Sciences et de l'Industrie, during which Paris City Hall offers 500 apprenticeship contracts.

In 2015, Paris dedicated €9m to the apprenticeship scheme, or €6.7m on payroll and €2.3m corresponding to the cost of training courses at Apprenticeship Training Centres (Centres de Formation d'Apprentis - CFA). In this action, the City received the support of the Île-de-France Region, for an amount of €394,441,66.

The diverse skills and qualifications of employees of the City of Paris were used to train young people for all qualification levels, from certificate of professional competence (CAP) to an engineering degree. The Directorate of Human Resources' Recruitment Bureau will implement the objective of 500 apprentice recruitments in September 2016. With 36% of apprentices in the area of early childhood, the Human Resources Directorate contributes to compliance with the Education Authority / Île-de-France Regional Council (CRIF) agreement and the objective of direct or indirect recruitment of staff in the new communal facilities (day-care centres). Emphasis is placed on the training of unqualified young people, to provide them with rapid professional integration after obtaining a Professional Competence Certificate (Certificat d'Aptitude Professionnelle - CAP) or a Vocational Baccalaureate.

Finally, the Paris authority is developing new training courses, beyond the "traditional" training courses in City professions and activities, particularly in manual professions. One of the objectives pursued is to offer apprentices ending training the possibility, if they so wish, to apply for permanent positions offered by the City, which simultaneously contributes to the offer of an immediate professional opening for the apprentice, and the possibility for the employing administration of filling positions in sectors in which it can be difficult to recruit.

The reception of university-level apprentices enables a reciprocal exchange of new knowledge or expertise with the different City departments. Support for innovative training courses is thus provided.

3. Placements

Since January 2011, Paris City Hall placement opportunities have been able to be viewed on www.paris.fr in the section "find a job / placement". In 2015, nearly 700 opportunities were published on this platform which can also receive spontaneous applications or for a particular position. In addition, the Placements Division has a network of 23 placement contacts and supports the Directorates which have hosted a total of 5,600 interns for periods of less than two months.

In 2015, the Placements Division processed 633 placement applications, for a payroll (transport costs included) of €900,000. Directorates will continue to be encouraged in 2016 to routinely publish placement opportunities, including short placements of less than two months, for greater transparency and equality of opportunities for applicants.

A specific operation aimed at secondary school pupils at 42 "priority education network" (REP) institutions in Paris was implemented in autumn 2015, adding to the more than 600 year 10 / 8th grade secondary school pupils hosted in 2014/2015 in the City's departments an objective of 420 additional students from these institutions. This total objective of 1,000 secondary school students received was achieved, whereas the 420 priority education network secondary school students proposed by the institutions were all offered a placement at the City.

At the same time, an online offer of placements aimed at year 10 / 8th grade students will be developed for autumn 2016, with a dedicated application accessible via the "Parisian account" portal, which shall be managed by the Schools Directorate (DASco). This system shall also work on the basis of the reception objectives set for each directorate regarding priority education network schools.

RESEARCH SUPPORT POLICY

I. THE EMERGENCE(S) PROGRAMME, A RESEARCH SUPPORT SCHEME

Set up in 2009, the Emergence(s) programme aims to support new research themes that may lead to the creation or development of young research teams. All disciplines are eligible.

In 2015, the budget allocated to the programme was €2,665,000, including €761,000 dedicated to year-1 financing of the winning projects in 2015, €857,000 for year 2 (for the winning projects in 2014) and €867,000 for year 3 (for the winning projects in 2013) and €180,000 for year 4 (for the winning projects in 2014). The number of projects received was 84.

II. THE CITY OF PARIS CIFRE SYSTEM

The Industrial Training through Research Contract system (CIFRE), managed by the National Association for Research & Technology (ANRT) on behalf of the Ministry for Higher Education and Research, is a recruitment support system allowing PhD students to prepare their thesis while working for a company or local authority.

This system promotes genuine collaboration between the student and the City department they are working for: the PhD student works in a professional environment that provides them with key access to data and information for their thesis; in return, the City has access to cutting-edge scientific research in its areas of activity.

The City of Paris has been hosting PhD students through CIFRE contracts since 2009. Since then, 23 PhD students have been recruited and 12 of them are currently working in various City departments. Their research themes concern, for example, the integration of families through housing, the division of school work or the mechanisms by which termites spread between buildings in Paris.

III. RESEARCH INVESTMENT POLICY

The City of Paris finances scientific projects to consolidate and increase the attractiveness of Paris in the area of sciences and new technologies.

These projects are run by the universities and large research centres of Paris. The Research Support Fund is a programme authorisation (AP) that is generally endowed with €1m annually to support applications from scientific and university institutions of a strategic but one-off character.

A distinction can be made between two categories of project which receive City financing:

- real-estate projects to maintain or increase activity in the area of research in Paris,

- equipment programmes required to maintain top-level research in Paris research establishments.

A. REAL-ESTATE PROGRAMMES

Institut Pasteur: the City of Paris contributed €3m to finance the Centre François Jacob, a new research centre in integrative biology of emerging diseases on the campus of the Institut Pasteur in the 15th arrondissement, which was inaugurated in 2012.

The Cordeliers Research Centre (CRC) was created on 1st January 2007 in the academic heart of Paris on a university medical site. It is at 15 Rue de l'Ecole de Médecine in the buildings of the Sorbonne and is under the aegis of Pierre & Marie Curie University, Paris Descartes University and INSERM (French National Institute of Health and Medical Research): it works with the university hospitals (Hôtel-Dieu, HEGP, Pitié-Salpêtrière) and with Diderot 7 Paris University and the Ecole Pratique des Hautes Etudes. In 2009 and 2012, the Paris authority awarded the centre a grant of €200,000 and €300,000 to carry out the work necessary for the installation of research teams.

The Institut de Physique du Globe de Paris (IPGP) rehabilitated the Pavillon Curie in the Ilot Cuvier, the oldest trace of the activity of Pierre & Marie Curie in Paris. In 2012, the City of Paris contributed €125,000 to the renovation works on the Pavillon in order for it to become a memorial for researchers and guests of the IPGP and Institut Langevin. Accordingly, the most authentic part of the Pavillon Curie, with a floor area of 19 m², was re-equipped with chemistry instruments and equipment and restored to the appearance of the laboratory in 1911. The Pavillon Curie is now open to the public for major events, such as the Science Festival or Heritage Days, and all year round for small groups from associations organising guided visits of the Paris of radioactivity.

Pierre & Marie Curie University (UPMC) devised the Paris PARC project with the objective of creating the conditions for a partnership between public and private research. The ambition of the Paris PARC programme is to create a campus in the heart of Paris, combining teaching and scientific excellence and an ability to convert knowledge into economic results. The project will take the form of a building hosting two incubators for innovative companies and young scientific talents. Located on the Jussieu campus facing Place Mohamed V and the Institut du Monde Arabe, Paris PARC will provide some 40 companies and 2,000 researchers with 11,000 m² of office, laboratory and relaxation spaces. In 2011, the Paris Authority awarded a grant of €6m for the project.

The City of Paris Centre for Training and Translational Research in Haemato-Oncology. Within the framework of its work, Paris Diderot University developed a project to create the Centre for Training and Translational Research in Haemato-Oncology (CFRTH). The CFRTH will be the first facility in France specifically dedicated to medical innovation and the development of new therapies in haemato-oncology. The centre will be set up on the University Hospital Campus of the Hôpital Saint-Louis (10th) and will be headed by the hospital and the University Institute of Haematology (IUH) under the aegis of Paris Diderot University. The IUH, associated with INSERM (French National Institute of Health and Medical Research), CNRS (French National Centre for Scientific Research) and CEA, is one of the European leaders in onco-haematology. The Hôpital Saint-Louis, meanwhile, has a long-standing reputation for its dermatology services and has specialised over the past 50 years in haematology, an area in which it has now gained a worldwide reputation, especially in immunology and more specifically in cell therapy. The building to host the centre will be built on the Dalle Méary on the Saint-Louis Campus. The programme makes provision for the full renovation of the mezzanine level (400m²) and the construction of two additional levels of 1,000m² each. The developer of the project will be Paris Diderot University. The new building will house a 120-seat auditorium, a biological resource centre adapted to large patient cohorts for therapeutic trials, public/private interface laboratories for co-development and a series of industrial-grade large-capacity platforms for innovative young companies. For this project, the City of Paris awarded a grant of €3m in 2011 to Paris Diderot University.

The Institut Henri Poincaré (IHP), one of the oldest mathematics institutes in the world, is, along with the Institut des Hautes Etudes Scientifiques, the most important French institute in mathematics and theoretical physics. Despite tough competition, the IHP has succeeded in promoting its assets and keeping its place on the international stage despite its modest resources. However, the availability of office space remains the main handicap of the IHP in trying to maintain its position as a world leader in its area. The scheduled transfer of the Chemistry and Physics Institute right next to the IHP offers a historic opportunity to:

- extend the IHP and enable it to conduct a much bolder research policy;
- renovate its historic premises which are part of the scientific heritage of Paris and France;
- develop new high-impact scientific culture action.

The first stage in the project consists in preparing a renovation plan. The Department of Paris therefore awarded a grant of €250,000 to Pierre & Marie Curie University (Paris VI) which is to manage the operation for the IHP.

The French National Institute of Health and Medical Research (INSERM) turned to the City for the creation of a collaborative platform between companies and research laboratories on the theme of psychiatry and neuroscience. The project is part of the restructuring of a hospital building at Sainte-Anne Hospital Centre (CHSA). By accommodating cutting-edge collaborative technological platforms in a clinical research centre of worldwide excellence working on neuroscience themes (schizophrenia, depression, addictions, eating disorders, cerebral vascular accidents and cognitive disorders linked with ageing), the project is part of the Medicen Paris Region worldwide competitiveness cluster. This cluster, of which INSERM (French National Institute of Health and Medical Research) and Paris Descartes University are members, aims to make Île-de-France a European leader, in industrial terms, in the area of diagnostic and therapeutic innovation and cutting-edge technologies for the health sector, and to make it one of the world's centres for translational medicine. After restructuring, the new building will have space for 150 to 180 scientists, engineers and technicians. For this project, in 2013 the City of Paris awarded a grant of €1.3m to INSERM.

B. SCIENTIFIC FACILITIES

The Centre Universitaire des Saints-Pères is one of the sites of Paris Descartes University. The centre comprises notably three training and research units:

- Biomedical unit,
- Mathematics and IT unit,
- Human and social sciences faculty.

The Biomedical Training and Research Unit comprises 12 laboratories accredited by INSERM (French National Institute of Health and Medical Research) and CNRS (French National Centre for Scientific Research), each of which has some fifty internationally-renowned research teams. The laboratories are organised around two areas: pharmacotoxicology/chemistry and neurosciences, and work on very current themes such as optogenetics, neurophotonics, molecular pharmaco-toxicology, studies of perception, molecular, cellular and integrative neurosciences, bio-organic and bio-inorganic chemistry and synthesis of biologically active molecules, etc. To remain at the highest international level, develop its research activities and reinforce the industrial partnership with innovative companies of the Biomedical Unit, in 2012, the City of Paris awarded a grant of €1,575,000 to Pierre Descartes University for the acquisition of various items of equipment.

The Institut de la Vision is one of the most ambitious research centres in Europe specialised in eyesight diseases. Designed as a place for meeting and exchanges, it fosters sharing of concepts and techniques, encounters between complementary skills and expertise and the emergence of new research directions.

The objective of the researchers, doctors and industrialists brought together on a single site is to accelerate discoveries and validation of new therapies or preventive solutions, and technologies to offset damage to eyesight.

There are three key missions: understanding eyesight diseases, delaying their occurrence or development, discovering new treatments and developing innovative technologies to improve daily life for patients. In 2007 and 2008, the Paris authority granted the Institute two capital grants for a total amount of €3,540,000.

The Laboratory of the C2RMF is a research team of the Ministry for Culture (Directorate of the Museums of France). Located in the basement of the Palais du Louvre, this multi-disciplinary unit combines chemical, human and social sciences. Its main themes are the chemical and structural identification of the materials in cultural heritage and studying their production, deterioration and ageing processes, including aspects relating to restoration of the works. In 2010, the Paris authority awarded a €250,000 grant to the AGLAE particle accelerator and in 2011, a €200,000 grant for the acquisition of an electron microscope. Engaged to various degrees in digitization of their assets, the **libraries of the Sorbonne Paris Cité University Centre (PRES)** expressed a wish to share a common platform for the diffusion of the content they digitize in order to promote them among researchers, students and the general public. In 2011, the City of Paris awarded the PRES a capital grant of €800,000 for the project.

The Ecole Normale Supérieure de Cachan wanted to launch an ambitious programme of research and experimentation for the renewal of the airship industry. In 2010, the Paris Authority awarded the school a grant of €200,000 for the project.

The Association Science Créativité Interdisciplinarité Recherche Education (SCIRE) received €1,000,000 in funding in 2013 for a platform for digitisation of innovative teaching courses (massive open online course or MOOC) for academics and students in Paris to allow higher education institutions to make a success of their transition to digital teaching.

FINANCIAL INCOME

PRESENTATION OF THE 2015 AA

I. GENERAL PRESENTATION OF THE BALANCE OF THE 2015 ADMINISTRATIVE ACCOUNT

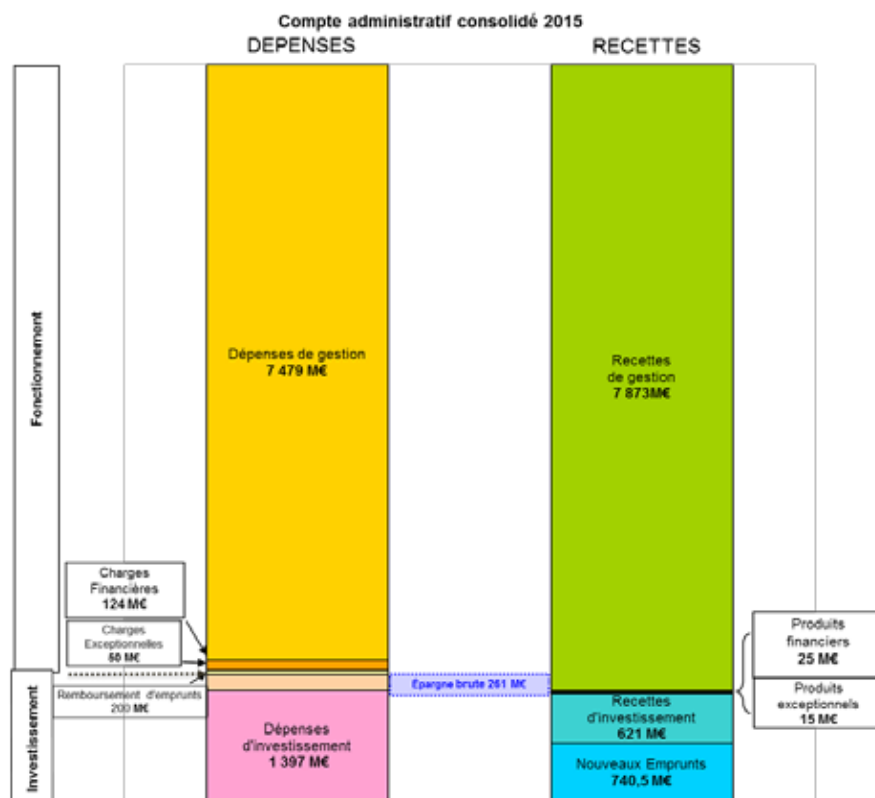
A. GENERAL BALANCE OF THE 2015 AA

2015 was characterised by major constraints on the operating section of around €270m, resulting from a fall in State grants of €201m and an increase of €72m in equalisation expenditure compared to the 2014 AA. Since 2010, the combined loss of State funds has been **€712m**. 2015 was the first year of implementation of the reduction of €11bn in grants to municipalities scheduled over 2015 - 2017. The combined loss of funds, including notifications received for 2016, represented nearly €1bn.

The Paris authority first dealt with this constraint via an operating expense management strategy, of which the increase in relation to the 2014 AA was limited to +0.8% excluding equalisation and to +1.7% overall (compared to +2.8% on average between 2010 and 2014). It also generated new operating income (e.g. parking income, local residence tax on second homes, tourist tax). This strategy made it possible to limit the drop in the gross surplus to €261m compared to €581m in 2014. This change was accounted for by the aforementioned drop in funds but was also due to the fact that the 2014 fiscal year saw an exceptionally high level of income from development area surpluses (€213m recorded in the 2014 AA compared to €12m in 2015).

Investment income was dynamic and totalled €621m in 2015. Combined with the amount of gross surplus, this income enabled the generation of an investment financing capacity of €882m, corresponding to 63% of investment expenditure, as announced in the 2015 OB report. Consistent with the investment cycle and the launch of the administration's investment programme, investment expenditure was €1,397m compared to €1,529m in the 2014 AA.

New loans totalled €740.5m, in line with the budget entries of €744m, and outstanding debt represented 59% of actual operating income.



B. OWN INVESTMENT INCOME

The stability of own investment income enabled the generation of a financing capacity covering 2/3 of investment expenditure and the launch of the administration's investment programme.

1. Launch of the Administration's investment programme

2015 saw the launch of the administration's investment programme: **investment expenditure totalled €1,397m for this year, including €1,233m on the municipal budget and €164m on the departmental budget.** €621m of the resulting financing requirement was financed by own investment income.

Capital expenditure, amounting to €881m, represented 63% of actual investment expenditure.

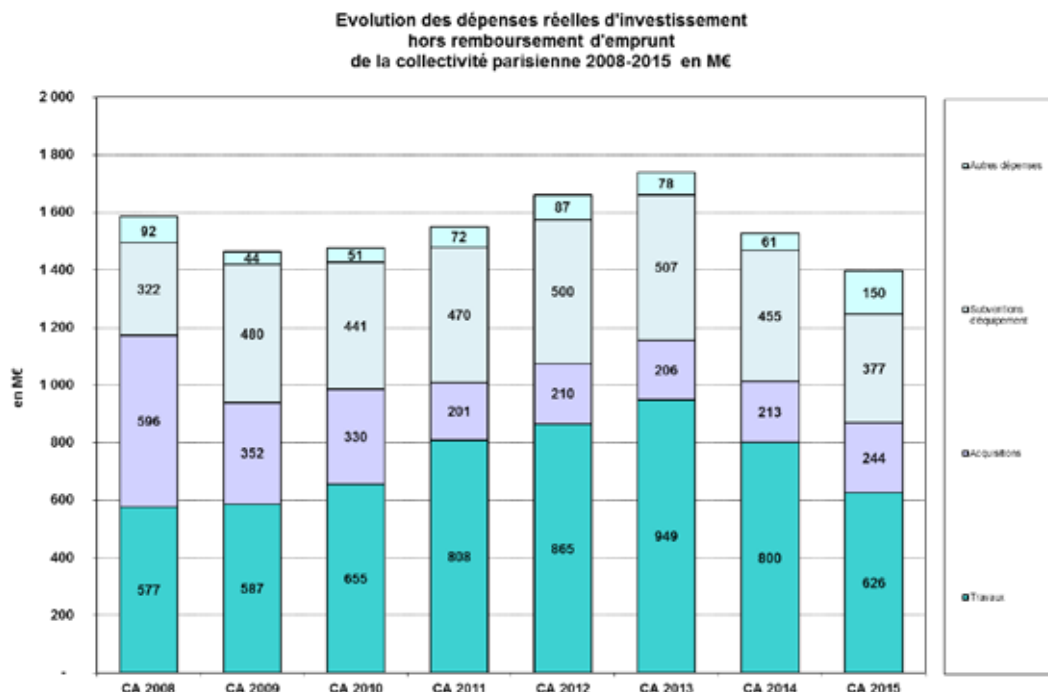
It consisted of:

- 626m for building works expenditure;
- €244m for purchases;
- €11m on intangible assets.

This capital expenditure included €245m for purchases of land (including €147m for social housing), €124m for the redevelopment of Les Halles and €19m for the extension of the T3 tramline. Furthermore, €62m were invested for the building works on a building in the Joseph Bédier development area in Porte d'Ivry (13th arrondissement), which will enable the relocation and grouping on a single site of the employees of the different Paris municipal services, to reinvest the outer edges of Paris and to renovate a building located in the centre of Paris via innovative invitations for bids.

Capital grants represent €377m including €213m for social housing.

The balance of actual expenditure, totalling €138m, primarily consisted of expenditure for third parties (€4m) and financial transactions (€134m) including a contribution of €56m to the financing of development areas and €42m for the recapitalisation of Crédit Municipal de Paris.

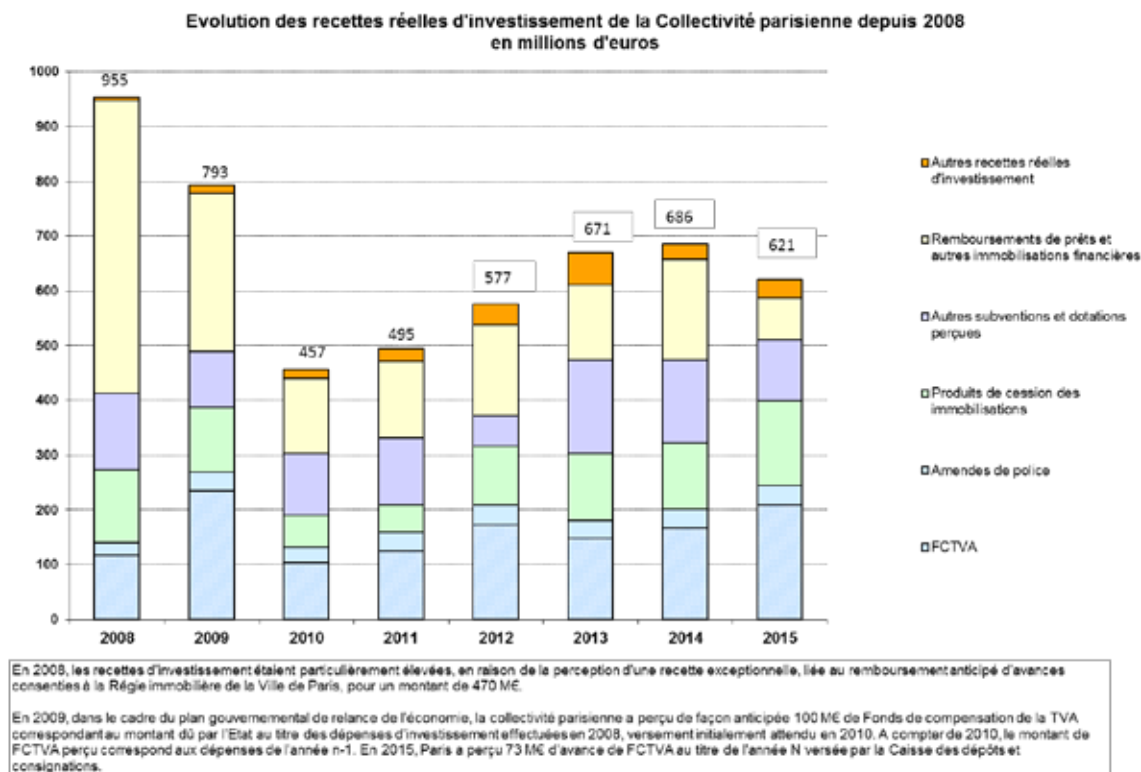


Own investment income totalled €621m. It was down by €65m compared to the level of the 2014 AA, due particularly to the reduction in repayment of loans and advances, particularly as a result of the exceptional income received in 2014 for the Les Halles and Rambuteau car park projects.

This income primarily consisted of:

- grants and subsidies received totalling €356m. It included €209 for the VAT Compensation Fund (FCTVA) including €73m of advances paid by the Caisse des Dépôts & Consignations, as well as €35m for income from police fines;
- income from property sales that totalled €156m, up by €24m on 2014. The operational objective of reaching €200m in property sales in 2015 was also achieved, totalling €201m (this amount is not shown in full in the budget income of the year, which covers a different scope), including €50m for a 4,400m² plot of land in Rue Baron Le Roy in the 12th arrondissement to build offices and €22m for a set of business premises on Boulevard de Davout in the 20th arrondissement;
- €76m of repayments of loans and advances including €15m from the termination of property agreements signed in 1980 with Société Anonyme de Gestion Immobilière (SAGI) and Régie Immobilière de la Ville de Paris (RIVP). The reduction in relation to 2014 is accounted for by the receipt in 2014 of €44.6m in income from the Les Halles and Rambuteau car park projects.
- €34m of other actual investment income particularly including €27m of income from projects managed for third parties including €23m for the repayment by the Region of the building works on the Carnot (€10m) and Janson de Sully (€13m) secondary schools.

Combined with the level of gross surplus of €261m, this income enabled coverage of 63% of investment expenditure excluding loan repayments.



2. Constraints

Despite good management of operating expenditure, the constant increase in equalisation expenditure and the reduction in State grants caused a reduction in the gross surplus recorded in the 2015 AA.

Actual operating expenditure, totalling €7,653m, increased by 1.7% in relation to the 2014 AA (as against +2.8% on average between 2010 and 2014 excluding the effect of the National Individual Resources Guarantee Fund - FNGIR). Excluding equalisation expenditure, it totalled €7,198m, an increase of 0.8% on 2014; this very moderate increase is the result of the efforts made to manage expenditure.

Equalisation expenditure (excl. FNGIR), a redistribution mechanism that aims to reduce wealth differentials and therefore inequalities between the different local authorities, totalled €456m, i.e. an increase of 18.9% on the 2014 AA (+72m). Since 2010, the increase has been €369m.

In 2015, municipal and departmental equalisation rose to a little more than €2bn. Nearly a quarter of national equalisation is accordingly carried out by the Paris municipality.

Change in equalisation expenditure between 2010 and 2015



The **National Inter-municipal & Municipal Resource Equalisation Fund (FPIC)** continued to grow in 2015. The FPIC is a national fiscal resource equalisation fund intended for municipalities and public establishments for cooperation between local authorities (EPCI) with their own taxation. Its amount is set by law. The City's contribution increased by 36% between the 2014 AA and the 2015 AA to reach €157m (i.e. +€42m), which represents 20% of the total amount of the Fund and makes Paris the biggest single contributor.

The contribution to the **Île-de-France Region Solidarity Fund (FSRIF)** increased by 7.1% compared to the 2014 AA to €151m, i.e. a contribution representing 56% of the Fund. The FSRIF is a horizontal equalisation plan specific to the Île-de-France, with the aim of redistributing wealth between the region's municipalities. Its amount is set each year by law. The contribution to national equalisation (via the FPIC) accordingly exceeded, in 2015, the contribution to regional equalisation (via the FSRIF).

The contribution to the **two National Property Transfer Duties (DMTO) Equalisation Funds**, introduced in 2011 and 2014, increased by 19% on 2014, rising from €81m to €97m, i.e. 12% of the amounts collected nationally.

The Paris municipality also contributed €27m to the **Solidarity Fund for the Departments of the Île-de-France Region (FSDRIF)** in 2015, i.e. a stable contribution in relation to last year representing 44% of the amount of the fund. The amount of the FSDRIF, intended to equalise resources between the region's Departments, has been set by law to €60m since 2014.

Furthermore, the contribution to the **Business Value-Added Contribution (CVAE) Equalisation Fund** was €24m, compared to €18m in the 2014 AA, i.e. an increase of 29.5%. This increase was particularly accounted for by the changes to the fund calculation method made in the 2015 Finance Act. Via its contribution, Paris financed 27% of the fund in 2015.

Overall, the increase in equalisation expenditure combined with the reduction in State grants had an impact of €274m on the income of the Paris authority in 2015.

Payroll expenditure in the Paris authority's general budget totalled €2,227m¹ in 2015, i.e. 29% of the operating section's overall actual expenditure, exactly the same share as in 2014.

This expenditure increased by +0.8% on the 2014 administrative account. This extremely moderate increase reflects the measures taken to manage payroll whilst enabling the opening of new facilities and the provision of the human resources required to operate them.

¹ The amount of €2,227m is given in the financial analysis scope, i.e. by eliminating cross-transfers of funds between the City and the Department.

This development is the consequence of a number of factors:

A moderate increase in wage costs (€18m) driven by external factors, particularly government measures for the revaluation of category C (after +7 points in 2014, allocation of +5 points on average to more than 30,000 category B and C workers), the mechanical effect of the Seniority & Technical Classification (GVT), the raising of rates of contribution (increase in the Pension Fund for Local Government Employees (CNRACL) rate of 0.1 points) and the postponement of compensation of departmental foster carers from 2014 to January 2015.

The impact of the employment plan, with the creation of an average of 69 full-time equivalent jobs in the year 2015, a balance of 499 creations in favour particularly of the child and youth contract (+ 270 supervisors and + 107 specialised nursery school staff) and redeployments.

Furthermore, the payroll management policy implemented by the authority generated a saving of €4.5m in 2015, by managing vacation and overtime expenditure.

Social expenditure excluding overhead costs has increased by 1.3% to reach €1,578m in the 2015 OB (excl. overhead costs).

Expenditure on integration policy and the earned income supplement (RSA) totalled €411m including €354.5m for minimum income allowance (RMI) and RSA benefits, up by €17m, due to the increase in the number of beneficiaries from 64,700 on average in 2014 to 66,700 on average in 2015 (+3%).

Disabled welfare increased by €9m to €225m, this change being mainly accounted for by the increase in housing costs (+€7m) due to the increase in daily prices of existing facilities and the opening of new ones and, to a lesser extent, by the increase in expenditure on disability compensation benefits (+€2.4m) due to the increase in the number of beneficiaries (4,050 in December 2015 compared to 3,857 in December 2014).

Child welfare expenditure, excluding costs allocated to chapter 011, fell in relation to the 2014 AA, from €307m to €301m. This situation was accounted for, firstly, by the fall in the cost of night stays on hotel placements, and secondly, by the application of the national equalisation circular of 31 May 2013 relating to support arrangements for unaccompanied foreign minors (UFM) which led to a reduction in the number of UFM supported by the Paris authority.

Expenditure on elderly people excluding overhead costs increased by €4m to €288m mainly due to a technical increase in the Personal Autonomy Allowance (APA). Expenditure was indeed lower in 2014 due to the management of this allowance being taken back on by the Department which generated cash flows with the National Pension Fund (CNAV).

The contribution to the City of Paris Social Welfare Centre (CASVP) was €312m in 2015, practically stable in relation to 2014.

The amount of **overhead costs** fell by €6m to €815m. These savings were particularly made possible by the efforts made on road maintenance (-€5.3m), postage costs (-€1.4m) and rental fees with the reduction of certain leases (-€1.5m). In contrast, expenditure on temporary child welfare staff increased by €5.6m due to the increase in the number of young people supported. Excl. these child welfare support services, **overhead costs totalled €799m, down by €12m on 2014.**

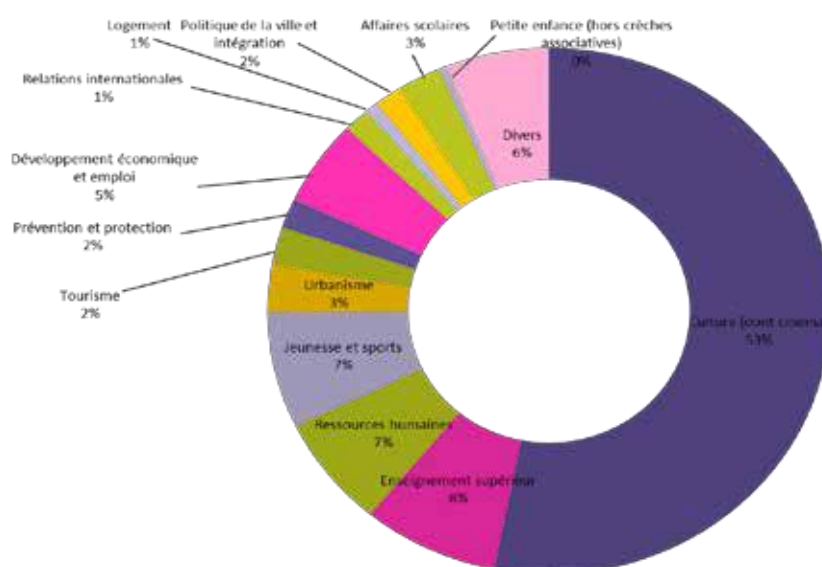
The Paris authority's **contributions** fell by €10m to €782m in the 2015 AA:

- the **contribution to the Ile-de-France public transport syndicate (STIF)** was €378m, up €3.7m compared to 2014;
- the **contribution to the Police Prefecture** is down €6.6m to €285m, a saving made possible by the boost in police income resulting from the increase in car towing charges, as per the Order dated 26 November 2014, and efforts to rein in expenditure, particularly by optimising its purchasing procedures;

- the **contribution paid SYCTOM** (the household waste treatment syndicate) fell by €6.8m to €119m driven by the drop in tonnages collected and the reduction of investment expenses.

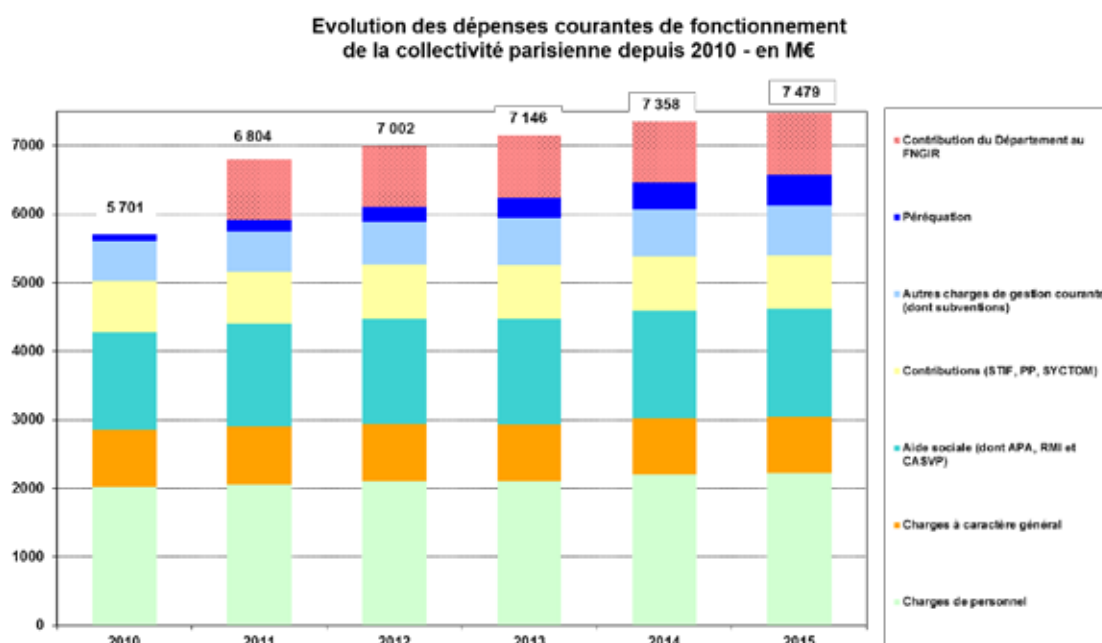
Operating grants and contributions excl. social grants totalled €551m, an increase of €25m on 2014. The principal factors in the increase were school grants, which increased by €6m to €81m in the 2015 AA, operating grants to associations that increased by €8m and accounted for €310m in the 2015 AA, particularly driven by the contribution to the "Paris 2024" public interest group for the organisation of Paris's bid to hold the Olympic Games totalling €10m, and the increase of €8m in the contribution paid by the general budget to the subsidiary sanitation budget.

Operating grants excl. funding of primary schools, secondary schools and association-run day-care centres were broken down as follows:



Exceptional costs stood at €50m, an increase of €9m on the 2014 AA, particularly driven by both the allocation of €13.9m of estimated expenditure on the department's budget (compared to none in 2014) and a fall of €3.3m in security cancellation expenses.

Finally, **financial costs** totalled €124m, compared to €128m in 2014, down by €4m on 2014 driven by a favourable rate environment in 2015.



Actual operating income was €7,914m, down by 2.4% compared to the 2014 AA (€8,107m).

At a constant tax rate, income from direct contributions increased overall by €240m on the 2014 AA to €3,533m. This increase was primarily due to the rise of €193m in Business Value-Added Contribution (CVAE) income, which returned to its 2013 level (€1,422m in 2015, €1,229m in 2014 and €1,424m in 2013). This increase was particularly due to the financial and insurance sector whose contribution increased by €132m between 2014 and 2015.

Furthermore, €20.9m were received following the vote by the Council of Paris for the 20% increase in the local residence tax contribution for second homes intended to encourage owners to place currently under-occupied dwellings back on the rental market, a measure applicable from 1st January 2015.

Finally, income received from property tax and local residence tax increased respectively by +€13m (including €6.2m due to real changes to bases and €8.7m for the flat-rate increase included in the Finance Act) and +€15.4m (including +€6.5m due to flat-rate revaluation and +€8.9m due the real changes to bases).

	2014 AA	2015 AA	% change
Business value-added contribution (CVAE)	1,228.9	1,422.1	15.7%
Property taxes	976.4	988.9	1.3%
Local residence tax (excl. second homes increase)	722.8	738.2	2.1%
<i>Second homes increase</i>		20.9	n/a
Business owners' property tax (CFE)	307.8	311.7	1.3%
Commercial floor area tax (TASCOM)	15.0	14.6	-3%
Flat-rate tax on network companies	11.4	11.6	2%
Additional rolls	30.8	24.9	-19.2%
Total direct taxation	3,293.2	3,532.9	7.3%

**Taxation - Comparison of Paris rates with national rates of cities
of more than 100,00 inhabitants and departments**

		2015 rate	2015 nat. avg rate
City and Department of Paris	Local residence tax	13.38%	25.35%
	Property tax on developed property	13.50%	29.86%
	Property tax on undeveloped property	16.67%	33.45%
	Business owners' property tax (CFE)	16.52%	26.68%
	Household waste collection tax (TEOM)	6.21%	9.23%*

*2014 national average rate. The 2015 national average household waste collection tax (TEOM) rate is not yet known.

Paris rates were stable between 2015 and 2014 even though nationally, household waste collection tax rates increased on average by +1.8%.

With a local residence tax rate of 13.38%, Paris was accordingly more than 10 points lower than the average rate recorded in France (25.35% in 2015). In terms of tax on developed property, the combined rate (city and department) was 13.50% in Paris, compared to an average of 29.86% over all cities in 2015, i.e. a difference of nearly 16 points.

In comparison, a Parisian family with two children paid €473 in local residence tax and €648 in property tax, i.e. considerably less than in Marseille (€1,323 for local residence tax and €988 for property tax in 2015) or Bordeaux (€1,227 and €1,261 in 2015).

Street cleaning tax and household waste collection tax were **€562.2m** compared to €554.8m in 2014. The increase of +1.3%, i.e. +€8m, concerns household waste collection tax.

Income from indirect taxation totalled €1,272m in the 2015 AA, down by 1.6% on 2014, driven by a reduction in property tax income partially offset by the increase in parking fee income.

Income from **property tax** totalled €1,016m in 2015, compared to €1,089m in 2014 (-€73m). This fall was accounted for by the exceptional recovery, in 2014, of an additional month of National Property Transfer Duty (DMTO). Once this effect has been eliminated, property tax income reflected a dynamic trend in terms of the recovery of the property market and the number of transactions recorded over the second half of 2015 (+27% on the first half-year).

The **income received from parking** increased by €46m to €110m in 2015 compared to €64m in 2014, driven by the reform, implemented in the 2015 OB, of residential, short-term and tourist coach parking rules.

Income from the **local tax on final electricity consumption** was €68m, down by €2m on the 2014 AA, due to the reduction in consumption.

Other direct and indirect taxes totalled €78m, an increase of €9m on the 2014 AA, due to the change in the tax arrangements stipulated in the 2015 Finance Act and the introduction of a departmental surcharge, total income from tourist tax totalling €66m in 2015 compared to €41m in 2014.

State grants continued to fall, and decreased by €201m (i.e. €993m in 2015 compared to €1,194m in 2014) mainly due to the change in the general operating grant (DGF). The DGF totalled €930m compared to €1,134m in 2014. From 2010 to 2015, the loss of income for the Paris authority represented €342m.

Change in subsidies between 2010 and 2015



Income recovered for **compensation for skills transfers** was down by 0.6% on the 2014 AA and totalled €353m compared to €355m in 2014, particularly driven by the €3m fall in the Personal Autonomy Allowance (APA) grant notified by the National Solidarity & Autonomy Fund (CNSA).

Operating income was €455m and increased by €10m on 2014: contributions by Parisian users increased by €8m to €175m in 2015 (including +€6.4m of family contributions to day-care centre expenses due particularly to the creation of new places) and roadway duties of €4m to €78m in 2015.

Fees fell by €2m (€202m in 2015), particularly due to the combined effect of the recovery of exceptional income of + €19.8m on the Porte de Versailles exhibition centre, the fall in fees from the Eiffel Tower due to the decrease in the exceptional share compared to 2014 (-€5.4m), telephone operators (-€9.2m) mainly due to the collection of exceptional income in 2014 following litigation, from Eau de Paris due to the implementation of rules capping fees (-€4.7m), as well as fees from energy concession holders due to the mild weather conditions (-€4.7m).

Income from **contributions and grants** totalled €288m, up €50m on 2014. Contributions from the Family Benefits Fund (CAF) totalled €199m, an increase of €39m on 2014, particularly driven by the modification of its instalment and balance payment schedule for single service delivery to match the one for child and youth welfare services. The following additional income was also recovered: +€5m on contributions from the European Social Fund, +€4m on repayments of universal service employment cheques (CESU) not used in N-1 for Home Personal Autonomy Allowance (APA), +€4m of repayments on earned income supplement (RSA) overpayments and +€5m of contributions from the Disabled Persons Integration Fund. In contrast, the income received from the State contribution to subsidised contracts totalled €10.5m, down by €4.2m, and grants paid by the National Solidarity & Autonomy Fund (CNSA) for Disability Compensation Benefits (PCH) totalled €12.3m, down by €2.4m.

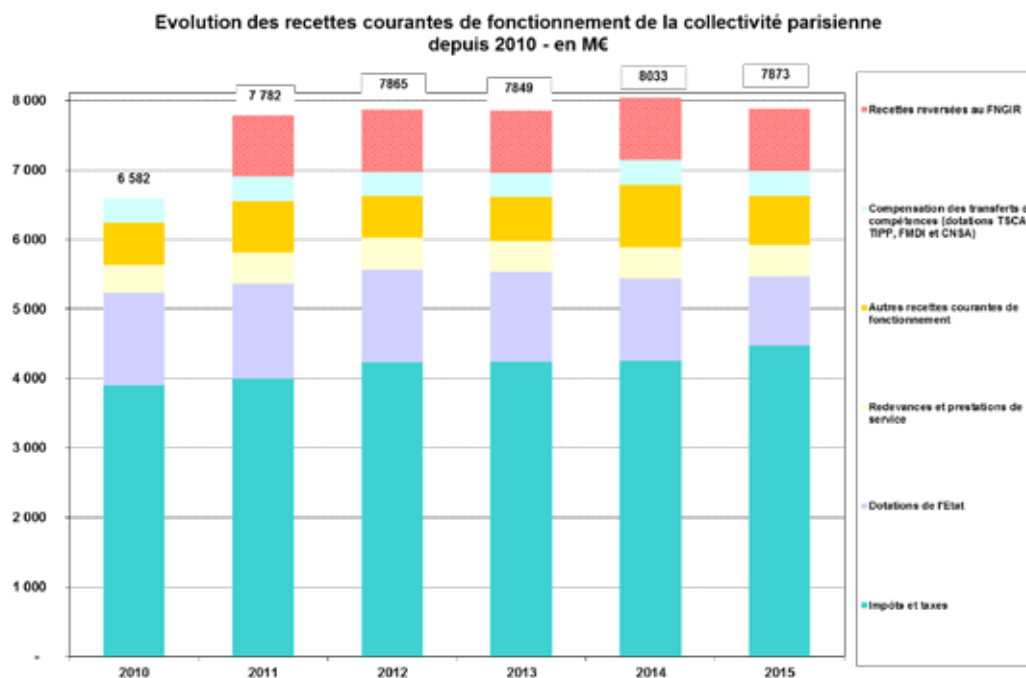
The income received for **urban development area surpluses** was down by €202m to €12m in 2015. 2014 income was exceptionally high given the completed development project schedule.

Rental income totalled €170m in the 2015 AA, down by €26m on 2014, driven by an exceptional increase in public service contract income in 2014 that led to lower rental income in 2015.

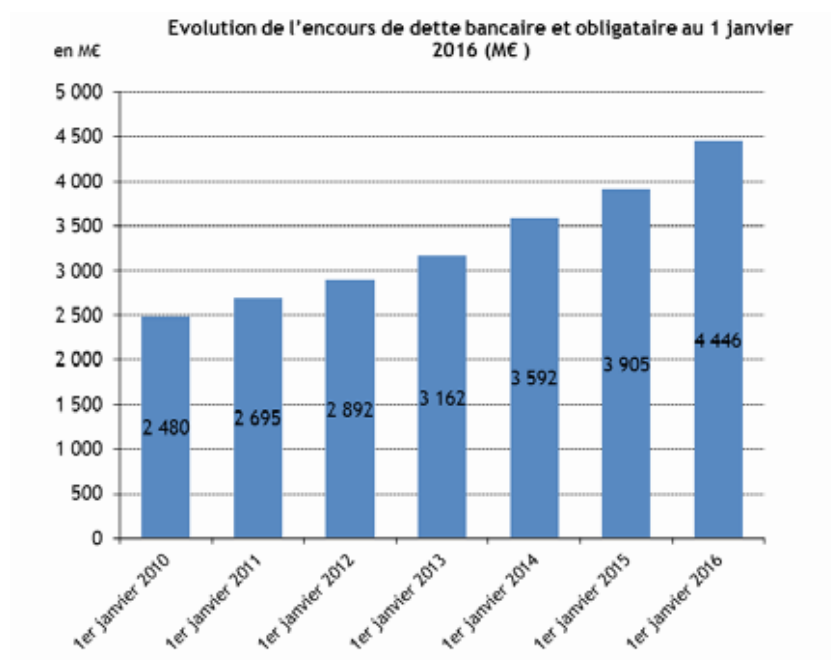
Other current operating income totalled €236m, a reduction of €15m on 2014. This fall was primarily accounted for by the reduction of -€19m in income from building works for third parties now recovered as investment; however, exceptional income of +€8m was received for the transfer back to the general budget of the Municipal Automotive Transportation subsidiary budget surplus.

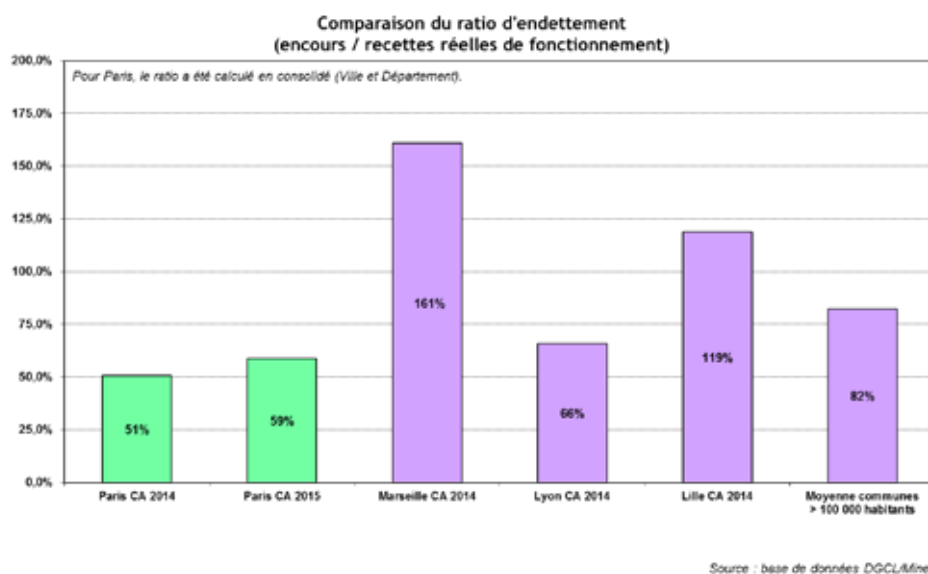
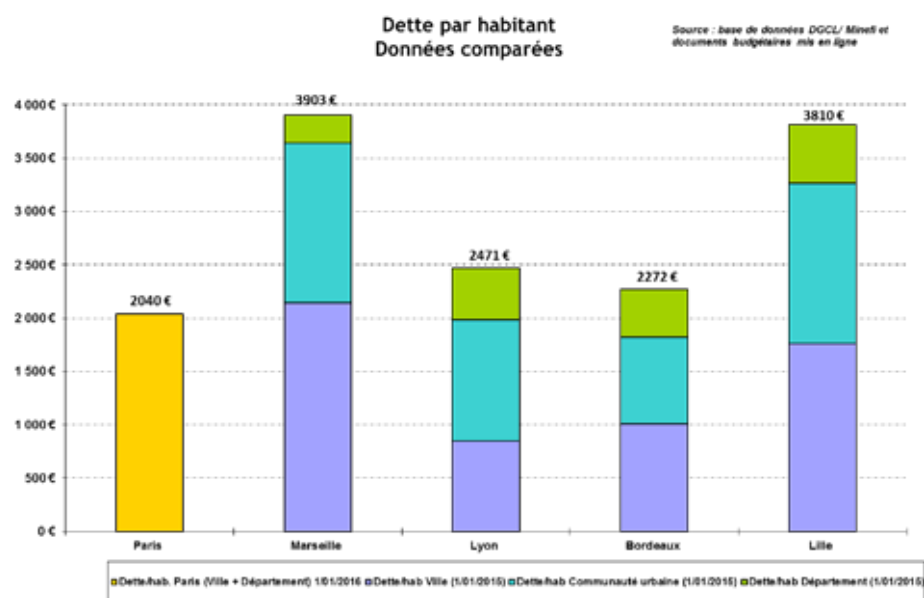
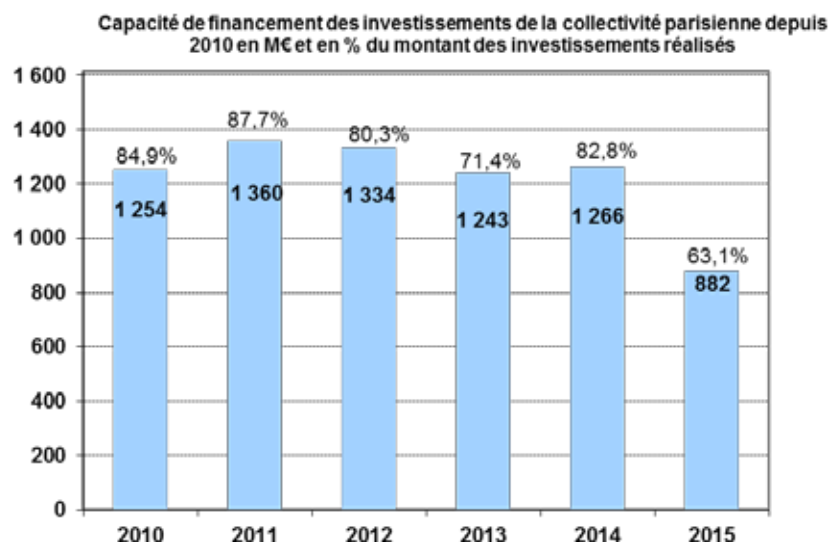
Exceptional income, amounting to €15m, was down by €27m on the 2014 AA, driven by a lower level of income from cancellation of mandates for previous fiscal years (€27m in 2014 compared to €0.2m in 2015).

Finally, **financial income**, amounting to €25m was down by €6m on 2014, due to the non-renewal in 2015 of certain exceptional dividends recovered in 2014.



Debt and bond debt as of 31 December 2015 amounted to €4,446m.





2015 AA KEY FIGURES

2009-2015 consolidated financial balances

City and Department of Paris

from 2010 AA to 2015 AA

in €m	2010 AA	2011 AA	2012 AA	2013 AA	2014 AA	2015 AA	2015/2014 change
Operating income	6,582	7,782	7,865	7,849	8,033	7,873	-2%
Current administrative expenses	5,701	6,804	7,002	7,146	7,358	7,479	2%
Operating surplus	881	978	863	703	676	394	-42%
Financial items balance	-50	-66	-79	-93	-97	-99	2%
Exceptional items balance	-34	-46	-27	-38	2	-34	-1.782%
Total actual operating income	6,609	7,816	7,895	7,897	8,107	7,914	-2%
Total actual operating expenditure	5,812	6,950	7,138	7,325	7,527	7,653	2%
Gross surplus	797	866	757	573	581	261	-55%
Loan repayments (incl. revolving credit)	125	184	200	200	197	200	2%
Net surplus	672	682	557	373	384	61	-84%
Actual investment income	457	495	577	671	686	621	-9%
Investment financing capacity	1,254	1,360	1,334	1,243	1,266	882	-30%
Actual investment expenditure	1,477	1,551	1,662	1,740	1,529	1,397	-9%
Financing requirement	348	375	528	697	460	715	56%
New loans	340	381	470	630	510	741	45%
Working capital as of 1/1	293	285	288	230	163	213	
Variation in working capital	-8	6	-58	-67	50	20	
Working capital as of 31/12	285	291	230	163	213	233	
Debt outstanding as of 1/1	2,481	2,696	2,892	3,219	3,655	4,120	
Debt outstanding as of 31/12	2,696	2,893	3,219	3,655	4,120	4,640	
Variation in debt outstanding	215	197	327	436	466	520	
Financing capacity	84.9%	87.7%	80.3%	71.4%	82.8%	63.1%	

2015 CITY ADMINISTRATIVE ACCOUNT

in €

Financial balance

Operating section			
Expenditure		Income	
Actual operations			
Chapters 011, 012, 65, 656, 014	4,994,573,497.42	Accounts 70 to 75 + 013	5,358,267,287.47
66 Financial expenses	124,065,803.01	76 Financial income	24,294,264.47
67 Exceptional expenses	45,491,526.71	77 Exceptional income	338,221,147.70
Total actual investment		Total actual and mixed income	5,720,782,699.64
Balance of actual operations			556,651,872.50
Book entry operations between sections			
Total book entry expenditure	633,950,637.35	Total book entry income	5,508,120.09
Total (actual and book entry operations)	5,798,081,464.49	Total (actual and book entry operations)	5 726 290 819,73
002 Previous deficit brought forward	0,00	002 Previous surplus brought forward	132,154,427.72
Total operating expenditures	5,798,081,464.49	Total operating income	5,858,445,247.45
Operating income		Surplus:	60,363,782.96

Investment section			
Expenditure		Income	
Actual operations			
Financial expenditure		Own income of external origin	
10 Misc. grants and funds	42,000,000.00	10 Misc. grants and funds (excl. 1068)	205,822,145.07
13 Grants	1,102,161.69	138 Non-allocated investment grants	0,00
		27 Loan repayments	76,257,035.10
16 Repayment of loans (excl. revolving credit)	255,111,336.49		
16449 Revolving credit	0.00	Other definitive external income	
		20 Intangible assets	61.57
		204 Capital grants	67,500.00
		21 Property, plant and equipment	4,200,739.15
		23 Construction in progress	2,060,946.36
26 Shares	210,000.00	26 Sales of shares and related receivables	0,00
27 Other long-term investments	141,194,864.15	13 (excl. 138) Investment grants	63 615 512,86
Capital expenditure		Other non-definitive external income	
20 Intangible assets	10,306,573.61	163 Debenture loans	570,221,000.00
204 Capital grants paid	253,167,585.22	164 Loans from credit institutions (excl. revolving c.)	165,000,000.00
21 Property, plant and equipment	292,314,969.32	16449 Revolving credit	
23 Construction in progress	597,816,419.21	165 Deposits and guarantees received	46,914.85
		168 Other loans and similar debts	45,443.00

2015 CITY ADMINISTRATIVE ACCOUNT		in €	
Financial balance			
45 Operations for third parties	3,365,121.96	45 Operations for third parties	17,419,868.13
Total actual expenditure	1,596,589,031.65	Total actual income	1,104,757,166.09
Self-financing requirement (expenditure - income)			491,831,865.56
Book entry operations within section			
Total	185,986,575.01	Total	185,986,575.01
Book entry operations between sections			
Total	5,508,120.09	Total	633,950,637.35
Total (actual and book entry operations)	1,788,083,726.75	Total (actual and book entry operations)	1,924,694,378.45
D001 Income brought forward n-1	114,496,21.86	R1068 Allocation n-1	164,534,684.09
Total investment expenditure	1,902,579,939.61	Total investment income	2,089,229,062.54
Investment section operating balance			Deficit -186,649,122.93

2015 ADMINISTRATIVE ACCOUNT OF THE DEPARTMENT		in €	
Financial balance			
Operating section			
Expenditure		Income	
Actual and mixed operations			
Chapters 011, 012, 65, 6586, 014	2,648,646,926.31	Accounts 70, 73, 74, 75, 013	2,942,739,286.96
016 Personal autonomy allowance (APA)	140,156,318.75	016 Personal autonomy allowance (APA)	15,035,007.45
015/017 Earned income supplement (RSA)	410,671,451.49	015/017 Earned income supplement (RSA)	271,872,394.61
66 Financial expenses	16.65	76 Financial income	821,423.30
67 Exceptional expenses	2,002,402.94	77 Exceptional income	1,327,656.44
68 Allocations for provisions	13,935,527.00	78 Reversals of provisions	
Total actual and mixed expenditure	3,215,412,643.14	Total actual and mixed income	3,231,795,768.76
Balance of actual and mixed operations		16,383,125.62	
Book entry operations between sections			
Total book entry expenditure	82,143,583.87	Total book entry income	82,933,734.82
Total (actual and book entry operations)	3,297,556,227.01	Total (actual and book entry operations)	3,314,729,503.58
D002 Deficit brought forward	0.00	R002 Surplus brought forward	27,140,106.14
Total operating expenditure	3,297,556,227.01	Total operating income	3,341,869,609.72
Operating income		Surplus:	44,313,382.71

2015 ADMINISTRATIVE ACCOUNT OF THE
DEPARTMENT

in €

Financial balance

Investment section			
Expenditure		Income	
Actual operations			
DEPARTMENTAL CAPITAL (Direct Investments)	46,570,187.07	10 (except 1068) Own funds of external origin	12,921,757.33
Capital expenditure			
20 Intangible assets	1,068,048.32	20 Intangible assets	0.00
21 Property, plant and equipment	2,027,019.07	23 Construction in progress	306,272.70
23 Construction in progress	43,181,227.01	27 Other long-term investments	4,180,000.00
		274 Loan repayments	210,457.96
018 Earned income supplement (RSA)	293,892.67	018 Earned income supplement (RSA)	0.00
		13 Capital grants received	73,193,384.51
NON-DEPARTMENTAL CAPITAL	126,312,359.26		
		165 Deposits and other guarantees received	0.00
204 Capital grants paid	126,312,359.26	204 Capital grants paid	366,389.96
45 Work for third parties	1,509,575.28	45 Contributions by third parties to building works done on their behalf	26,378,498.47
Financial expenses			
165 Deposits and other guarantees	0.00		
26 Contributions	804,020.00		
27 Other long-term investments	4,959,050.00		
10 Miscellaneous grants and funds	0.00		
Total actual expenditure	180,155,191.61	Total actual income	117,556,760.93
Self-financing requirement (expenses - income)			62,598,430.68
Book entry operations within the section			
Total	274,589.56	Total	274,589.56
Book entry operations between sections			
Total	82,933,734.82	Total	82,143,583.87
Total (actual and book entry operations)	263,363,515.99	Total (actual and book entry operations)	199,974,934.36
D001 Income brought forward n-1	86,404,594.87	R1068 Allocation n-1	88,885,188.11
Total investment expenditure	349,768,110.86	Total investment income	288,860,122.47
Investment section operating balance			Deficit: 60,907,988.39

Main Financial Ratios for the Paris Authority

(City and Department)

	2010 AA	2011 AA	2012 AA	2013 AA	2014 AA	2015 AA
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1. Net surplus rate

Net surplus / Actual operating income	10.2%	8.7%	7.1%	4.7%	4.7%	0.8%
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measures the municipality's ability to generate a positive net surplus.

2. Debt indicators

Debt capital outstanding / Actual operating income	40.8%	37.0%	40.8%	46.3%	50.8%	58.6%
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Debt capital outstanding / Gross surplus	3.4	3.3	4.3	6.4	6.3	15.8
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number of years required to repay debt capital

Debt outstanding / Capita (in €)	1,207	1,295	1,426	1,611	1,811	2,040
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3. Structure cost rigidity indicator

Payroll expenses / Actual operating income	30.7%	26.3%	26.7%	26.7%	27.2%	28.1%
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measures room for manoeuvre in terms of expense reduction

4. Tax potential mobilisation coefficient (City only)

*

Income from direct contributions of 4 taxes (residence tax (TH), property tax on developed property (TFB), property tax on undeveloped property (TFNB), business tax (TP) then Business Value-Added Contribution)/ Tax potential 4 taxes	59.6%	61.1%	53.6%	53.1%	53.3%	52.4%
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measures fiscal room for manoeuvre

(opportunity to increase rates and thus income)

5. Tax effort (City only)

Income from direct contributions of 3 taxes (residence tax (TH), property tax on developed property (TFB), property tax on undeveloped property (TFNB))/ Tax potential of 3 taxes	49.3%	52.0%	45.2%	45.0%	44.9%	44.8%
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measures fiscal room for manoeuvre for household taxes

(opportunity to increase rates and thus income)

* The 2013 mobilisation coefficient ratio of the tax potential has been modified to deduct payment of the individual guarantee of resources (GIR) in the municipal section, following the business tax (TP) reform.

2010-2015 CONSOLIDATED ADMINISTRATIVE ACCOUNTS OF THE PARIS AUTHORITY

City and Department of Paris

in €m

	2010 AA	2011 AA	2012 AA	2013 AA	2014 AA	2015 AA	2015-2014 change
Direct contributions	2,292	3,103	3,207	3,456	3,293	3,533	7.3%
Household waste collection tax (TEOM)	414	426	434	446	451	458	1.7%
Street cleaning tax	71	70	104	104	104	104	-0.2%
Parking fees	47	63	59	63	64	110	70.8%
Electricity tax (City + Department)	78	72	69	74	70	68	-3.8%
Property tax (DMTO + TADE)	928	1,078	1,177	918	1,089	1,016	-6.7%
Other taxes and duties	67	68	71	69	69	78	12.9%
Taxes and duties	3,897	4,881	5,121	5,130	5,141	5,367	4.4%

DMTO = National Property Transfer Duties / TADE = surcharge on registration fees

APA compensation (CNSA)	9	13	12	12	10	7	-26.8%
RMI / RSA (TIPP + FMDI)	260	261	266	260	259	259	0.0%
Other compensation (incl. TSCA & APRE)	80	76	74	72	86	86	0.7%
Compensation for skills transfers	348	350	351	344	355	353	-0.6%

APA = personal autonomy allowance / CNSA = National Solidarity Autonomy Fund / RMI = minimum income allowance / RSA = earned income supplement / TIPP = domestic tax on petroleum products / FMDI = departmental integration fund / TSCA = special tax on insurance agreements / APRE = personal back-to-work allowance

General operating grant (DGF)	1,263	1,290	1,259	1,227	1,134	930	-18.0%
Compensatory grants (DCTP, DCTH, DCTF)	56	60	54	48	44	47	7.7%
Other grants (DGD, DSI)	16	16	16	16	16	16	-0.1%
State grants	1,335	1,365	1,329	1,291	1,194	993	-16.9%

DGF = general operating grant / DCTP = business tax compensatory grant / DCTH = local residence tax compensatory grant / DCTF = property tax compensatory grant / DGD = general decentralisation grant / DSI = special teaching grant

Grants and contributions (State, Department, Region, ESF, Social Security, recovery of overpayments, etc.)	201	201	214	213	238	288	21.0%
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Fees paid by operators and concession holders	185	226	226	213	204	202	-1.0%
Fees & income from use of public property (incl. duties for roads and terraces)	56	60	66	67	74	78	5.1%
Contributions from Parisian users	156	157	169	168	167	175	4.8%
Operating income	397	443	461	449	445	455	2.2%

Urban development area surplus	2	132			213	12	-94.5%
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Rental income (Revenue from buildings)	195	184	171	189	197	170	-13.3%
Repayments by beneficiaries	84	86	82	86	89	90	0.5%
Building works for third parties	27	35	36	45	61	42	-31.7%

City and Department of Paris

in €m	2010 AA	2011 AA	2012 AA	2013 AA	2014 AA	2015 AA	2015-2014 change
ESA repayment	28	30	32	36	32	28	-13.0%
Repayment of payroll costs (Repayment of costs for leased employees, reduction of expenditure and miscellaneous collections)	69	74	66	67	68	77	12.4%
Total other current operating income	403	410	387	422	447	406	-9.1%

Current operating income	6,582	7,782	7,865	7,849	8,033	7,873	-2.0%
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Payroll expenses	2,026	2,059	2,109	2,111	2,209	2,227	0.8%
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Overhead costs	832	858	833	823	821	815	-0.4%
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Social welfare, incl.:	746	812	853	848	845	855	1.1%
<i>Social welfare for children</i>	257	303	336	324	307	301	-1.8%
<i>Social welfare for the disabled (PCH, ACTP)</i>	49	54	61	65	70	72	2.2%
<i>Accommodation assistance for the disabled</i>	120	122	129	142	146	154	5.0%
<i>Personal autonomy allowance (APA)</i>	136	138	141	133	135	140	4.0%
<i>Accommodation assistance for the elderly</i>	149	153	149	146	149	148	-0.8%
RSA, RMI, Jobs for the Future and PDI	363	359	366	381	399	411	2.9%
<i>incl. RMI / RSA allocation share</i>	300	297	301	318	337	355	5.1%
Contribution to CASVP	313	315	323	314	313	312	-0.4%
Total for social welfare	1 421	1 486	1 541	1 543	1 558	1 578	1.3%

PCH = disability compensation benefits / ACTP = third-party compensation benefits / APA = personal autonomy allowance / RSA = earned income supplement / RMI = minimum income allowance / PDI = departmental integration programme / CASVP = City of Paris Welfare Centre

City operating grant	202	204	207	273	273	279	2.2%
Various grants and contributions	208	223	249	254	253	273	7.6%
Grants and contributions	410	428	454	527	526	551	4.8%

Police prefecture	276	280	287	290	292	285	-2.2%
Contribution to STIF	344	353	360	367	374	378	1.0%
Contribution to SYCTOM	127	131	133	119	126	119	-5.4%
Contributions	747	764	780	776	791	782	-1.2%

STIF = Ile-de-France Public Transport Syndicate / SYCTOM = Household Waste Treatment Syndicate

FSRIF (Île-de-France solidarity fund)	86	104	121	131	141	151	7.1%
Property transfer duty (DMTO) equal. fund		67	80	88	81	97	19.0%
Municipal equalisation fund (FPIC)			22	67	116	157	36.0%
Bus. Value-Added Cont. equali. fund				16	18	24	29.5%
Solidarity fund for the Île-de-France departments (FSDIF)					27	27	-0.3%
Equalisation expenses	86	170	223	302	383	456	18.9%

National Individual Resources Guarantee Fund (FNGIR)		884	892	898	898	898	0.0%
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City and Department of Paris

in €m	2010 AA	2011 AA	2012 AA	2013 AA	2014 AA	2015 AA	2015-2014 change
Other current administrative expenditure	179	155	170	167	171	172	1.0%
Current administrative expenditure	5,701	6,804	7,002	7,146	7,358	7,479	1.7%
Administrative surplus	881	978	863	703	676	394	-41.7%
Financial income	14	24	21	19	31	25	-19.1%
Financial expenditure	64	91	100	112	128	124	-3.2%
Financial items balance	-50	-66	-79	-93	-97	-99	1.8%
Exceptional income	12	10	9	29	43	15	-63.9%
Exceptional expenditure	47	56	36	67	41	50	22.6%
Exceptional items balance	-34	-46	-27	-38	2	-34	-1,782.3%
Total actual operating income	6,609	7,816	7,895	7,897	8,107	7,914	-2.4%
Total actual operating expenditure	5,812	6,950	7,138	7,325	7,527	7,653	1.7%
Gross surplus	797	866	757	573	581	261	-55.1%
Grants and subsidies received	245	282	266	352	352	356	1.1%
- incl. investment grants received	105	116	49	156	143	102	-29.1%
- incl. police fines	28	35	37	32	33	35	5.9%
- incl. VAT compensation fund (FCTVA)	104	125	173	149	168	209	24.5%
Income from property sales	59	50	107	122	122	156	27.1%
Operations for third parties	4	5	18	24	22	27	23.8%
Repayment of loans	42	20	32	72	15	19	24.5%
Other long-term assets	95	120	134	66	168	57	-66.4%
Other actual investment income	13	17	21	34	6	7	20.9%
Total actual investment income	457	495	577	671	686	621	-9.4%
Intangible assets	17	19	18	13	10	11	13.4%
Capital grants	441	470	500	507	455	377	-17.1%
Acquisitions	330	201	210	206	213	244	14.2%
incl. Property Account	237	123	150	131			
Building works		655	808	865	949	800	626
-21.8%							
Operations for third parties	11	16	24	23	20	4	-80.8%
Loans granted	15		6			6	

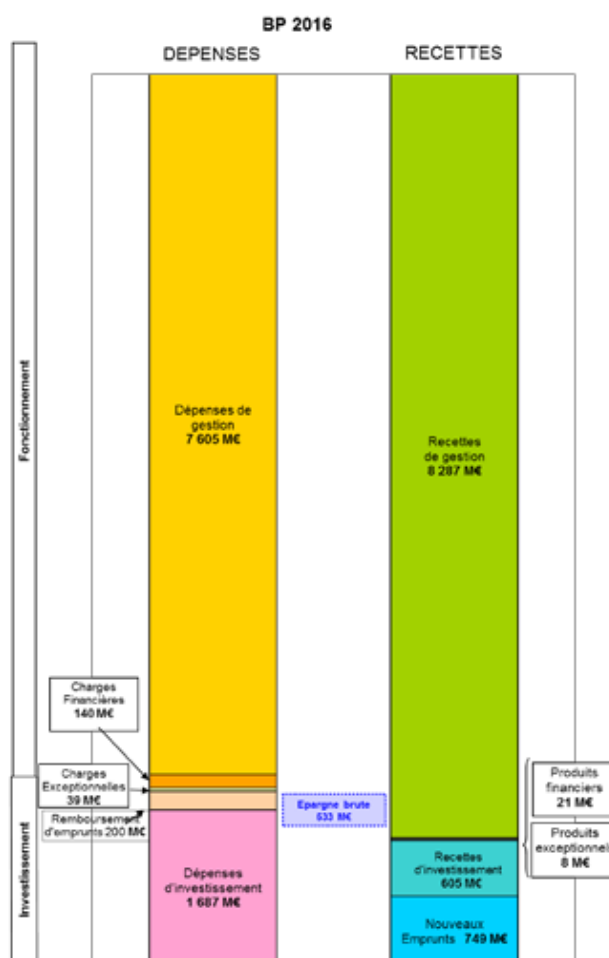
City and Department of Paris

in €m	2010 AA	2011 AA	2012 AA	2013 AA	2014 AA	2015	2015-2014 change
Other actual investment expenditure	8	36	39	41	31	129	317.3%
Total actual investment expenditure	1,477	1,551	1,662	1,740	1,529	1,397	-8.7%
Investment financing capacity	1,254	1,360	1,334	1,243	1,266	882	-30.4%
Loan repayments	125	184	200	200	197	200	1.7%
Financing requirement (actual inv. expenses + loan repayment - inv. financing capacity).	348	375	528	697	460	715	55.5%
New loans	340	381	470	630	510	741	45.3%
Working capital as of 1st January	293	285	288	230	163	213	30.7%
Variation in working capital	-8	6	-58	-67	50	20	-59.7%
Working capital as of 31st December	285	291	230	163	213	233	9.5%
Debt outstanding as of 1st January	2,481	2,696	2,892	3,219	3,655	4,120	12.7%
Debt outstanding as of 31st December	2,696	2,893	3,219	3,655	4,120	4,640	12.6%
Variation in debt outstanding	215	197	327	436	466	520	11.7%
Financing capacity	84.9%	87.7%	80.3%	71.4%	82.8%	63.1%	-23.8%

CONSOLIDATED PRESENTATION OF THE 2016 ORIGINAL BUDGET

I. OVERALL BALANCE OF THE 2016 OB

The original budget (OB) for 2016 sees investment expenditure rise by €200m in comparison with the 2015 OB (€1,687m, compared to €1,487m in the 2015 OB). More than a third of this expenditure is financed by the gross surplus from operations, a total of €533m. This gross surplus is supplemented by €605m of income from investment, which amounts to a total self-financing capacity of €1,138m, covering 67% of investment expenditure before debt repayment. The borrowing limit is set at €749m, i.e. an amount much equivalent to that set in 2015 (€744m).



II. DESCRIPTION OF KEY ITEMS OF INCOME AND EXPENDITURE

A. INVESTMENT

Continuing the administration's investment programme, investment expenses are set at €1,687m in the 2016 OB, €605m of the resulting financing requirement was financed by own investment income.

Capital expenditure (€1,091m) represented 65% of actual investment expenditure.

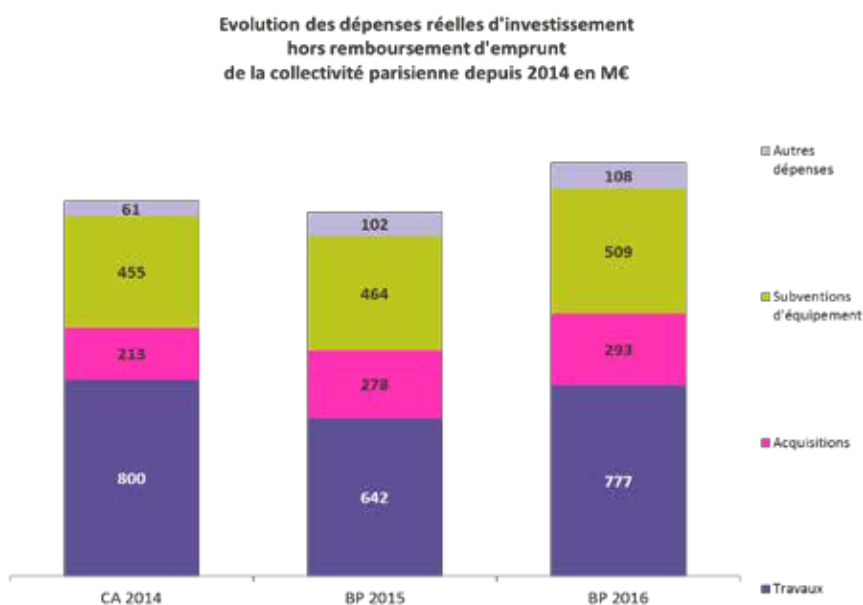
It consisted of:

- €777m for building works (+€135m compared to the 2015 OB);
- €293m for acquisitions, (+ €14m compared to the 2015 OB);
- €21m on property, plant and equipment (-€6m compared to the 2015 OB).

€251m of this capital investment will be devoted to the acquisition of land holdings (including plots earmarked for social housing, a total of €142m), €95m to the second tranche of the acquisition of a building in the Joseph Bédier urban development area - Porte d'Ivry (13th) which will allow the relocation and grouping on a single site of employees of the different departments of the Paris authority, €159m on road maintenance and transports, €111m on the schools sector, €58m on sports and youth, €47m on day-care and €46m on culture.

Capital **grants** amount to a total of €509m. More than three quarters of this sum have been allocated to housing and living conditions (€339m, incl. €313m for social housing), roads and transportation (€45m).

The balance of actual expenditure is mainly composed of expenditure for third parties (€16m) and financial operations (contributions and advances paid, a total of €67m).



€67.7m for the 2016 OB participatory budget

The Paris Participatory Budget allows Parisians to propose projects for their city on which they can then vote. The projects selected are then carried out by the departments of the City of Paris.

A budget allocation equivalent to 5% of its investment budget, i.e. nearly €500m over the period 2015-2020 is set aside in the administration's investment programme. The 2016 OB marks the expansion of this scheme: after having been allocated €17.7m in the 2015 OB (for 9 projects selected), the participatory budget is allocated €67.7m in the 2016 OB (€35.2m for 8 Parisian projects and €32.5m for 180 arrondissement projects selected following the 2015 campaign).

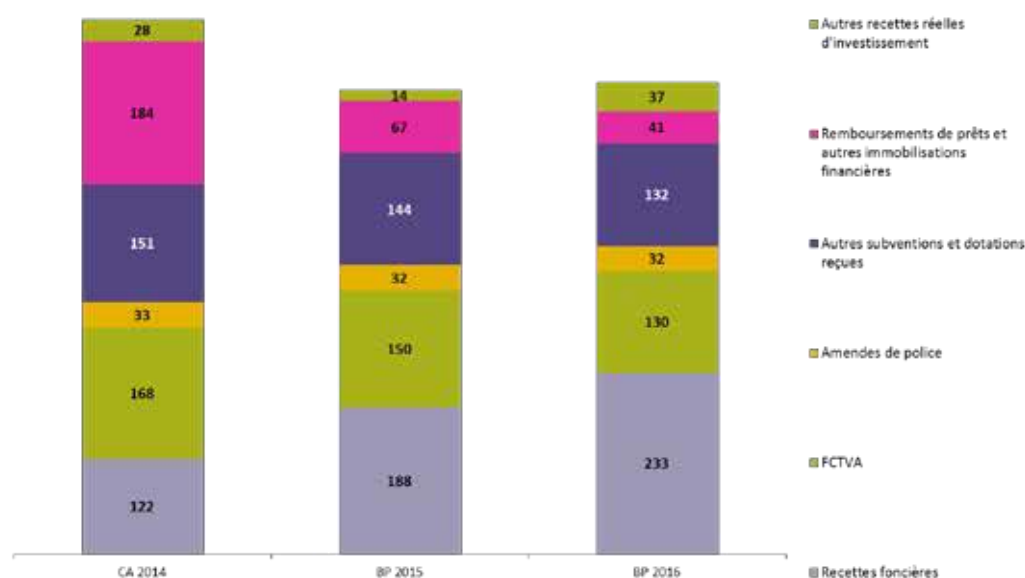
Accordingly, €16m shall particularly be devoted to additional cycle paths in Paris, €12.3m shall be spent on improving roads and transportation whereas €18.4m shall be devoted to greening Paris, green spaces and the environment.

Investment income stands at €605m. This rose by €9m in relation to the 2015 AA.

This income primarily consisted of:

- **grants and subsidies received** totalling €294m. This includes €130m from the VAT Compensation Fund (FCTVA) as well as a predicted €32m in **income from police fines**;
- income from property sales, estimated at €200m for 2016, to which must be added €26m in sales in connection with the property agreement for the Les Halles renovation project.

Evolution des recettes réelles d'investissement depuis 2014
en M€ d'euros



B. OPERATING

The continued increase in equalisation expenditure and the reduction of State grants is balanced out by good management of operating expenditure and by the raising of new income, resulting in an improved gross surplus, up from €347m in the 2015 OB to €533m in the 2016 OB.

1. Operating Expenditure

Actual operating expenditure, a total of €7,783m, is up 1.2% from the 2015 OB. Excl. equalisation expenditure, it totalled €7,284m, an increase of 0.6% on 2015; below the 2016 inflation forecast (+1%); this very moderate increase is the result of the efforts made to manage expenditure.

As part of the process to rationalise social welfare in Paris, the reform of **Nouveau Paris Solidaire** was put in place in 2016 and shall be completed in 2017.

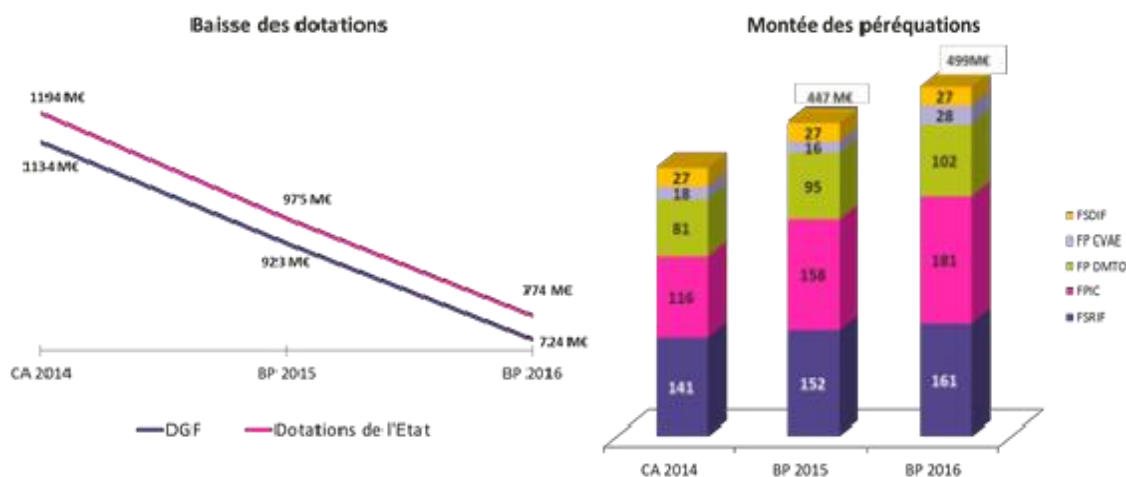
This consists of grouping the Multi-purpose Departmental Social Services (SSDP) with the City of Paris Welfare Centre (CASVP) and results in the 2016 OB in the transfer of €39.4m of payroll expenses and overhead costs from the general budget to the CASVP budget. The elements presented below show these technical changes.

	2016 OB excl. NPS	2016 OB after NPS reform	Variation
Payroll expenses	€2,286.3m	€2,269.2m	- €17.1m
Overhead costs	€808.4m	€786.5m	- €21.8m
Contribution to the City of Paris Welfare Centre (CASVP)	€304.6m	€344.0m	* €39.4m

** an additional contribution of €0.5m is paid to finance the reform*

Equalisation expenditure stands at €499m, an increase of 11.5 % on the 2015 OB (+€52m). As the methods used to calculate the equalisation funds for 2016 are currently being debated as in connection with the examination of the 2016 Finance Act in the course of preparing the 2016 OB, the figures included in this 2016 OB are liable to require subsequent adjustments.

Change in equalisation grants and expenditure between 2014 and 2016



The **national inter-municipal & municipal income equalisation fund (FPIC)** continued to grow in 2016. The City's contribution increased by 14.6% between 2015 and 2016, totalling €181m (i.e. + €23m), which represents 18.1% of the total amount of the Fund and makes Paris the number one contributor.

The contribution to the **solidarity fund for the municipalities of the Île-de-France region (FSRIF)** sees an increase of 6.2% from the 2015 OB, to stand at €161m. The contribution to the two **national property transfer duties equalisation funds (DMTO)**, set up in 2011 and 2014, has risen by 8.0%, from €95m to €102m.

Since 2014, the Paris authority has also contributed to the **solidarity fund** dedicated to the Departments of the Ile-de-France region (FSDRIF), totalling €27m in 2016, i.e. a stable amount compared to 2015.

Furthermore, the contribution to the **business value-added contribution equalisation fund (CVAE)** was €28m, compared to €16m in the 2015 OB, i.e. an increase of €12m compared to the 2015 OB. This sharp increase is accounted for firstly by the modifications to the fund calculation method decided in the 2015 Finance Act that increased by €8m the amount of our actual contribution in 2015 compared to that stated in the 2015 OB, and secondly by the increase in business value-added contribution between 2014 and 2015. Expenditure on the 2016 equalisation fund accordingly increased by €4m compared to the amount actually paid in 2015.

Payroll expenses in the general budget for the Paris authority stand at €2,272m after transfer of €17m of payroll from the Department to the City of Paris Welfare Centre (CASVP) grant for the creation of Nouveau Paris Solidaire - NPS - (transfer of Multi-Purpose Departmental Social Services (SSDP) still on the Social Welfare, Childhood and Health Directorate (DASES) budget to the CASVP budget), i.e. an increase of 0.2% (+€6m) compared to the 2015 original budget. **On a like-for-like basis (i.e. excl. transfer of NPS), payroll expenses increased by 1% (+€23m) compared to the 2015 OB.**

Out of payroll expenses strictly speaking (excl. other payroll expenses particularly including relieving school principals of their teaching responsibilities, occupational medicine, SUDAC pensions, etc.), €21m of this increase was the result of external factors, mainly including €14.5m linked to changes to the Seniority & Technical Classification (GVT), €2.6m estimated in 2016 for the implementation of the first part of the national agreement on career paths, careers and remuneration ("PPCR") and €1.8m for the increase in employer contributions.

Based on the provisions of the 2016 Finance Act, no increase in the civil service index point is currently planned for 2016. Expenditure on subsidised contracts is stable compared to the 2015 OB, due to the growth in the administration's Jobs for the Future recruitment programme.

This budget entry also reflects certain **choices made by the Authority in terms of developing the public services on offer**, with a budget increase of €42.5m for implementing the 2016 employment strategy (€15m) and the impact of the 2015 recruitment campaign in 2016 (€27.5m including €21.5m for the Contract for Children and Young People (CEJ). The employment strategy proposes in 2016 the creation of 436 positions including 235 dedicated to strengthening three of the administration's priority fields (day-care, hygiene and security) and 106 for the opening of new facilities. In connection with NPS, 490 positions are transferred from the Social Welfare, Childhood & Health Directorate to the City of Paris Welfare Centre (CASVP). Meanwhile, the reform of the Parisian administration and the reorganisation of its departments will allow us to redeploy 325 employees, primarily by optimising support roles and organisation. All of these movements are presented in detail in the employment strategy DFA-DRH 2014 129 and 54G. Furthermore, work shall continue in 2016 on rationalisation of vacations and overtime in order to help manage payroll expenses.

The City's payroll expenses increased by 1.4% compared to the 2015 OB to €2,074m (€2,045m in the 2015 OB). This increase is particularly due to the employment strategy with the effects over a full year of the Contract for Children and Young People (CEJ) and the impact of the main external measures (Seniority & Technical Classification (GVT), career paths, careers and remuneration (PPCR) agreement).

The Department's payroll expenses fell by 8.2% compared to the 2015 OB, to €196m (€213m in the 2015 OB). This fall of €17m is accounted for mainly by the change in scope linked to the transfer of the payroll of the employees working for NPS from the Social Welfare, Childhood and Health Directorate (DASES) to the City of Paris Welfare Centre (CASVP) as well as by the fall in repayment of the departmental allowance in the municipal budget (-€5m).

Detailed presentation of payroll

The table given below provides an aggregated, consolidated (City and Department) overview of budget entries for the different facets of payroll spending, incorporating the changes described above:

- Payroll expenses (including €17m for the transfer of payroll to the grant for the City of Paris Welfare Centre (CASVP) for Nouveau Paris Solidaire):

	2015 OB	2016 OB	% / 2015 OB
Remuneration of personnel	€1,576,576,745	1,591,998,277	0.98%
<i>incl. subsidised contracts</i>	<i>30,900,000</i>	<i>30,900,000</i>	<i>0.00%</i>
Taxes and duties	€38,192,939	€38,567,900	0.98%
Social security and welfare expenses	€555,221,824	€551,174,800	-0.73%
Other expenses	€55,845,545	€55,273,616	-1.02%
Remuneration of employees of groups of elected officials	€3,397,410	€3,397,410	0.00%
TOTAL	€2,229,234,463	€2,240,412,003	0.50%

- Other payroll expenses:

	2015 OB	2016 OB	% / 2015 OB
Relief from teaching responsibilities	€20,206,357	€20,206,357	0.00%
Paris Habitat and CAF kindergartens			
<i>André Masson nursery school</i>	€1,333,590	€1,333,590	0.00%
"Sentence BOUR Marcel Paul" employees and differential allocation of SUDAC	€3,520,000	€3,000,000	-14.77%
Medical expenses and occupational medicine	€2,640,000	€2,600,000	-1.52%
Occupational accident allowances and disability pensions	€1,225,000	€1,225,000	0.00%
Misc.	€460,500	€429,500	6.73%
TOTAL	€29,385,447	€28,794,447	-2.01%

The Authority's other payroll expenses totalled €28.8m, down by 2.1% compared to the 2015 OB, mainly due to the reduction in pensions paid to employees of "La Sentence" and SUDAC due to reduced number of beneficiaries. Other budget entries remain generally stable compared to the 2015 OB.

The majority of this expenditure results from the policy of relieving City of Paris school principals of their teaching responsibilities (70% of "other payroll expenses"). The Paris authority bears the excess costs incurred by this scheme available to Parisian nursery and primary school principals. The salaries of teachers assigned to Paris to replace these principals are thus reimbursed by the State on the basis of an agreement made with the Ministry for National Education. The predicted budget entry for this item in OB 2016 is €20.2m.

The cost of reimbursing Paris Habitat and the Family Benefits Fund (CAF) for expenditure relating to employees of kindergartens and the André Masson nursery school was unchanged.

Social expenditure excl. overhead costs increased by 3.3% to reach €1,648m in the 2016 OB (excl. overhead costs). Excl. transfer linked to NPS, their variation was limited to +0.8%.

The entry for the earned income supplement (RSA) in a difficult economic context, is set at €368.5m for the allocation share, up by €7m compared to 2015. This forecast is based on a hypothesis of 67,500 beneficiaries at the end of 2016, to which must be added the impact of inflation and the 2% increase stipulated in the governmental plan to combat poverty launched in September 2014.

Welfare support for people with disabilities has been increased by €11m and now amounts to €234m. This change can be accounted for mainly by the increase in housing costs, linked to the 1.1% increase in the per-day prices in existing facilities and the opening of new facilities, as well as the ramping-up of disability compensation benefits, which are progressively replacing third-party compensation benefits (PCH-ACTP: + €7.7m).

Expenditure on welfare for children, excl. costs posted in chapter 011, fell compared to the 2015 OB, from €310m to €289m, mainly due to the application of the national equalisation circular of 31st May 2013 regarding the handling of unaccompanied foreign minors (UFM), which has led to a decrease in the number of unaccompanied foreign minors taken on by the Paris authority. Spending on accommodation stands at €200m. €22.1m has also been set aside for hotel costs.

Spending on elderly citizens has increased by €10m to reach €308m, primarily as a result of the increase in the cost of the personal autonomy allowance (APA) (€152m as against €146m in the 2015 OB) due to an increase in the number of beneficiaries.

The contribution to the City of Paris Welfare Centre (CASVP) is set at €344m, up by €38m on 2015, mainly due to the putting in place of Nouveau Paris Solidaire.

The amount of **overhead costs** fell by €16m to €787m. This change is due to both the reform of NPS (see above) and the adoption of measures aimed at rationalising the Authority's optional schemes, and management of maintenance and operating expenses of facilities and services; these measures are set out in detail per sector below (see "Presentation by policy sector").

The sums (in €m) set aside for subcontracted services (account 611) are as follows, for the City and the Department:

	2015 OB	2016 OB	% / 2015 OB
Cleaning	111.2	113.7	2.2 %
Roads	57.6	60.5	5.0 %
Social welfare	19.8	23.3	17.7 %
Day-care	26.2	27.7	5.8 %
Sports and Youth	17.8	22.6	26.7 %
Culture	12.1	12.7	5.3 %
Schools	4.8	2.6	-46.6 %
Housing	5.6	6.0	6.9 %
Green spaces	4.2	4.3	3.9 %
IT and Telecommunications	3.0	3.7	20.7 %
Communication and Information	1.9	2.1	15.1 %
Access to law	1.8	1.9	2.6 %
Logistics	0.9	0.9	-7.5 %
Other areas (incl. safety)			
TOTAL	277.4	303.0	9.2 %

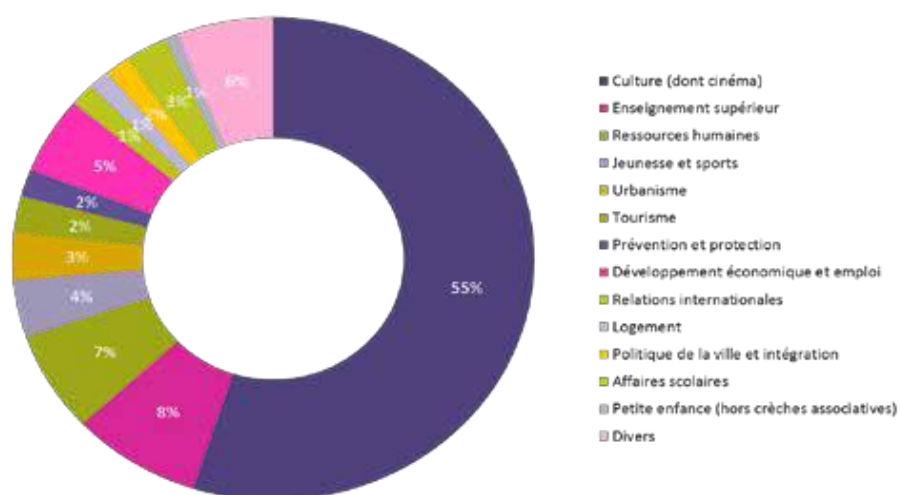
Contributions by the Paris authority have decreased by €5m to stand at €773m in the 2016 OB:

- the **contribution to the Île-de-France Public Transport Syndicate (STIF)** is €378m, which is the same as the amount paid in 2015: this amount can be readjusted based on the syndicate's 2016 budget which shall be presented to the Board of Trustees;
- the **contribution to the Police Prefecture** remained stable at €285m, in order to secure the resources dedicated to security in Paris;
- the **contribution paid to the Household Waste Treatment Syndicate (SYCTOM)** has been cut by €5m to €110m, due to three factors: a reduction in tonnages, the implementation of a new price list and the introduction of a savings plan in conjunction with all the contributing authorities.

Operating grants and contributions excl. social grants totalled €540m, a decrease of €3m compared to the 2015 OB. The 2016 OB is however based on contrasting changes:

- €2.9m of additional expenditure is proposed on operating grants, resulting in a 2016 entry of €297m (set out in detail below), particularly including + €1.6m on day-care grants in order to finance new projects based on the childcare strategy guidelines, + €1.5m on housing, as well as + €1.1m on schools;
- Additional expenditure of €1.6m is earmarked for grants to day-care centres run by non-profit associations, in order to fund the creation of 569 new places, taking the total entry for 2016 to €55m;
- €69m of grants are included under the school policy, an increase of €1.4m compared to the 2015 OB due to the revision of grants paid to private secondary schools under contract.
- Finally, the entry for grants allocated to school funds is €80m, i.e. -1.8% compared to the grants paid in 2015.

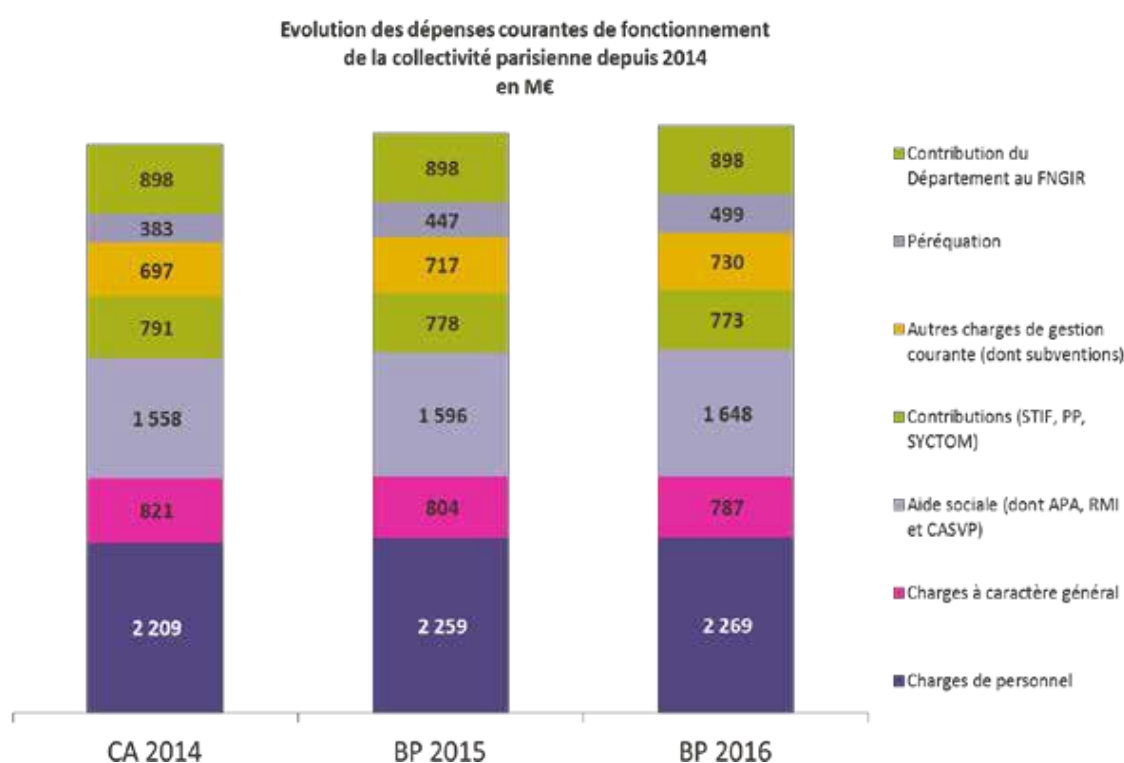
Operating grants (in €m) excl. financing of primary schools, middle schools and association-run day-care centres were broken down as follows:



	2015 OB	2016 OB	% / 2015 OB
Culture (incl. cinema)	163.3	163.2	0.0 %
Higher education	24.2	23.9	-1.2 %
Human resources	20.4	20.0	-1.9 %
Youth and sports	11.9	11.4	-4.7 %
Urban planning	9.4	9.4	0.0 %
Tourism	6.8	7.3	6.6 %
Prevention and protection	5.3	5.4	0.7 %
Economic development and employment	15.6	15.3	-1.9 %
International relations	4.6	4.5	-2.1 %
Housing	2.5	4.0	59.9 %
City policy and integration	5.0	5.0	0.0 %
Schools	6.8	7.9	16.7 %
Day-care (excl. association-run day-care centres)	0.8	2.4	200.5 %
Misc.	17.9	17.7	-0.7 %
TOTAL	294.5	297.4	1 %

Exceptional expenditure stands at €39m, down by €5m on 2015.

Taking the predicted variation in outstanding debt into account, financial costs are estimated at €140m, down by €8m.



Living together and increased security in the Paris area

As announced by the Mayor of Paris, a set of measures to tackle the issues raised by the attacks of 13 November 2015 shall be implemented. Already, the 2016 OB includes an initial budget of €16m to increase the cohesiveness of Parisian society and ensure better protection of Parisians. €6.3m have also been budgeted to accelerate the deployment of the new Paris video-protection plan (PVPP).

The operating budget shall include €5m to fund post-attack measures, which have yet to be outlined.

In terms of investment, in addition to the acceleration of the PVPP, a budget of €11m shall be devoted to the launch of a building security system modernisation plan, particularly covering facilities for children (schools, day-care centres, sports centres and music schools). This budget shall be spent first and foremost on improving the buildings' own systems such as video phones, presence and intrusion detectors, glass partition walls, door opening systems, and protected roadside access, etc. This will also concern the protection of areas around schools and day-care facilities covered by a Vigipirate order issued by the Police Prefecture: if there is parking along the building, this shall be prohibited and, when possible, the pavement shall be widened and protected.

The 2016 OB also provides for the net creation of 39 positions at the Directorate of Prevention & Protection (DPP) which will allow security to be increased in public areas.

The implementation of this plan shall back up the numerous measures adopted immediately after the events of 13 November, with the payment of exceptional grants to victim support associations and the adoption of measures to help businesses directly affected by the attacks, by way of an exemption from roadway duties. Waivers of street cleaning tax, for which no exemptions are authorised by law, shall also be granted.

Finally, many measures have already been taken since January to secure our facilities: development of video surveillance, work to increase security in numerous public facilities such as day-care centres, libraries, music schools, sports and culture centres. These measures shall be accelerated and enhanced with the voting of this budget.

2. Operating income

The actual operating income included in the 2016 OB is set at €8,316m, up by 3.5% compared to the 2015 OB (€8,038m).

Direct contributions fell by 14% on OB 2015, at constant rates of tax, reaching €3,020m. This change is mainly accounted for by the transfer to the Greater Paris Metropolitan Area of a large proportion of the economic tax income that was previously received by the City of Paris. However, this transfer of income is offset by a compensatory grant equivalent to the difference between the amount of income and expenditure transferred, totalling €526.5m.

The creation of Greater Paris Metropolitan Area (GPMA)

From 1st January 2016, the GPMA shall receive a share of the economic tax instead of its member municipalities and shall hold an increasing number of powers by 2020.

In order to not create an imbalance in the municipal budgets, the law states that the GPMA shall pay its member municipalities compensatory grants, which are calculated by determining the difference between the items of income and expenditure transferred.

The items of income transferred by Paris shall be as follows:

- City's share of Business Value-Added Contribution (with compensatory grants): €502.45m
- flat-rate tax on network companies: €8.6m
- surcharge on property tax on undeveloped property: €0.25m
- commercial floor area tax: €15.23m
- "Salary Share Compensation" (CPS) share of City's lump-sum grant: €453.1m

The powers devolved to the Metropolitan Area shall initially mainly cover strategy and planning. The City of Paris did not allocate a budget to this previously and shall not therefore transfer any expenditure in 2016. The amount of these compensatory grants entered in the municipalities' 2016 original budget is therefore estimated at €979.6m for Paris (2015 amount of all income transferred without deduction of expenditure).

Details of transfers of local direct taxes to the GPMA

City	2015 OB	2016 OB
Surcharge on property tax on undeveloped property (<i>TFPNB additionnelle</i>)	€218,603	
Business value-added contribution (CVAE)	€495,369,491	
Commercial floor area tax (TASCOM)	€15,599,606	
Flat-rate tax on network companies (IFER)	€7,781,089	
Sub-total	€518,968,789	-
GPMA compensatory grant (excl. CPS)		€526,502,915
Total	€518,968,789	€526,502,915

Once this effect has been cancelled out, direct tax income was up by 1.3%, reaching €3,547m

Regarding local direct tax income, the following hypotheses were taken into account:

- a hypothesis of a 1% nominal increase in the tax bases included in the 2016 Finance Act;
- a hypothesis of a 4% actual increase in the tax bases for local residence tax and property tax on developed properties, 0.5% for business owners' property tax and -8% for property tax on undeveloped properties;
- estimated departmental business value-added contribution (CVAE) income of €908.6m for 2016 based on the latest forecast issued by the Regional Directorate for Public Finances (DRFiP).

	2015 OB	2016 OB	change (%)
(in €m)			
Business value-added contribution (CVAE)	1,402.1	908.6	- 35.2 %
Property taxes	988.2	1,004.2	1.6 %
Local residence tax	752.1	762.9	1.4 %
Business owners' property tax (CFE)	315.2	316.4	0.4 %
Commercial floor area tax (TASCOM)	15.6	0.0	-100.0 %
Flat-rate tax on network companies (IFER)	10.2	2.9	-71.6 %
Additional rolls	17.3	25.3	46.2 %
Total direct taxes (excl. GPMA compensation)	3,500.7	3,020.2	-13.7 %
GPMA tax transfer compensation		526.5	
Total direct taxes (incl. GPMA compensation)	3,500.7	3,546.7	1.3 %

Tax - Change in tax rates for Paris (City and Department)

	2015 rate	2016 rate	2014 nat. avg rate
City of Paris	local residence tax	13.38 %	13.38 %
	property tax on developed property	8.37 %	8.37 %
	property tax on undeveloped property	16.67 %	16.67 %
	Business owners' property tax (CFE)	16.52 %	16.52 %
	Business owners' property tax (CFE)	6.21 %	6.21 %
Department of Paris	property tax on developed property	5.13 %	5.13 %
			15.32 %

Tax - Comparison with rates applied in 2015 in Bordeaux, Lyon, Marseille

City rate + public inter-municipal cooperation establishment (EPCI)	Bordeaux	Lyon	Marseille
Local residence tax	32.35 %	29.76 %	41.90 %
Property tax on developed property	29.51 %	29.81 %	27.90 %
Property tax on undeveloped property	94.15 %	21.88 %	28.70 %
Business owners' property tax (CFE)	35.06 %	28.62 %	32.63 %
Household waste collection tax (TEOM)	8.27 %	6.79 %	18.10 %
Department	Bordeaux	Lyon	Marseille
Property tax on developed property (TFB)	16.02 %	*	15.05 %

* Transferred to Greater Lyon

Indirect tax revenue totalled €2,115m in the 2016 OB, an increase of 7% compared to the 2015 OB, due to the increase in property tax revenue, parking fees and household waste collection tax (TEOM).

The entry for income from **property tax** increased to €1,230. Transfer duties increased by €110m as the Paris authority choose to raise the departmental rate set by the Council of Paris in November 2016 from 1st January 2016. The 2015 Finance Act gave

Departments the possibility of permanently increasing the rate of property transaction registration tax and registration fees in order to help them fund compulsory social benefits. Practically all French departments have already put this measure in place.

Revenue from **household waste collection tax (TEOM)** was €464m, i.e. an increase of 1.7% compared to the 2015 OB, due to the nominal increase to the bases included in the 2016 Finance Act (1%) as well as actual increase in the bases.

Income from the **street cleaning tax** is predicted to amount to €104m, unchanged from the corresponding figure in OB 2015.

The entry for **Parking fees** increased by €9m to stand at €130m in the 2016 OB, due to the parking reform introduced in 2015.

The entry for income from the **electricity tax** is €70m, i.e. €1m less than in the 2015 OB.

Other taxes and duties totalled €117m, up by €17m compared to 2015, mainly due to the increase in municipal tourist tax income and the introduction, from 1st March 2016, of the departmental surcharge on tourist tax. This shall in fact be the first full year of application of taxation on actual income as well as contributions by internet reservation platforms.

€527m was also received in **compensatory grants** for the transfer of direct contributions to the Greater Paris Metropolitan Area.

State grants (including, for purposes of comparison, the "Salary Share Compensation" or CPS of the City's general operating grant (DGF) paid back by the Metropolitan Area, i.e. €453m) totalled €774.6m compared to €976m in the 2015 OB, i.e. a reduction of €201.4m compared to the 2015 OB (-21%). This change mainly concerns the general operating grant, which fell from €923.4m in the 2015 OB to €724.4m in the 2016 OB (incl. the CPS share) and to €271m after transfer of the CPS share. On a like-for-like basis, the general operating grant (DGF) shall therefore fall by €199m: -€176.2 for the contribution to the recovery of public finances, - €27.9m of additional capping to fund the increase in equalisation grants, -€1.2m due to the decrease in the census population and +€6.3m for adjustment after notification of the 2015 general operating grant.

Income collected from skills transfer compensation was practically stable compared to the 2014 OB, at €350m; the reduction in income from individual solidarity allowances (AIS), the National Solidarity & Autonomy Fund (CNSA) and domestic tax on consumption of energy products (TICPE) for the earned income supplement (RSA) is offset by an increase in income for the Departmental Integration Fund (FMDI) of +€1.6m.

There was a total increase in operating income and fees of €37m to €481m in the 2016 OB. €212m is expected in fees paid by tenants and concession holders, up by €11m mainly due to an increase of €9m in the exceptional fee paid by the Eiffel Tower in connection with the extension by a year of the delegation contract. €185m is expected in contributions from users, up by 7% on 2015 particularly due to impact of the deployment over a full year of the rate reforms. Income from the use of public property totalled €84m.

Grants and contributions from the State, Region and other third parties totalled €256m, down by €21m due to the decrease in income paid by the Family Benefits Fund (CAF).

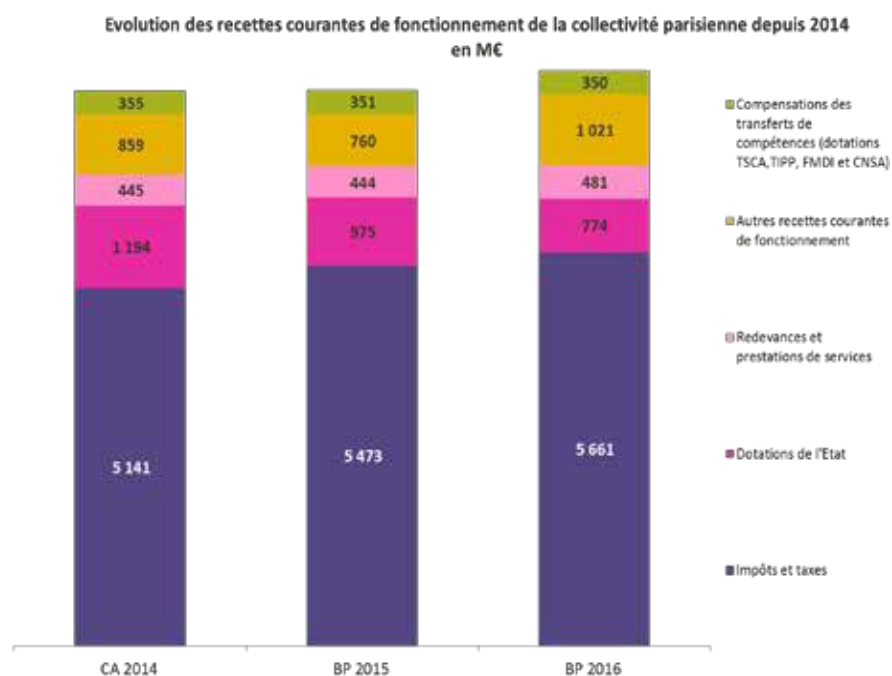
Surplus income from urban development area projects is estimated at €78m, in light of the development operations which have been completed, and those not yet concluded.

Rental income totalled €478m, a sharp increase on 2015, due to the increase in capitalised rental income. Indeed, given the priority placed on the housing sector and the Authority's efforts to sign public service contracts for social housing organisations' available stock, €361m of capitalised rental income is expected for the 2014 and 2015 public service contract campaigns. These public service contract operations concern the private stock of social housing organisations and record their addition to the stock of social housing, which enables them to focus their efforts on their primary role of supporting social housing (see "Presentation by policy sector - Housing").

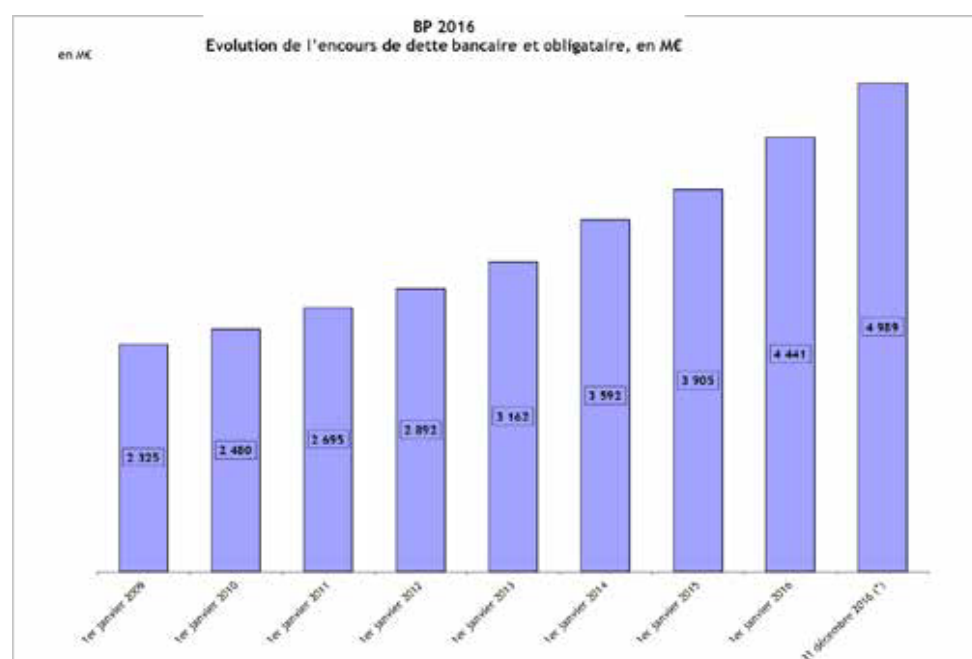
Other current operating income totalled €210m, including €11m from the transfer of the Child Welfare Services (ASE) subsidiary budget surplus.

Exceptional income is €8m, compared to €14m in the 2015 OB.

Finally, **financial income** was €21m, practically unchanged compared to 2015.



Bank and bond debt totalled as of 31 December 2015 an amount of €4,441m, plus "other debts" taken on for development projects and the Philharmonie loan schedule to the amount of €162m.



(*) Estimated outstanding bank and bond debt in the event that the 2015 and 2016 borrowing limit is reached.

2015-2016 ORIGINAL BUDGETS

City and Department of Paris 2015 OB - 2016 OB - in €m	2015 OB	Credits opened after amending decision 2	2016 OB	OB to OB change	
Direct contributions	3,501	3,526	3,020	-481	-13.73%
Household waste collection tax (TEOM)	456	457	464	8	1.66%
Street cleaning tax	104	104	104	0	0.00%
Parking fees	121	121	130	9	7.44%
Electricity tax (City + Department)	71	68	70	-1	-1.74%
Property tax (DMTO - national property transfer duties) + TADE - registration fee surcharge))	1,120	1,120	1,230	110	9.82%
Other taxes and duties	100	100	117	17	16.96%
Repayment of tax on transfer of direct contributions to the Metropolitan Area			527	527	
Taxes and duties	5,473	5,497	5,661	188	3.44%
Taxes and duties net of repayment to National Individual Resources Guarantee Fund (FNGIR)	4,575	4,599	4,763	188	4.12%
APA personal autonomy allowance compensation (CNSA - National Solidarity Autonomy Fund)	11	11	10	-1	-6.54%
RMI / RSA compensation (TIPP - domestic tax on petroleum products) + FMDI - departmental integration fund)	257	259	258	1	0.47%
Other compensation (incl. TSCA - special tax on insurance agreements - and APRE - personal back-to-work allowance)	83	82	82	-1	-0.88%
Skills transfer compensation	351	352	350	-0	-0.06%
Greater Paris Metropolitan Area allocation (general operating grant (DGF) transfer)			453		
General operating grant (DGF)	923	930	271	-652	-70.61%
Compensatory grants (DCTP - business tax compensatory grant, DCTH - local residence tax compensatory grant, DCTF - property tax compensatory grant)	35	38	33	-2	-6.90%
Other grants (DGD - general decentralisation grant, DSI - special teaching grant)	16	16	16	-0	-0.18%
State grants	975	984	774	-201	-20.66%
Grants and contributions: (State, Department, Region, ESF, Social security, collections of overpayments, etc.)	276	276	256	-21	-7.43%
Incl. reimbursement of elected representative's payroll costs by the Dpt	1	1	1	0	0.00%
incl. Family Benefits Fund (CAF) income	204	204	177	-26	-12.97%
Duties paid by tenants and concession holders	201	201	212	11	5.64%
incl. DF (Directorate of Finance)	111	111	126	15	13.47%
incl. DVD (Directorate of Roads & Transportation)	76	76	71	-6	-7.55%
Duties & income from use of public property (including roadway and terrace duties)	70	70	84	13	18.88%
Contributions by Parisian users	173	173	185	12	7.21%
Operating income	444	444	481	37	8.35%
Urban development area surpluses	90	90	78	-12	-13.69%

City and Department of Paris 2015 OB - 2016 OB - in €m	2015 OB	Credits opened after amending decision 2	2016 OB	OB to OB change	
Rental income (revenue from buildings) incl. Directorate of Accommodation & Housing (DLH) incl. long-term leases	179	179	478	298	166.69%
Repayments by beneficiaries	146	146	89	-56	-38.74%
Building works for third parties	87	87	354	0	0.05%
ESA repayment	31	48	87	-18	-56.55%
Repayment of costs for leased employees, reduction of expenses and miscellaneous collections	28	31	31	3	10.50%
Total other current operating income	69	71	79	10	14.03%
	394	417	688	294	74.47%
Reminder: dep. allowance duplicate cancelled out	7	7	2	-5	-67.75%
Reminder: duplicate elected representative payroll costs cancelled out	1	1	1	0	0.00%
Reminder: City to Department contribution cancelled out	454	623	395	-59	-13.06%
Current operating income	8,003	8,060	8,287	285	3.56%
Income net of repayment to National Individual Resources Guarantee Fund (FNGIR)	7,105	7,161	7,389	285	4.01%
Payroll expenses	2,259	2,259	2,269	11	0.47%
incl. payroll and subsidised contracts	2,229	2,230	2,240	11	0.50%
incl. relief from teaching responsibilities	20	19	2	0	0.00%
incl. other	9	10	9	-0	-5.35%
Overhead costs	804	868	787	-17	-2.07%
Social welfare incl.:	871	861	879	9	1.00%
Child social welfare	310	302	289	-21	-6.79%
Social welfare for disabled people (PCH - disability compensation benefits, ACTP - third-party compensation benefits)	67	72	75	8	11.44%
Accommodation assistance for disabled people	155	154	159	4	2.38%
Personal autonomy allowance (APA)	146	146	152	6	3.94%
Accommodation assistance for the elderly	152	148	156	4	2.66%
Housing solidarity fund (FSL)	20	20	23	4	17.63%
RMI (minimum income allowance), RSA (earned income supplement), Jobs for the Future and PDI (departmental integration programme)	420	428	425	5	1.18%
Incl. RMI - RSA allocation share	361	360	369	7	1.99%
incl. PDI	55	57	52	-3	-5.42%
Contribution to City of Paris Social Welfare Centre (CASVP)	306	312	344	38	12.54%
Total social welfare	1,596	1,602	1,648	52	3.26%
Grants to schools	81	81	80	-1	-1.84%
Grants to association-run day-care centres	53	53	55	2	2.94%
School policy grants and contributions (secondary schools, private education)	68	69	69	1	2.05%
City and Department operating grant various (incl. CNRACL - Pension Fund for Local Government Employees, sanitation subsidiary budget, IIBRBS ¹), interdepartmental parks)	295	313	297	3	0.99%
	46	46	38	-7	-16.16%

¹ Inter-Departmentale des Barrages Réservoirs du Bassin de la Seine (IIBRBS), which manages the dams and reservoirs on the Seine river.

City and Department of Paris 2015 OB - 2016 OB - in €m	2015 OB	Credits opened after amending decision 2	2016 OB	OB to OB change	
Grants and contributions	543	561	540	-3	-0.55%
Police prefecture	285	285	285	0	0.11%
Contribution to the Île-de-France Public Transport Syndicate (STIF)	378	378	378	0	0.00%
Contribution to the Household Waste Treatment Syndicate (SYCTOM)	115	119	110	-5	-4.35%
Contributions	778	782	773	-5	-0.60%
FSRIF	152	151	161	9	6.16%
National property transfer duty (DMTO) equalisation fund	95	97	102	8	8.00%
Municipal equalisation fund (EPIC)	158	157	181	23	14.60%
Business Value-Added Contribution (CVAE) equalisation fund	16	24	28	12	73.58%
Solidarity fund for the Ile-de-France departments (FSDIF)	27	27	27	-0	-0.31%
Equalisation expenditure	447	456	499	52	11.55%
National Individual Resources Guarantee Fund (FNGIR)	898	898	898	0	0.00%
Other current administrative expenditure	174	184	190	16	9.37%
Reminder: departmental allowance duplicate cancelled out	7	7	2	-5	-67.75%
Reminder: duplicate elected representative payroll expenses cancelled out	1	1	1	0	0.00%
Reminder: City to Department contribution cancelled out	454	623	395	-59	-13.06%
Current administrative expenditure	7,499	7,609	7,605	106	1.42%
Current administrative expenditure excl. National Individual Resources Guarantee Fund (FNGIR)	6,600	6,710	6,707	106	1.61%
Operating surplus	504	451	682	178	35.36%
Financial income	21	21	21	-0	-1.19%
Financial expenditure	148	148	140	-8	-5.66%
Balance of financial items	-127	-127	-119	8	-6.40%
Exceptional income	14	12	8	-5	-40.12%
Exceptional expenditure	44	60	39	-5	-11.92%
Balance of exceptional items	-30	-49	-30	-0	0.87%
Total actual operating income	8,038	8,093	8,316	279	3.47%
Total actual operating income net of National Individual Resources Guarantee Fund (FNGIR)	7,139	7,194	7,418	279	3.91%
Total actual operating expenditure	7,691	7,817	7,783	93	1.20%
Total actual operating expenditure - excl. National Individual Resources Guarantee Fund (FNGIR)	6,792	6,919	6,885	93	1.36%
Gross surplus	347	275	533	186	53.67%
Subsidies and grants received	326	828	294	-32	-9.71%

City and Department of Paris 2015 OB - 2016 OB - in €m	2015 OB	Credits opened after amending decision 2	2016 OB	OB to OB change	
- incl. investment grants received	138	138	126	-12	-8.42%
- incl. police fines	32	35	32	0	0.00%
Incl. VAT compensation fund (FCTVA)	150	150	130	-20	-13.33%
Income from property sales	188	188	233	45	23.70%
Operations for third parties	6	19	16	10	160.60%
Loan repayments	21	26	10	-11	-54.08%
Other long-term investments	47	54	31	-15	-32.70%
Other actual investment income	8	9	21	13	160.47%
Actual investment income	596	624	605	9	1.59%
Investment financing capacity (gross surplus + investment income)	943	899	1,138	196	20.75%
Intangible assets	26	23	21	-5	-20.56%
Capital grants	464	472	509	44	9.53%
Acquisitions	278	275	293	15	5.28%
Building works	642	727	777	135	21.07%
Operations for third parties	10	11	16	5	49.52%
Loans granted	1	6	3	2	225.00%
Other actual investment expenditure	65	135	69	4	6.30%
Actual investment expenditure	1,487	1,649	1,687	200	13.48%
Loan repayments	200	200	200		
Financing requirement	744	744	749		
New loans	744	744	749		
Working capital as of 1/1	213	213	233		
Variation in working capital					
Working capital as of 31/12					
Outstanding bank and bond debt as of 01/01	3,905		4,446		
Debt outstanding as of 1/1	4,120		4,607		

DEBT

OUTSTANDING BANK AND BOND DEBT AS OF 1ST JANUARY 2016

CITY

Outstanding 01-01-2015	€3,905,478,001
2015 repayment	- €199,898,556
New loans 2015	€740,500,000
Outstanding 01-01-2016	€4,446,079,445

DEBT SITUATION OF THE CITY OF PARIS

As of 1st January 2016, the Paris authority's outstanding debt was €4,446m.

The breakdown by debt format is as follows¹:

2015 AA	Debt outstanding as of 1 st January 2016	% of total outstanding debt
Bank Loans	1,145,074,080	26%
incl. standard bank loans	1,110,074,080	25%
incl. revolving credits	35,000,000	1%
Debenture loans	3,301,005,365	74%
incl. issuances in €	2,982,480,115	67%
incl. issuances in foreign currencies	318,525,250	7%
TOTAL OUTSTANDING DEBT	4,446,079,445	100%

The respective shares of different banking institutions and lead managers in the total outstanding debt are detailed below:

BANK DEBT CLASSIFICATION BY LENDER DEBT AS OF 31-12-2015

LENDER	Initial Capital	Outstanding	Interest	Repayments	Share of total	Share of total
EIB	640,000,000	640,000,000	13,113,747	-	55.89%	14.39%
Helaba	270,000,000	270,000,000	3,599,587	-	23.58%	6.07%
BNP Paribas	135,000,000	135,000,000	104,159	-	11.79%	3.04%
CREDIT FONCIER	40,000,000	40,000,000	-	-	3.49%	0.90%
DEXIA CREDIT LOCAL	100,000,000	35,000,000	-	65,000,000	3.06%	0.79%
SOCIETE GENERALE	25,000,000	25,000,000	-	-	2.18%	0.56%
C.D.C.	40,672	4,906	121	1,129	0.00%	0.00%
S.I.A.A.P.	85,615	69,174	-	8,562	0.01%	0.00%
Grand total	1,210,126,287	1,145,074,080	16,817,613	65,009,691	100.00%	25.75%

¹ This is the amount of total outstanding debt which is related to loans. As part of development operations (Philharmonie, Rue de Chevaleret, Ateliers Rue Primo Lévi, etc.), the City acquired from external structures (SNCF, RFF, etc.) rights of way. A payment schedule is in place for these rights, with no accrual of interest. The outstanding capital according to the schedule on 31 December 2015 totalled €161,577,503 bringing the total debt of the City of Paris to €4,607,656,948

BOND DEBT
CLASSIFICATION BY LENDER
DEBT AS OF 31-12-2015

ARRANGER	Initial Capital	Outstanding	Interest	Repayments	Share of total	Share of total bond debt
HSBC	627,040,095	612,151,230	15,080,991	14,888,865	18.54%	13.77%
SocGen (arranger)	420,000,000	420,000,000	10,173,454	-	12.72%	9.45%
HSBC-Natixis	360,000,000	360,000,000	15,450,000	-	10.91%	8.10%
HSBC-SG-CA	300,000,000	300,000,000	-	-	9.09%	6.75%
Natixis	295,000,000	295,000,000	4,147,681	-	8.94%	6.64%
HSBC-Natixis-Société Générale	295,000,000	295,000,000	12,787,500	-	8.94%	6.64%
Goldman Sachs	210,000,000	210,000,000	5,989,000	-	6.36%	4.72%
HSBC-Natixis-Banca IMI	200,000,000	200,000,000	9,250,000	-	6.06%	4.50%
Crédit Agricole	140,000,000	140,000,000	2,909,000	-	4.24%	3.15%
Dexia - Morgan Stanley	120,000,000	-	3,900,000	120,000,000	0.00%	0.00%
Deutsche Bank	100,000,000	100,000,000	4,000,000	-	3.03%	2.25%
Crédit Suisse	98,525,250	98,525,250	167,800	-	2.98%	2.22%
Crédit Suisse-BNPP	95,328,885	95,328,885	88,706	-	2.89%	2.14%
Citi	60,000,000	60,000,000	1,800,000	-	1.82%	1.35%
BRED	50,000,000	50,000,000	1,140,000	-	1.51%	1.12%
Natixis-BNP	40,000,000	40,000,000	301,091	-	1.21%	0.90%
Barclays	25,000,000	25,000,000	160,072	-	0.76%	0.56%
Grand total	3,435,894,230	3,301,005,365	87,345,295	134,888,865	100.00%	74.25%

As of 1st January 2016, revolving loans now represent just 0.79% of total outstanding debt. As of 1st January 2016, the total amount was €35m.

After swaps as of 1st January 2016, the debt (excl. revolving debt) consisted of 88.1% fixed-rate loans and 11.9% floating-rate loans.

The average life of the debt as of 1st January 2016 was 9.68 years, an increase compared to 1st January 2015 (8.85 years), due to long maturities on a large share of the new loans.

The weighted average rate of the debt for 2015 was 2.45%, compared to 2.78% in 2014. This change reflects the change in long rates on the market.

The following table shows the breakdown of the weighted average rate after swaps since 2011:

PROVISIONAL WEIGHTED AVERAGE RATE OF DEBT AFTER SWAPS	2015	2014	2013	2012	2011
+ Financial costs paid on debt (excl. revolving credits & swaps)	104,162,908	99,883,853	81,593,518	72,719,030	70,831,578
+ Financial costs paid on revolving debt*	11,068.58	180.56	22,566	55,861	184,162
+ Financial costs paid on credit lines and commercial papers	64,879.49	8044.45	104,519	765	226,451
+ Flows paid on swaps	17,322,744	21,664,368	22,938,441	21,062,691	17,962,136
- Flows received on swaps	-12,716,334	-13,013,663	-12,632,449	-13,279,203	-13,324,530
A - Total Financial Costs	108,845,267	108,542,783	92,026,594	80,559,143	75,879,796
B - Total debt capital outstanding as of 1st January	3,905,478 001	3,592,100 092	3,162,103 804	2,892,107 495	2,694,955 497
A/B - Weighted average rate on total debt over year	2.79%	2.78%	2.91%	2.79%	2.82%

Breakdown and structure of the debt before and after interest rate hedging operations are presented in the "Active debt management using interest rate derivatives" section.

DEBENTURE LOANS

Loan number	Dealer and contract year	Type of debt	Debt capital outstanding	Rate *	Duration	Date of use	Final repayment
0519	Natixis - HSBC 2006	Public debenture loan	200	Fixed 4.125%	10 years	26/05/2006	26/05/2016
0523	HSBC - Natixis 2007	Public debenture loan	160	Fixed 4.50%	13 years	04/12/2007	04/12/2020
0527	HSBC - Natixis - SocGen 2008	Public debenture loan	155	Fixed 4.75%	13 years	30/10/2008	29/10/2021
0529	HSBC - Natixis - Banca IMI 2009	Public debenture loan	200	Fixed 4.625%	13 years	29/06/2009	29/06/2022
0533	HSBC	Private Investment	100	Fixed 3.50%	14 years	02/12/2010	02/12/2024
0534	HSBC-Natixis-SocGen	Public debenture loan	140	Fixed 3.875%	15 years	29/12/2010	29/12/2025
0535	SocGen 2011	Private Investment	60	Fixed 4.12%	15 years	13/07/2011	13/07/2026
0540	HSBC 2011	Private Investment	21	Fixed 4%	15 years	29/12/2011	29/12/2026
0538	Goldman Sachs	Public debenture loan	100	Fixed 3.875%	14 years 1 month	25/11/2011	29/12/2025
0541	Deutsche Bank	Private Investment	100	Fixed 4%	15 years	02/04/2012	02/04/2027
0542	HSBC	Private Investment (tap on 0541 HSBC)	50	Fixed 4%	15 years	02/04/2012	02/04/2027
0543	HSBC	Private Investment	50	Fixed 3.50%	20 years	20/07/2012	20/07/2032
0544	Crédit Agricole	Private Investment	100	Fixed 2.909%	14 years 4 months	20/09/2012	20/01/2026
0545	HSBC	Private Investment	30	Fixed 2.60%	11 years	02/10/2012	02/10/2023
0546	HSBC	Private Investment (tap on 0544 Crédit Agricole)	30	Fixed 2.909%	13 years 3 months	26/10/2012	20/01/2026
0547	Goldman Sachs	Private Investment	70	Fixed 3.02%	17 years	25/10/2012	25/10/2029
0549	HSBC	Private Investment	75	Fixed 2.886%	15 years	21/06/2014	21/06/2028
0553	Société Générale	Private Investment	50	Fixed 2.43%	15 years	22/05/2014	22/05/2028
0555	Société Générale	Private Investment	125	Fixed 3.155%	14 years	01/10/2014	01/10/2027
0556	Société Générale	Private Investment	75	Fixed 3.049%	13 years	01/10/2014	01/10/2026
0557	Natixis	Private Investment	50	Fixed 2.886%	15 years	21/06/2014	21/06/2028
0558	Natixis	Private Investment	50	Fixed 3.15%	15 years	17/10/2014	17/10/2028
0559	Citi	Private Investment	60	Fixed 3.00%	15.1 years	15/01/2014	15/01/2029
0560	Natixis	Private Investment	20	Fixed 3.24%	20 years	12/12/2014	12/12/2033
0565	HSBC	Private Investment	70	Fixed 2.51%	17 years	17/07/2014	17/07/2031
0566	BRED	Private Investment	50	Fixed 2.28%	14.4 years	15/07/2014	15/12/2028
0571	89 - SocGen (arranger)	Private Investment	110	Fixed 1.214%	16	16/03/2015	25/05/2030
0573	92 - HSBC	Private Investment	50	Fixed 1.724%	15	16/09/2015	16/09/2030
0574	101 - Goldman Sachs	Private Investment	40	Fixed 1.214%	15	01/10/2015	25/05/2030
0576	103 - Crédit Agricole	Private Investment	20	Fixed 2.006%	20	29/09/2015	29/09/2035
0577	103 - Crédit Agricole	Private Investment	20	Fixed 2.08%	22	29/09/2015	29/09/2037
0578	92 - HSBC	Private Investment	36	Fixed 2.10%	30	23/10/2015	23/10/2045
0579	108 - HSBC-SG-CA	Public "climate" bond issue	300	Fixed 1.75%	16	18/11/2015	25/05/2031
TOTAL FIXED-RATE ISSUANCES			2,766.50				
0516	HSBC 2005	Private investment 7bn JPY	50.7	Euribor 3 M -0.03%	13 years	09/11/2005	09/11/2018
0520	Natixis 2006	Private Investment 824m NOK	100	Euribor 3 M -0.05%	13 years	28/11/2006	28/11/2019
0524	Crédit Suisse 2007	Private Investment 40mCHF	24.4	Euribor 3 M -0.05%	9 years 1 month	14/12/2007	13/01/2017
0525	Crédit Suisse 2007	Private Investment 40mCHF	24.4	Euribor 3 M -0.05%	9 years 2 months	14/12/2007	14/02/2017
0526	Crédit Suisse - BNP-PARIBAS 2008	Public debenture loan 150m CHF	95.3	Euribor 3m +0.064%	10 years	05/11/2008	05/11/2018
0530	Crédit Suisse 2009	Private Investment 75m CHF	49.7	Euribor 3m +0.315%	10 years 1 month	10/12/2009	10/01/2020
0548	Natixis - BNP 2012	Private Investment €40m	40	Euribor 3m +0.725%	10 years	19/12/2012	19/12/2022
0550	Barclays 2013	Private Investment €40m	25	Euribor 3m +0.725%	18 years	18/07/2013	18/04/2031
0551	Natixis 2013	Private Investment €40m	15	Euribor 3m +0.725%	19 years	30/07/2013	30/04/2032
0552	Natixis 2013	Private Investment €40m	60	Euribor 3m +0.725%	16 years	30/07/2013	30/04/2029
TOTAL FLOATING-RATE ISSUANCES			484.51				

* Rate after possible CCS

BANK LOANS

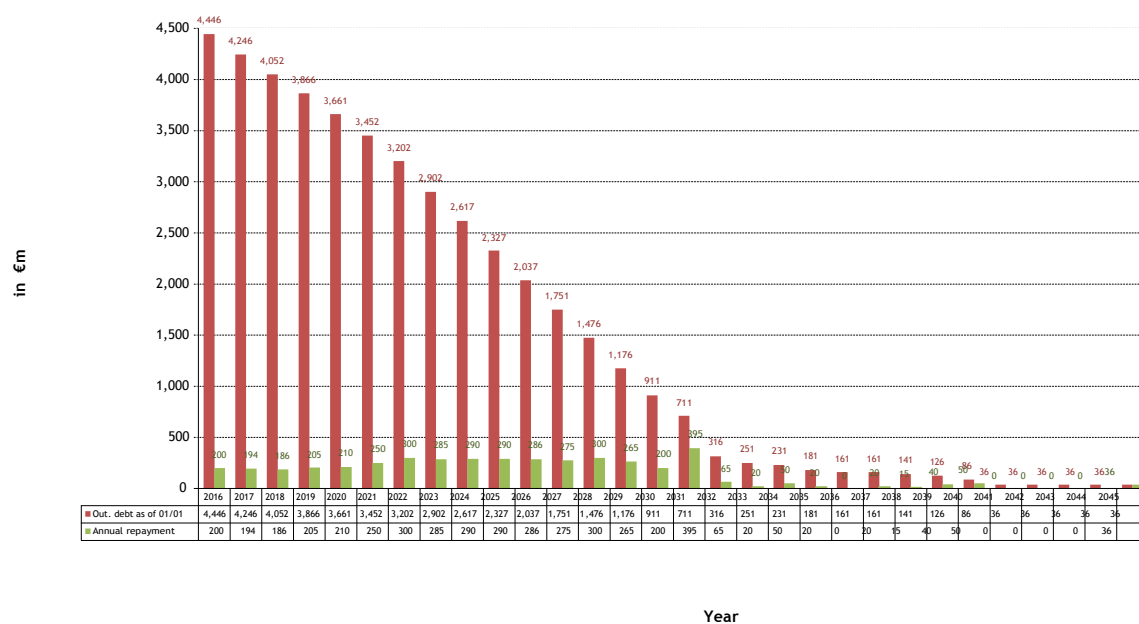
Loan number	Lender and contract year	Debt capital outstanding (in €m)	Rate	Term	Date of use	Final repayment
0532	European Investment Bank 2005	100	3.45%	13 years	21/10/2010	21/07/2023
0536	European Investment Bank 2009	50	3.37%	14 years	19/12/2012	19/12/2026
0537	European Investment Bank 2009	50	3.36%	13 years	19/12/2012	19/12/2025
0539	European Investment Bank 2009	100	3.78%	13 years	19/12/2012	19/12/2025
0554	Helaba Hessen-Thüringen	25	2.81%	15 years	13/06/2013	13/06/2028
0562	Helaba Hessen-Thüringen	25	2.10%	9 years	10/04/2014	21/03/2023
0563	Helaba Hessen-Thüringen	25	2.84%	15 years	10/04/2014	21/03/2029
0564	Helaba Hessen-Thüringen	50	2.57%	20 years	11/06/2014	11/07/2034
0567	European Investment Bank 2009	130	1.45%	9 years	31/07/2014	31/07/2023
0568	European Investment Bank 2009	70	0.77%	7 years	07/10/2014	07/10/2021
0569	Helaba Hessen-Thüringen	40	1.13%	10 years	13/01/2015	13/12/2024
0570	Helaba	50	1.54%	25 years	13/03/2015	13/03/2040
0572	Helaba	40	1.20%	24 years	18/03/2015	18/03/2039
0575	Helaba	15	2.10%	24 years	18/09/2015	25/10/2038
0580	EIB	60	0.49%	7 years	22/12/2015	22/12/2022
TOTAL FIXED-RATE LOANS		830				
0510	BNP-PARIBAS 2002	110	Euribor 1, 3, 6, or 12M without Eonia margin +0.04% T4M ¹ 0.04%	15 years	27/12/2002	27/12/2017
0512	Crédit Foncier 2003	40	Euribor 1, 3, 6 or 12 M+0.03% TAM ² and TAG ³ 3, 6, or 12 M+0.07%	15 years	22/12/2003	22/12/2018
0518	Société Générale 2005	25	Euribor 1, 3, 6 or 12 M+0.015% TAG ⁴ 3, 6, or 12 M+0.025% Eonia +0.025%	14 years	28/12/2005	28/12/2019
0528	European Investment Bank 2005	80	Euribor 3 M +0.088%	11 years	25/11/2008	25/11/2019
0531	BNP-PARIBAS 2009	25	Euribor 3 M +0.40%	12 years	29/12/2009	29/12/2021
TOTAL FLOATING-RATE LOANS		280				

¹ average monthly rate² annual monetary rate³ annual sliding rate

PROVISIONAL REPAYMENT TABLE OF THE DEBT OF THE CITY OF PARIS

Position as of 1st January 2016 (in €)

YEAR	DCO	REPAYMENT
2016	4,446,079,445	200,009,713
2017	4,246,069,732	193,819,987
2018	4,052,249,745	185,989,875
2019	3,866,259,870	205,009,784
2020	3,661,250,087	209,723,721
2021	3,451,526,366	250,008,562
2022	3,201,517,805	300,005,935
2023	2,901,511,870	285,005,935
2024	2,616,505,935	290,005,935
2025	2,326,500,000	290,000,000
2026	2,036,500,000	286,000,000
2027	1,750,500,000	275,000,000
2028	1,475,500,000	300,000,000
2029	1,175,500,000	265,000,000
2030	910,500,000	200,000,000
2031	710,500,000	395,000,000
2032	315,500,000	65,000,000
2033	250,500,000	20,000,000
2034	230,500,000	50,000,000
2035	180,500,000	20,000,000
2036	160,500,000	0
2037	160,500,000	20,000,000
2038	140,500,000	15,000,000
2039	125,500,000	40,000,000
2040	85,500,000	50,000,000
2041	35,500,000	0
2042	35,500,000	0
2043	35,500,000	0
2044	35,500,000	0
2045	35,500,000	35,500,000
GRAND TOTAL	4,446,079,445	

Debt repayment table as of 1st January 2016

LOAN OPERATIONS CONDUCTED IN 2015

Amount borrowed (€M)	Value date	Maturity date	Term in years	Interest rate (%)	Spread / OAT (pts) (1)
50	13/03/15	13/03/40	25	1.543	20
110	16/03/15	25/05/30	15.2	1.214	20
40	18/03/15	18/03/39	24	1.200	19
50	16/09/15	16/09/30	15	1.724	22
40	01/10/15	25/05/30	15	1.800	25
15	18/09/15	25/10/38	23	2.103	25
20	29/09/15	29/09/35	20	2.006	25
20	29/09/15	29/09/37	22	2.080	25
35.5	23/10/15	23/10/45	30	2.100	25
300	18/11/15	25/05/31	16	1.807	30
60	22/12/15	22/12/22	7,0	0.492	9
Total	740.5	2015 average weight per nominal	16.9	1.59	24.1

(1) Variance in yield compared to OAT fungible Treasury bonds

In 2015, the City of Paris was financed on particularly interesting terms, benefiting from both low interest rates and with the appeal of its name giving a very tight spread with respect to OATs (24 pts on average).

Once again, the City used €105m of Schuldschein-type financing. This type of financing, tested for the first time in 2013, has the advantage of offering the City diversification of its sources of financing, in addition to its attractive financial terms.

The City also used a first part of the financing proposed by the EIB for the third tranche of the Les Maréchaux tram line, with draw-down of €60m in December.

The other fund-raising conducted in 2015 was via bond issues as part of the City's EMTN programme. The City particularly successfully completed the first issuance of "climate" bonds by a French local authority (€300m) for which the arrangers were Crédit Agricole, HSBC and Société Générale. The objective of smoothing the repayment expenses led to longer maturities, as shown by the average life of the debt which is 9.68 years. These loans were taken out entirely at fixed rates, to benefit from the low-rate environment.

LOAN OPERATIONS CONDUCTED IN 2016

To date, five loans have been taken out during the 2016 financial year:

	Nominal (€m)	Value date	Maturity date	in years	Rate of return upon issue (%)	Spread / OAT (pts)
	300	06/04/2016	12/01/2032	15.8	1.313%	38
	35	19/04/2016	19/04/2038	22	1.512%	34
	26	29/04/2016	30/04/2029	13	1.03%	31
	50	24/06/2016	24/09/2043	27	1.50%	29.5
	50	05/07/2016	25/05/2030	14	0.951%	29
Total	461	2016 avg weight per nominal		17.1	1.29%	35.5

ACTIVE DEBT MANAGEMENT USING INTEREST RATE DERIVATIVES

I. HEDGING AGAINST INTEREST RATE RISK: A KEY PRIORITY FOR EFFECTIVE FINANCIAL MANAGEMENT IN PARIS

In its borrowing policy, the City of Paris endeavours to allocate its total debt indexing between fixed-rate and floating-rate so that the structure of its debt engenders no major extra financial costs in the event of a significant rise in interest rates (i.e. variable rate debts indexed against interest rates with no protection) while keeping the possibility open of profiting from any falls in interest rates.

To avoid remaining inactive faced with financial market volatility, the City makes use of certain instruments to reduce the impact of any changes in interest rates that might be detrimental to it.

For the City of Paris this involves putting in place only the hedging instruments that seem to it useful based on its expectations of interest-rate changes, depending on the structure of its existing and future debt stock.

The City accordingly takes out interest rate swaps on its debt to hedge against interest rate fluctuations. It also secures profits by unwinding certain transactions when the opportunity arises.

The City concludes each interest rate derivative after competitive tendering by 3 to 5 banks in real time. The City also has tools which provide it with access to:

- a financial information system and swap and option pricing tools in real time,
- an effective tool for analysing markets before making a decision,
- a tool for price checking during conclusion of transactions,
- a means of monitoring positions after their conclusion (Mark to Market monitoring).

The City plans to continue this policy of active debt management, and employ interest rate derivatives when it considers that their use is necessary.

II. REVIEW OF RATE-HEDGING OPERATIONS CONDUCTED IN 2015.

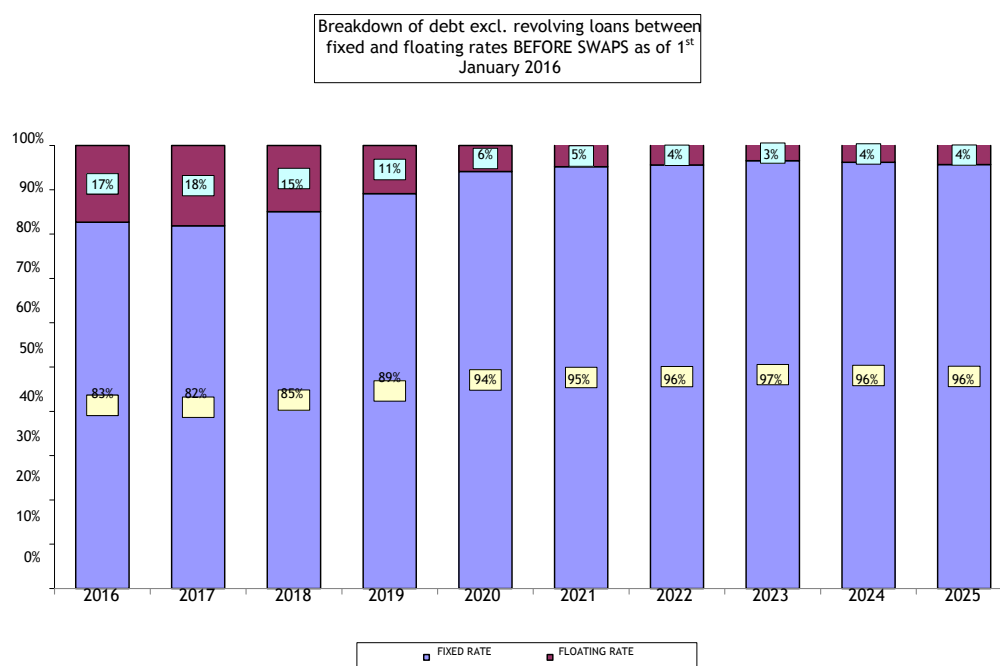
Regarding active debt management, the City has set itself the goal of tending toward a 70% fixed-rate debt versus 30% floating-rate debt breakdown on average smoothed over the coming 10 years (with a possible breakdown between 50% and 75% over a single year). The City has diverged somewhat from this 70/30 target since 2008 to take advantage of the significant decrease in short-term interest rates, accordingly enabling it to secure its future financial charges at a lesser expense.

2015 saw interest-rate levels remain extremely low, a result of the major market interventions by central banks. In this environment, and insofar as the debt of the City had previously been largely secured, no further debt-hedging operations were conducted.

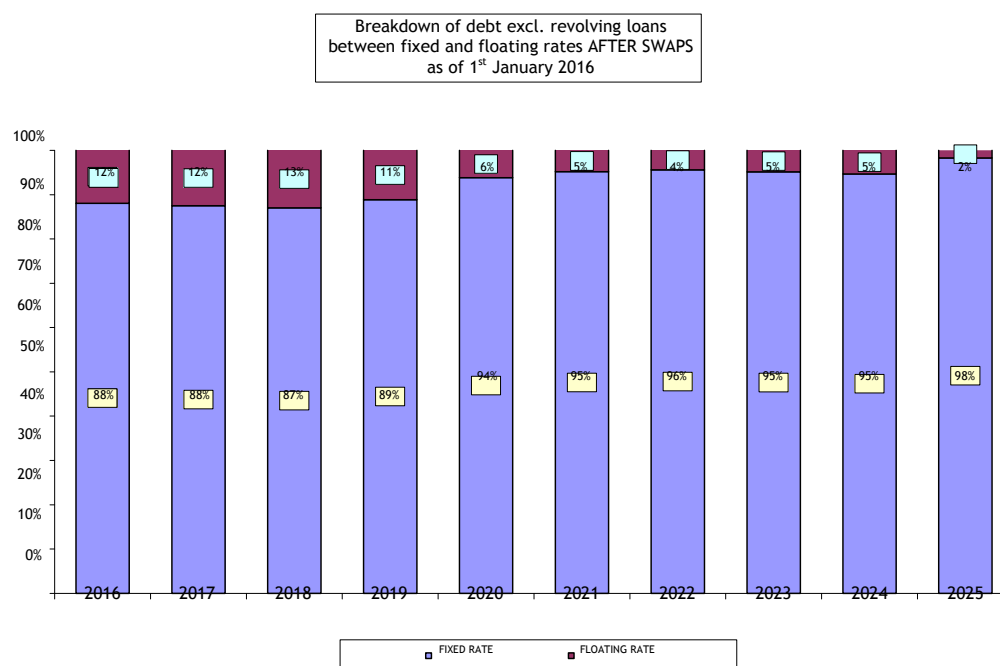
On 1st January 2016, the City's debt (excl. revolving credit) broke down as follows:

- before swaps, 82.7% fixed-rate and 17.3% floating-rate compared to 75.5% fixed-rate and 20.5% floating-rate as of 1st January 2015.
- after swaps, 88.1% fixed-rate and 11.9% floating-rate compared to 85.8% fixed-rate and 14.2% floating-rate as of 1st January 2015

Expressed as a percentage, the debt structure as of 1st January 2016 was as follows:



After these hedging operations, the debt breakdown was as follows:



Summary of current swaps as of 1st January 2016:

Contracting organisation	Under-lying loan	Amount swapped in MEUR	Swap conclusion date	Start of Swap	End of Swap	Swap direction	Rate paid (%)	Margin paid (pts)	Rate received (%)	Margin received (pts)
Natixis	0551	15	16/04/2013	30/04/2013	30/04/2032	V=>F	2.77	-	EUR03M	67.2
Natixis	0552	60	16/04/2013	30/04/2013	30/04/2029	V=>F	2.64	-	EUR03M	64
HSBC	0550	25	09/04/2013	18/04/2013	18/04/2031	V=>F	2.69	-	EUR03M	60
Natixis	0548	20	12/12/2012	19/12/2012	19/12/2022	V=>F	2.25	-	EUR03M	72.5
BNP-Paribas	0548	20	12/12/2012	19/12/2012	19/12/2022	V=>F	2.25	-	EUR03M	72.5
HSBC	0534	100	12/07/2011	14/07/2011	29/12/2025	V=>F	3.78	-	EUR03M	46.7
Natixis	0534	140	02/12/2010	29/12/2010	29/12/2025	F=>V	EUR03M	46.7	3.875%	-
Calyon	0510	15	14/03/2006	27/12/2010	27/12/2017	V=>F	4.10	-	EUR03M	-
Natixis	0510	110	17/12/2010	27/12/2010	27/12/2017	V=>V	EUR03M	-	T4M	4
HSBC	0533	100	23/11/2010	02/12/2010	02/12/2024	F=>V	EUR03M	44	3.50%	-
BNP-Paribas	0525	24	02/09/2010	06/09/2010	14/02/2017	V=>F	1.83	-	EUR03M	-5
Crédit Suisse	0524	24	25/05/2010	27/05/2010	14/01/2017	V=>F	2.17	-	EUR03M	-5
HSBC	0530	50	18/05/2010	25/05/2010	10/01/2020	V=>F	3.03	-	EUR03M	31.5
Natixis	0512	40	18/05/2010	20/05/2010	22/12/2018	V=>F	2.69	-	EUR03M	-1.75
Natixis	0510	20	14/03/2006	29/03/2010	27/12/2017	V=>F	4.06	-	EUR03M	-
HSBC	0516	50	25/02/2010	01/03/2010	01/03/2018	V=>F	2.96	-	EUR03M	-
BNP-Paribas	0510	25	14/03/2006	29/12/2008	27/12/2017	V=>F	4.00	-	EUR03M	-
Société Générale	0523	60	30/04/2008	04/09/2008	04/12/2020	F=>V	EUR03M	-	4.54%	-
Société Générale	0510	25	22/09/2006	27/03/2007	27/12/2017	V=>F	3,90	-	EUR03M	-
Dexia	0510	25	22/09/2006	27/03/2007	27/12/2017	V=>F	3.88	-	EUR03M	-
Natixis	0512	40	13/01/2004	22/01/2004	22/12/2018	V=>V	EUR03M	-1.75	TAG12M annual sliding	7

CASH MANAGEMENT

The goal of the cash management of the Paris Authority at present is to minimise its cash on hand and meet its liquidity requirements (negative position limited to the balance of its credit lines, i.e. -€400m).

To effectively manage its cash needs, the City of Paris has:

- a revolving credit of €35m, a contract first concluded by the authority in 2007 which is still active as its terms remain attractive (EONIA + 0.08%);
- a commercial paper programme of €800m, in place since March 2011;

six credit lines:

- with Société Générale for a total of €150m;
- with BNP PARIBAS for a total of €50m;
- with Banque Postale for a total of €200m;

The City of Paris thus has the ability to mobilise significant short-term funds (€1,100m in 2015 and €1,235 in 2016) to provide appropriate liquidity.

The possibilities for investments within the limits of the Finance Act of 2004 were not used in 2015, on account of a continued negative net yield.

I. USE OF REVOLVING LOANS, THE COMMERCIAL PAPER PROGRAMME AND THE CASH FACILITY

A. REVOLVING CREDIT FACILITIES (€100m in 2015 and €35m in 2016)

The Paris authority has one remaining revolving credit facility negotiated before 2008 for €35m with attractive terms (see above). This revolving credit facility was continuously used all year. It is scheduled to mature at the end of 2017.

To back up issuances of commercial papers, and when it is available, this revolving credit facility is preferred to liquidity facilities for adjustments of the cash position, as it offers more attractive terms.

B. LIQUIDITY FACILITIES

A first contract for a "backup" liquidity facility was signed with Banque Postale in July 2015 for a total of €50m, for the period from 31 July 2015 to 29 July 2016. The draw-downs are indexed on EONIA plus a margin of 1.80%.

A second contract for a "backup" liquidity facility was signed with Banque Postale in July 2015 for a total of €50m, for the period from 31 July 2015 to 29 July 2016. The draw-downs are indexed on EONIA plus a margin of 1.80%.

A third contract for a "backup" liquidity facility was signed with Société Générale in July 2015 for a total of €100m, for the period from 31 July 2015 to 30 July 2016. The draw-downs are indexed on EUR1M plus a margin of 0.60%.

A fourth contract for a "backup" liquidity facility was signed with Banque Postale in December 2015 for a total of €100m, for the period from 18 December 2015 to 16 December 2016. The draw-downs are indexed on EONIA plus a margin of 1.80%.

A fifth contract for a "backup" liquidity facility was signed with Société Générale in December 2015 for a total of €50m, for the period from 18 December 2015 to 16 December 2016. The draw-downs are indexed on EUR1M plus a margin of 0.60%.

A sixth contract for a "backup" liquidity facility was signed with BNP Paribas in December 2015 for a total of €50m, for the period from 18 December 2015 to 16 December 2016. The draw-downs are indexed on EUR3M plus a margin of 0.50%.

Over 2015, 6 draw-downs on our Credit Lines were made for a combined total of €85,932,000.

C. THE COMMERCIAL PAPER ISSUANCE PROGRAMME

In order to diversify and supplement its sources of financing (as the revolving credit facilities gradually reach maturity), the City of Paris has also, since March 2011, mobilised its commercial paper programme. The maximum amount of the programme is €800m.

For this programme, the arranger is Société Générale. The dealers are: Société Générale, HSBC, Crédit Agricole Corporate and Investment Bank and Natixis. Issuance can be either fixed-rate or floating-rate for maturities usually ranging from one week to one month.

For cost reasons, this mode of financing is preferred whenever the requirement is significant and for a certain period of time.

Over 2015, there were 17 commercial paper issuances (compared with 1 in 2014), giving a cumulative total of €1.560bn. In the first quarter of 2016, no funds were raised.

II. INVESTMENT OF SOME OF THE INCOME OF THE PARIS AUTHORITY

A. INVESTMENT CONDITIONS AND PROCEDURES

Article 116 of the 2004 Finance Act authorises local authorities to invest certain categories of funds, without the prior agreement of the Regional Public Finance Directorate (DRFIP).

This includes:

- revenue generated by the disposal of items of the Paris property portfolio (in this case, sales of private real estate);
- insurance benefits received under the insurance policy to compensate for damage sustained by the local authority;
- sums of money received by the local authority following an enforceable legal decision.

Investments complying with the conditions of eligibility are made by the Paris Authority in short-term government bonds via a money market mutual fund. The resale must be made on the same day in the case of cash requirements, preferably via a revolving credit or liquidity facility.

The amount which could potentially be invested increases over the course of the year, notably with sales of private property.

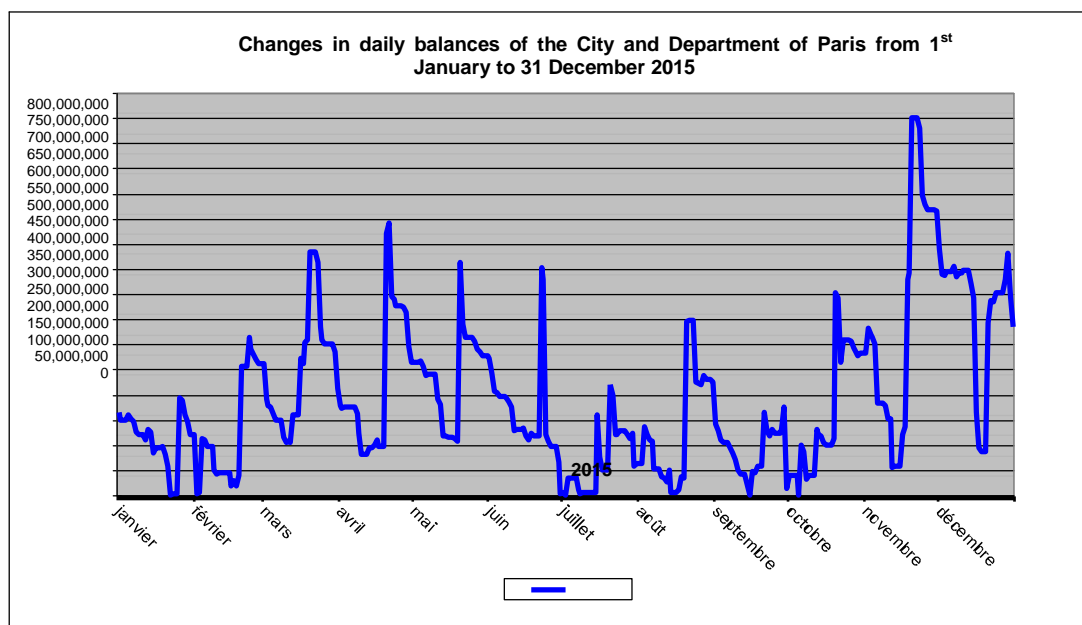
B. NO NEW INVESTMENTS IN 2015

Due to the constant decrease in remuneration on the monetary assets in which the City is authorised to invest, no investments were made.

III. CASH BALANCES

In 2015, the average annual cash balance for the City and the Department was €194m, i.e. higher than the previous year (€177m in 2014).

The graph, below, shows the changes in this balance.



Temporary peaks in cash flow can be noted around the 20th of each month, due to the gap between receipt of the one-twelfth taxation payments and the general operating grant on the one hand (20th of the month) and payment of wages on the other (24th of the month).

The following tables show the monthly cash flows of income and expenditure specific to the City and the Department of Paris between January 2015 and March 2016 (excl. flows related to the use of the revolving credit facilities and commercial papers).

MONTHLY CASH FLOWS IN EUROS OF THE CITY OF PARIS FROM JANUARY 2015 TO END MARCH 2016

	EXPENDITURE (incl. allocation of Department)		
January 2015	536,806,285.38	483,726,353.60	-53,079,931.78
February 2015	513,265,588.93	445,813,563.66	-67,452,025.27
March 2015	501,970,552.32	644,111,897.69	142,141,345.37
April 2015	446,970,017.09	487,642,394.80	40,672,377.71
May 2015	370,511,251.64	372,217,827.86	1,706,576.22
June 2015	716,604,762.51	494,535,923.40	-222,068,839.11
July 2015	572,588,006.74	394,211,436.24	-178,376,570.50
August 2015	378,900,761.46	437,139,179.59	58,238,418.13
September 2015	503,667,061.00	495,282,880.42	-8,384,180.58
October 2015	426,139,390.16	490,114,240.63	63,974,850.47
November 2015	538,808,747.48	913,189,672.95	374,380,925.47
December 2015	1,114,517,905.81	1,001,037,275.77	-113,480,630.04
TOTAL 2015	6,620,750,330.52	6,659,022,646.61	38,272,316.09
January 2016	481,599,042.81	475,846,445.32	-5,752,597.49
February 2016	515,309,844.59	587,199,721.54	71,889,876.95
March 2016	572,654,622.20	612,480,096.89	39,825,474.69
TOTAL 2016	1,569,563,509.60	1,675,526,263.75	105,962,754.15

MONTHLY CASH FLOWS IN EUROS OF THE DEPARTMENT OF PARIS FROM JANUARY 2015 TO END MARCH 2016

	EXPENDITURE (incl. allocation to Department)		
January 2015	12,845,459.79	122,639,234.90	-4,206,224.89
February 2015	232,632,686.80	113,874,406.59	-118,758,280.21
March 2015	193,169,250.94	155,832,815.48	-37,336,435.46
April 2015	210,418,479.03	170,429,089.85	-39,989,389.18
May 2015	111,039,864.47	114,441,419.27	3,401,554.80
June 2015	240,253,254.78	163,816,188.88	-76,437,065.90
July 2015	223,656,904.82	172,042,477.92	-51,614,426.90
August 2015	134,716,865.42	128,187,919.65	-6,528,945.77
September 2015	189,445,341.27	134,573,781.40	-54,871,559.87
October 2015	167,720,081.46	148,963,950.42	-18,756,131.04
November 2015	190,047,904.94	140,244,277.13	-49,803,627.81
December 2015	323,203,159.06	195,949,057.35	-127,254,101.71
TOTAL 2015	2,343,149,252.78	1,760,994,618.84	-582,154,633.94
January 2016	222,146,639.88	201,860,779.67	-20,285,860.21
February 2016	179,333,024.44	145,797,346.99	-33,535,677.45
March 2016	182,476,473.94	157,026,680.53	-25,449,793.41
TOTAL 2016	583,956,138.26	504,684,807.19	-79,271,331.07

LOAN GUARANTEES

The City and Department of Paris provide loan guarantees for partners falling into two main categories:

- On the one hand, public and/or private companies specialising in the acquisition and renovation of social housing. Such organisations account for 86.4% of the total volume of debt originally guaranteed by the Paris authority as a whole. These partners are essential to the implementation of the Paris authority's policies for the development of social housing. The granting of loan guarantees to organisations of this type is facilitated by legislative arrangements which allow for loans relating to social housing to be guaranteed 100% (compared to 50% or 80% for other operations, as set out in Article 2252 of the French General Local Authorities Code (CGCT). Furthermore, these guarantees are not included when calculating the ratios to be respected in relation to the authority's actual operating income (total annuities on own debt and guarantees limited to 50% of actual operating income, total value of annuities guaranteed for a single beneficiary capped at 5% of actual operating income);
- On the other hand, organisations outside the social housing sector such as local public development corporations, local public corporations, semi-public corporations and associations working on projects deemed to be in the general interest of Parisians. The Authority's local public development corporations, local public corporations and semi-public corporations are under the constant supervision of the Authority. As for associations, their financial soundness and strategies are evaluated by the Finance and Procurement Directorate, which then issues a positive or negative verdict. The final decision of whether or not to guarantee a loan ultimately lies with the Deputy Mayor for Finances, and the Deputy Mayor for the sector in which the project in question falls.

I. LOAN GUARANTEES GRANTED BY THE CITY OF PARIS AND THE FORMER SEINE DEPARTMENT

The total value of outstanding loans guaranteed as of 31 December 2015 by the City and the Department previously known as Seine was €8,934m¹, i.e. an increase of 1.2% (+ €106.5m) compared to the previous year.

The total value of outstanding loans guaranteed in the social housing sector grew by 1.1% (+€85.4m) from €7,228m in 2014 to €7,813.4m in 2015. This increase is largely a consequence of the granting of new loan guarantees to HLM social housing companies (+ 4.5%, i.e. €84m), particularly ICF Habitat - La Sablière and I3F, and to a lesser extent to new guarantees granted to associations +16% (€13m).

Meanwhile, the total value of outstanding loan guarantees outside the social housing sector also increased by 1.9% (+€21m) between 2014 and 2015. The total stood at €1,121m as of 31 December 2015, compared with €1,100m as of 31 December 2014. This increase is primarily a result of guarantees granted to public-private companies and development agencies.

¹ The current state of loan guarantees cited here is based on the most recent figures available, i.e. the administrative accounts for 2015 as approved in June 2016. The comparisons are between the state of affairs as of 31/12/2014 (2014 AA) and as of 31/12/2015 (2015 AA).

City of Paris and the former Seine department

Change and breakdown of total value of outstanding loans guaranteed as of 31/12/2015	Capital initially guaranteed (€m)	Total value of outstanding loans guaranteed on 31/12/2014 (€m)	Total value of outstanding loans guaranteed on 31/12/2015 (€m)	Change in total value of outstanding loans guaranteed 2015/2014 (%)	Breakdown of total value of outstanding loans guaranteed as of 31/12/2015 (%)
PARIS HABITAT-OPH	3,271.4	2,292.0	2,289.0	-0.1%	25.6%
Semi-public corporations (SEM)	5,132.3	3,547.3	3,542.2	-0.1%	39.6%
HLM social housing companies	2,330.0	1,797.4	1,878.4	4.5%	21.0%
Associations	111.7	81.5	94.5	16.0%	1.1%
City of Paris Welfare Centre (CASVP)	10.4	9.4	9.0	-3.5%	0.1%
Other	1.8	0.4	0.3	-19.0%	0.0%
Social housing	10,857.6	7,728.0	7,813.4		
Associations	233.9	210.8	199.8	-5.2%	2.2%
Semi-public corporations (SEMs)	1,161.0	854.1	894.7	4.8%	10.0%
Other (incl. PARIS HABITAT-OPH)	42.0	34.8	26.3	-24.6%	0.3%
Excl. social housing	1,436.9	1,099.7	1,120.8		
GRAND TOTAL	12,294.5	8,827.7	8,934.2	1.2%	100.0%

Total annuities guaranteed by the City of Paris and the former Seine Department as of 31 December 2015 stand at €734.2m, up by 24.3% (+€143.6m).

	Capital initially guaranteed (€m)	Annuity guaranteed as of 31/12/2013 (in €m)	Annuity guaranteed as of 31/12/2014 (in €m)	Annuity guaranteed as of 31/12/2015 (in €m)	Change of annuity 2015/2014	% of annuity as of 31/12/2015
Social housing	9,741.8	476.5	485.6	538.8	11.0%	73.4%
Excl. social housing	1,310.3	97.2	105.0	195.4	86.1%	26.6%
TOTAL	11,052.1	573.6	590.6	734.2	24.3%	100.0%

This total can be broken down as follows:

- social housing organisations: €538.8m (i.e. 73.4% of the total) in 2015 compared to €485.6m (i.e. 82.2% of the total) in 2014;
- organisations not involved with social housing: €195.4m (26.6% of the total) in 2015 compared to €105m (17.8% of the total) in 2014. This increase is accounted for by the repayment of the SEMAPA bullet loans totalling €83m.

Only annuities outside the social housing sector are taken into account when calculating the three ratios established by French Act No. 88-13 of 5 January 1988 ("Loi Galland") in order to frame the risks associated with loan guarantees for the guarantor. These ratios are respected. Note should be taken of the sharp increase compared to 2014 of the ratio on annuities guaranteed (+45.4%) due to the repayment of the aforementioned bullet loans:

City of Paris - 2015 Administrative Account	Position as of 31/12/2014 (in €m)	Position as of 31/12/2015 (in €m)	2015/2014 change
Annuities paid excl. social housing (A)	105.00	195.4	86.1%
Annuities on own debt (B)	310.02	341.06	10.0%
I - Total annuities (A+B)	415.02	536.5	29.3%
II - Actual operating income	5,782.5	5,720.8	-1.1%
Ratio (I/II)	7.2%	9.4%	30.6%

(1) 2016 OB data

II. LOAN GUARANTEES GRANTED BY THE DEPARTMENT OF PARIS

The value of total outstanding loans guaranteed as of 31 December 2015 by the Department of Paris was €106.3m, up by 5.1% (+€5.2m) compared to the previous year. This increase was due to a new loan guarantee granted to RIVP for the creation of a medical and industrial research centre (€5m) and to the Fondation Saint Jean de Dieu for the creation of a motor-skills development institute as well as standard repayment of other loans.

The proportion of these loan guarantees granted to public companies (Paris-Habitat) was €0.45m in 2015 (down slightly from 2014), i.e. 0.04% of the total value of outstanding loans guaranteed by the Department of Paris. This loan was used to fund the construction of a new residence for people with disabilities in the 14th arrondissement.

Department of Paris

Change and breakdown of total value of outstanding loans guaranteed as of 31/12/2015	Capital initially guaranteed (€m)	Total value of outstanding loans guaranteed as of 31/12/2014 (€M)	Total value of outstanding loans guaranteed as of 31/12/2015 (€M)	2015/2014 change in total value of outstanding loans guaranteed (%)	Breakdown of total value of outstanding loans guaranteed as of 31/12/2015 (%)
Associations	4.9	38.8	39.7	2.3%	37.4%
Semi-public corporations (SEMs)	66.0	54.3	58.9	8.4%	55.4%
Other (including PARIS HABITAT-OPH)	9.5	8.0	7.7	-3.6%	7.2%
Excl. social housing	120.4	101.1	106.3	5.1%	100.0%
GRAND TOTAL	120.4	101.1	106.3	5.1%	100.0%

N.B.: The Department of Paris does not guarantee operations relating to social housing (which fall under the aegis of the municipal authorities).

The ratios stipulated in the French Galland Act (see earlier) have also been respected by the Department of Paris:

DEPARTMENT OF PARIS - 2015 Administrative Account	Position as of 31/12/2013 (in €m)	Position as of 31/12/2014 (in €m)	Position as of 31/12/2015 (in €m)	2015/2014 change
Annuities paid excl. social housing (A)	3.2	3.9	4.3	10.3%
Annuities on own debt (B) (1)	-			
I - Total annuities (A+B)	3.2	3.9	4.3	10.3%
II - Actual operating income	3,066.6	3,231.5	3,231.8	+0.01%
Ratio (I/II)	0.10%	0.12%	0.13%	11.2%

(1) 2016 OB data

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III. ENFORCEMENT OF GUARANTEES GRANTED BY THE PARIS AUTHORITY

Guarantees provided by the city and the department may be enforced. In such very rare cases (2 enforcements of guarantees provided over the past 10 years, with a total value of €24,756), the loan guarantee contracts, which are systematically signed between the authority and the beneficiary of the guarantee whenever a guarantee is granted, include a clause stipulating reimbursement to the Paris authority of all sums paid by the latter as guarantor (as was the case in one of the 2 instances mentioned above, a total cost of €18,911).

IMPLEMENTATION OF A PARIS AUTHORITY BLANKET INSURANCE POLICY

I. THE PARIS AUTHORITY'S BLANKET INSURANCE POLICY

A. A COMPREHENSIVE AND CONSISTENT POLICY

Thanks to the implementation of a comprehensive and consistent insurance policy defined as early as 2003, the Paris authority benefits from optimised cover in targeted fields as wide-ranging as standard legal liability, social and educational activities, medical liability, the motor vehicle fleet, one-off events, exhibitions and assistance to elected officials.

Since 2005, the risks incurred by the Authority have been covered for the Authority as a whole in order to both avoid any dispersion and multiplication of insurance contracts and make savings. Accordingly, the Financial Management Department at the Finance and Procurement Directorate, the go-to department for insurance matters, monitors the implementation of the insurance policy whilst providing technical support for the entire Authority.

As a guarantee of credibility, the Paris authority also hired a consulting firm to increase the expertise of its departments and help them manage the procurement contract signing process.

B. A POLICY ADAPTED TO THE SPECIFIC CHARACTERISTICS OF THE PARIS AUTHORITY IN A CONTEXT OF SELF-INSURANCE.

Given the cost of exhaustive insurance of the risks incurred and taking account of the creditworthiness of the Paris authority, the principle of self-insurance of risks was adopted.

As an exception to the principle, insurance was taken out in the following cases:

- when it was required by law (motor vehicle insurance, medical liability, nursery assistant insurance, etc.);
- when it allows an economy of scale to be made and ensures effective compensation of citizens via outsourcing of multiple small claims to one insurer (legal liability for cleaning activities, one-off events, etc.);
- when it allows coverage of the risks of subsidiary budgets that the Paris authority cannot self-insure given their budgetary independence;
- when it allows coverage of major legal liability claims. Accordingly, the City and Department of Paris each have taken out secondary (or "umbrella") coverage which makes it possible, above a deductible level of €10m, to cover a major claim up to maximum liability of €15m.
- when it allows coverage of the risks of an emblematic and sensitive site such as Paris city hall. This was accordingly partially covered by a "Property damage" insurance policy for €250m for an appraisal value of €413m in 2007 in order to make the cost of insurance (€145k per year) and the necessary level

of cover coherent.

II. 2016 ANNUAL REVIEW

A. OPTIMISED CONTRACT RENEWAL:

In 2016, 1 insurance contract set to expire on 31 December 2016 and concerning one-off events was renewed. Even though the provisional cost of this insurance contract effective from 1st January 2017 includes an increase for mandatory insurance of the motor vehicle fleet, which grew and for which certain taxes on insurance agreements increased, the overall insurance cost for 2016 should, by compensation, still remain below the 2014 figure.

Indeed, the actual cost over 2015 of the 16 insurance contracts renewed in 2014 effective from 1st January 2015 (representing 67% of the Authority's insurance contracts) saw, overall and on a like-for-like basis, such a reduction (nearly 24% compared to 2014) that the contracts renewed this year shall only have a minor impact. This confirms the efforts made to limit spending on insurance as much as possible and optimise its distribution.

B. REDUCED INSURANCE COSTS:

The overall cost of insurance in 2016 was €2.7m for the Paris authority, i.e. a reduction of 5% compared to 2015 (which had seen a fall of 25% compared to 2014).

This sharp overall fall since 2014 is the result of the efforts to improve procedures and practices in terms of non-compulsory insurance made by the Paris authority in order to maintain a certain level of financial protection in case of claims whilst always examining whether it is appropriate to take out (non-compulsory) insurance or not. This approach particularly makes it possible to balance out any increase in insurance rates from year to year as well as insurance base variations.

III. PROSPECTS FOR THE 2017 FINANCIAL YEAR:

- Continued implementation of the guiding principle of self-insurance in a context of budget restrictions.
- Continued legal reinforcement of insurance policy in case of complex contractual arrangements, particularly by including custom insurance clauses in agreements, leases, etc. and by checking the compliance of the insurance arrangements actually implemented by contracting parties.
- Renewal of "Heat-wave assistance" insurance.
- Renewal of Paris City Hall site primary and secondary insurance policies.

TAXATION

The text which follows is a summary limited to certain fiscal considerations in France regarding payments of interest or other income pertaining to the Notes which may be issued under the Programme. It contains certain information specific to taxation at source of income from transferable securities in France. This general description is based on the laws in force in France on the date of this Base Prospectus and as applied and interpreted by the French tax authorities, it being understood that these laws are subject to change or different interpretation. The aim is not to give an exhaustive description of the tax elements to be considered in making the decision to acquire, own or transfer Securities. Investors in or recipients of Notes are invited to consult their own tax advisor on the tax consequences of any acquisition, ownership or transfer of the Notes in the light of their own fiscal situation. The text which follows does not apply when a payment of interest or similar income is made by a paying agent (as defined by Directive 2003/48/EC of the Council) based in Austria.

1. DEDUCTION AT SOURCE IN FRANCE

The following text contains certain information specific to the taxation of source of income derived from Notes held by investors (i) who are not French residents for tax purposes, (ii) who do not hold their Bonds through a fixed base or a stable institution in France and (iii) who, in addition, do not hold the Issuer's share's. This summary is based on the laws in force in France on the date of this Prospectus and as applied and interpreted by the French tax authorities, subject to change of law or interpretation.

1. Payments of interest or other revenue made by the Issuer with respect to Notes issued from 1st March 2010 (other than Notes issued from 1st March 2010 but which may be consolidated with notes issued prior to 1st March 2010 and benefiting from the provisions of Article 131c of the French General Tax Code) shall not be subject to the withholding tax set out in Article 125 A III of the French General Tax Code unless such payments are made outside France in a non-cooperative State or territory within the meaning of Article 238-0 A of French General Tax Code (a “**Non-Cooperative State**”). In application of Article 125 A III of the French General Tax Code, if such payments pertaining to the Notes are made in a Non-Cooperative State, a seventy-five percent (75%) withholding tax is applicable (subject to certain exceptions and to the provisions of applicable tax agreements). The list of Non-Cooperative States is set by ministerial ruling and is updated each year.

Furthermore, by application of Article 238 A of the General Tax Code, interest and other revenues paid on Notes are not deductible from the taxable income of the Issuer if they are paid or owed to persons domiciled or established in a Non-Cooperative State or paid into a bank account held in a financial institution based in a Non-Cooperative State (the “**Non-Deductibility**”). Under certain conditions, the interest and other non-deductible revenues may be requalified as revenue deemed to be distributed in application of Article 109 and according to the French General Tax Code, and thus subject to deduction at source, at 30 % or 75 %, as stated in Article 119a no.2 of the General Tax Code (subject to the provisions of applicable tax agreements).

Notwithstanding the above, neither the seventy-five percent (75%) deduction at source set out under Article 125 A III of the General Tax Code, nor the non-deductibility or deduction at source under Article 119a no. 2 of the General Tax Code which results from this Non-Deductibility, shall apply to an issue of Notes if the Issuer can prove (i) that this issue has a main aim and effect other than to allow the location of interest and other revenue in a Non-Cooperative State (the “**Exception**”) and (ii) concerning the Non-deductibility, that the said interest or other income relate to actual operations and are not abnormal or exaggerated in nature.

Pursuant to the administrative comments published by the French tax authorities in the *Bulletin Officiel des Finances Publiques-Impôts* under the references BOI-INT-DG-20-50-20140211 no. 550 and no. 990, BOI-RPPM-RCM-30-10-20-40-20140211 no. 70 and no. 80 and BOI-IR-DOMIC-10-20-20-60-20150320 no. 10; the Exception applies without the Issuer needing to provide proof pertaining to the purpose and effect of a given issue of Notes if the Notes in question are:

- (i) offered as part of a public offer of securities in the sense of Article L.411-1 of the Monetary and Financial Code or an equivalent offer in a State other than a Non-Cooperative State. An “equivalent offer” shall mean equivalent to one which makes it compulsory to register or file an information document with a foreign market authority; or
- (ii) admitted to trading on a regulated market or a multilateral negotiation system of French or foreign financial instruments, provided that this market or system is not located in a Non-Cooperative State and that the working of the market is guaranteed by a market undertaking or an investment service provider or any other similar foreign body, provided that this undertaking, service provider or body is not located in a Non-Cooperative State; or
- (iii) admitted, on issue, in the operations of a central custodian or those of a manager of settlement and delivery systems for financial instruments in the sense of Article L.561-2 of the Monetary and Financial Code or of one or more similar foreign custodians or managers, provided that the custodian or manager is not located in a Non-Cooperative State.

2. In application of Article 131c of the General Tax Code, interest and other proceeds paid on Notes which may be assimilated with Notes issued (or deemed to be issued) outside France in the sense of this Article prior to 1 March 2010, shall continue to be exempt from deduction at source as stated in Article 125 A III of the General Tax Code. Notes issued before 1 March 2010, whether in Euros or in any other currency, and constituting bonds under French law or tradable securities in the sense of the administrative comments published in the *Bulletin Officiel des Finances Publiques-Impôts* under reference BOI-RPPM-RCM-30-10-30-30-20140211 no. 50, or any other debt note issued under French law or under a foreign law that is assimilated with them for tax purposes, are deemed to be issued outside France for the purposes of Article 131 c of the General Tax Code, in accordance the administrative comments published in the *Bulletin Officiel des Finances Publiques-Impôts* under the reference given above.

Assimilated notes, according to comments published in the *Bulletin Officiel des Finances Publiques-Impôts* under reference no. BOI-INT-DG-20-50-20140211, should be understood to mean notes with characteristics (except, if applicable, those relating to the first interest payment or issue price) that are identical to those of debt securities which are already in circulation, are therefore considered comparable to the initial issue to which they relate.

3. In application of Articles 125 A of the General Tax Code, and subject to certain exceptions, natural persons with their tax domicile in France and receiving interest and other similar income from Notes are subject to withholding at source at a rate of 24%. The amount is offset against the income tax due for the year in which it was withheld; if it should exceed the amount of tax due, the surplus is refunded. The social contributions (CSG, CRDS and similar) are also deducted at source, at the overall rate of 15.5% under current French legislation, from interest and any similar income paid to natural persons having their tax domicile in France.

SUBSCRIPTION AND SALE

Subject to the terms of an investment contract drawn up in French dated 4 November 2016 between the Issuer, the Permanent Dealers and the Arranger (the “**Investment Contract**”), the Issuer shall offer the Notes to the Permanent Dealers. However, the Issuer reserves the right to sell the Notes directly on his/her own account to Dealers who are not Permanent Dealers. The Notes may be sold at market price or at a similar price prevailing on the date of the resale and which will be determined by the Dealer concerned. The Notes may also be sold by the Issuer through Dealers acting as representatives of the Issuer. The Investment Contract also allows for the issue of syndicated Tranches subscribed to jointly by two or more Dealers.

The Issuer shall pay each Dealer involved a commission fixed by common agreement with the said Dealer relating to the Notes it has subscribed to. The Issuer has agreed to reimburse the Arrangers for the costs they incurred when the Programme was set up and to reimburse the Dealers for some of the costs linked to their involvement in this Programme. If necessary, commission relating to a syndicated issue of Notes shall be indicated in the relevant Final Terms.

The Issuer has undertaken to compensate the Dealers for certain liabilities incurred during the offer and sale of the Notes. The Dealers have undertaken to compensate the Issuer for certain liabilities incurred during the offer and sale of the Notes. The Investment Contract authorises the Dealers, in certain circumstances, to terminate any agreement they have concluded for the subscription of Notes prior to the payment to the Issuer of the funds relating to these Notes.

1. General

These restrictions on sale may be modified by common agreement between the Issuer and the Dealers, particularly following a modification to the legislation, regulations or an applicable Directive. Such a modification shall be mentioned in a supplement to this Base Prospectus.

No measures have been taken in any country which would allow a public offer of Notes, the holding or distribution of the Base Prospectus or any other offer document or any Definitive Conditions in a country or territory where measures are required to this effect.

Insofar as the information he has allows it, each Dealer has undertaken to respect the laws, regulations and Directives in each country in which it purchases, offers, sells or remits Notes or in which it holds or distributes the Base Prospectus, any other offer document or any Final Terms, and neither the Issuer nor any Dealer shall incur liability on this account.

2. European Economic Area

Each Dealer has declared and guaranteed that it has not and shall not make a public offer of the Notes covered by this Base Prospectus as completed by the Final Term concerned in a Member State of the EEA, provided that it may make a public offer of Notes in a Member State of the EEA:

- (i) at any time to qualified investors as defined in the Prospectus Directive
- (ii) 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 appointed by the Issuer for the offer; or
- (iii) at any time in circumstances falling within the scope of application of Article 3(2) of the Prospectus Directive,

provided that none of the offers mentioned in paragraphs (i) to (iii) above requires publication by the Issuer or the Dealer(s) of a prospectus in accordance with the provisions of Article 3 of the Prospectus Directive or a supplement to the prospectus in accordance with the provisions of Article 16 of the Prospectus Directive.

For the purposes of this provision, (a) the expression an “offer of Notes to the public” pertaining to

any Notes in any Member State of the EEA shall mean 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 allow an investor to decide to purchase or subscribe the Notes, as may be modified by the EEA Member State by any measure implementing the Prospectus Directive and (b) the expression “Prospectus Directive” shall mean Directive 2003/71/EC of the European Parliament and Council of 4 November 2003 (as amended and including any implementing measure in each EEA Member State).

3. United States of America

The Notes have not been and shall not be registered pursuant to the United States Securities Act. Subject to certain exceptions, the Notes may not be offered or sold on the territory of the United States of America. The Notes shall be offered and sold only outside the United States of America and in the context of offshore transactions, in accordance with Regulation S. The terms used in this paragraph have the meaning ascribed to them under Regulation S.

Each Dealer has given an undertaking, and each new Dealer shall be asked to give an undertaking, not to offer or sell the Notes or, in the case of Dematerialised Notes in bearer form, to remit the said Notes on the territory of the United States of America or to or on account or for the benefit of United States Persons only in compliance with the Investment Contract.

Materialised Notes in bearer form which have a maturity of more than one (1) year are subject to American tax rules and may not be offered, sold or remitted on the territory of the United States of America or of its possessions or to a U.S. Person, with the exception of certain transactions which are permitted by American tax rules. The terms used in this paragraph have the meaning given to them in the U.S. Internal Revenue Code of 1986, as amended, and its implementing provisions.

In addition, the offer or sale by any Dealer (whether participating in the offer or not) of any identified tranche of any Notes in the United States of America during the first forty (40) days following the commencement of the offer, may constitute a breach of registration obligations in the U.S. Securities Act.

4. United Kingdom

Each Dealer has declared and guaranteed, and each new Dealer appointed under the Programme shall be required to declare and guarantee that:

- (i) in the case of any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities consist in acquiring, holding, managing or disposing of financial products (as principal or agent) for the purposes of its business and (b) it has not offered or sold and shall not offer or sell any Notes to persons in the United Kingdom other than to persons whose ordinary activities consist in acquiring, holding, managing or disposing of financial products (as principal or as agent) for the purposes of their businesses or to persons of whom it is reasonable to expect that they acquire, hold, manage or dispose of financial products (as principal or agent) for the purposes of their businesses, in circumstances in which the issue of Notes would otherwise constitute a breach of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”);
- (ii) it has only communicated or had communicated and will only communicate or have communicated an invitation or inducement to engage in investment activity (as defined in Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not and shall not apply to the Issuer; and
- (iii) 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.

5. Japan

The Notes have not been and shall not be registered by virtue of the Law on the Stock Exchange and

Securities in force in Japan (Law n°25 of 1948, as amended, the "**Law on the Stock Exchange and Securities**"). Consequently, each Dealer has declared and guaranteed that it has not offered or sold and shall not offer or sell, directly or indirectly, Notes in Japan or to any Japanese resident, except in the case of an exemption from the registration obligations or otherwise in accordance with the Law on the Stock Exchange and Securities and any other Japanese legislation or regulations which may be applicable. In the present paragraph, the expression "Japanese resident" refers to any person residing in Japan, including any undertaking or other entity incorporated under Japanese law.

6. Netherlands

Each Dealer has declared and guaranteed that it has not, directly or indirectly, offered or sold and shall not directly or indirectly offer or sell Notes in the Netherlands other than to persons who trade or invest in securities in the context of their profession or business, which shall include banks, brokers, insurance companies, pension funds, other institutional investors and the treasury departments of large enterprises.

7. Spain

Each Investment Agent has declared and guaranteed that the Notes have not been offered or sold in Spain other than in accordance with the provisions of Spanish Law on Securities Markets (*Ley del Mercado de Valores*) of 28 July 1988, as modified, and any other applicable regulations.

8. Italy

The Issuer and Dealers have each declared and guaranteed, and any other Dealer appointed under the Programme shall be required to declare and guarantee that the present Base Prospectus has not been and shall not be published in the Republic of Italy in relation to the offer of Notes. The offering of Notes has not or shall not be registered with the Italian stock market authority, *Commissione Nazionale per le Società e la Borsa* ("**Consob**") in the Italian Republic pursuant to the Legislative Decree no. 58 of 24 February 1998 as amended (the "**Law on Financial Services**") and the Consob Regulation no. 11971 of 14 May 1999 as amended (the "**Regulation on Issuers**") and, as a consequence, the Notes cannot be, now or in the future, offered, sold or remitted, directly in the Italian Republic in the framework of a public offering (*offerta al pubblico*) as defined in Article 1, paragraph 1(t) of the Law on Financial Services, and no example of this Base Prospectus, of the relevant Final Terms or any other document relating to the Notes can be, now or in the future, distributed in the Italian Republic, except to (a) qualified investors (*investitori qualificati*), as defined in article 34b, paragraph 1(b) of the Regulations on Issuers, or (b) under any other circumstance benefiting from an exemption from the rules applicable to public offers pursuant to the terms mentioned in article 100 of the Law on Financial Services and its implementing regulations, including article 34b, first paragraph, of the Regulations on Issuers.

The Issuer and Dealers have each declared and guaranteed, and any other Dealer appointed under the Programme shall be required to declare and guarantee that any offer, sale or remittance of Notes and any distribution of this Base Prospectus, the relevant Final Terms or any other document relating to the Notes in the Republic of Italy in accordance with paragraphs (a) and (b) above must and shall be carried out in compliance with the laws currently in force in Italy, particularly those relating to securities, taxation and exchanges and any other laws and regulations application and in particular:

- (i) by an investment company, a bank or a financial intermediary authorised to carry out this activity in the Republic of Italy in accordance with the Law on Financial Services, Consob Regulation n° 16190 of 29 October 2007 (as amended) and Legislative Decree n° 385 of 1 September 1993 as modified; and
- (ii) in accordance with any other applicable notification and restriction condition that might be imposed by the Consob, the Bank of Italy and/or any other Italian authority.

Investors who subscribe to Notes during an offer to the public are solely responsible for ensuring that the offer or resale or the Notes subscribed to in the context of this offer is carried out in

accordance with the applicable Italian laws and regulations. Article 100a of the Law on Financial Services affects the transferability of the Notes in the Republic of Italy, insofar as the Notes are placed exclusively with qualified investors and the Notes are, in this case, systematically resold to non-qualified investors on the secondary market at any time in the twelve (12) months following the placement. If this should occur without publication of a prospectus in accordance with the Prospectus Directive either in the Republic of Italy and not subject to one of the exceptions referred to below, subscribers to the Notes having acted outside the scope of their professional activity are entitled, subject to certain conditions, to apply for the cancellation of the subscription of their Notes and the payment of damages by any intermediary involved in the subscription of said Notes.

The Base Prospectus, the relevant Final Terms and any other document relating to the Notes, and the information they contain, are strictly reserved for their recipients and may not be distributed to any third party resident or located in the Republic of Italy for any reason whatsoever. No person resident or located in the Republic of Italy, who is not the original recipient of this Base Prospectus, may make use of this Base Prospectus, the relevant Final Terms or any other document relating to the Notes.

9. France

Each of the Dealers and the Issuer must declare and guarantee that, [during the initial investment of the Notes]¹⁰:

(a) Offer to the public in France

it has only offered and shall only offer Notes to the public in France during the period beginning (i) when a prospectus relating to the Notes has been approved by the Autorité des Marchés Financiers (“AMF”), on the date of its publication or (ii) when a prospectus has been approved by a competent authority in another Member State of the European Economic Area having transposed the Prospectus Directive 2003/71/EC, as modified, on the date of notification of this approval to the AMF in accordance with Articles L.412-1 and L.621-8 of the Monetary and Financial Code and the AMF General Regulation, and ending no later than twelve (12) months after the approval of the Base Prospectus.

(b) Private investment in France

it has not offered or sold and shall not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or had distributed and shall not distribute or have distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering document relating to the Notes and any such offer, sale or distribution have been and shall be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties and/or (b) qualified investors as defined in and in accordance with Articles L.411-1, L.411-2 and D.411-1 to D.411-4 of the French Monetary and Financial Code.

¹⁰ Applicable only to Notes admitted to trading on Euronext Paris

FINAL TERMS TEMPLATE

The Final Terms template that shall be issued on the occasion of each Tranche is provided below:

Final Terms

[LOGO if the document is to be printed]

CITY OF PARIS

Notes Issue Programme

(Euro Medium Term Note Programme)

of [5,000,000,000] euros

Minimum redemption date of one (1) month starting from the issue date

SERIES No.: [●]

TRANCHE No.: [●]

[Brief description and amount of the Notes]

Price of Issue [●] %

[Name of the Placing Agent(s)]

Dated [●]

PART A - CONTRACT CONDITIONS

The present document constitutes the Final Terms for the notes issue described below (the “Notes”) and contains the final terms of the Notes. The present Final Terms complete the Base Prospectus of 4 November 2016 (certified by the Autorité des marchés financiers (the “AMF”) under 16-[●] dated [●] November 2016) [and the Base Prospectus Supplement dated [●]] (certified by the AMF under no. [●] dated [●]) relating to the Note Issue of the Issuer of [€5,000,000,000] which form [together] a base prospectus (the “Base Prospectus”) for the purposes of Article 5.4 of Directive 2003/71/EC of the European Parliament and Council of 4 November 2003 (the “Prospectus Directive”) as amended. The Final Terms and the Base Prospectus together compose a prospectus (the “Prospectus”) for the purposes of Article 5.1 of the Prospectus Directive and must be read together with this document. The terms used below shall have the meaning given to them in the Base Prospectus. The Notes are issued according to the terms of the present Final Terms in association with the Base Prospectus. The Issuer accepts responsibility for the information contained in the present Final Terms that, in association with the Base Prospectus, contains all the significant information regarding the issue of the Notes. [A summary of the Note issue is appended to these Final Terms.]¹ Full information on the Issuer and the offer of Notes is only available on the basis of the Prospectus formed by the present Final Terms and Base Prospectus. The present Final Terms, the Base Prospectus [and the Base Prospectus Supplement] are available on the web sites of (a) the AMF (www.amf-france.org) and (b) the Issuer (http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots-2318#programme-d-emissions-de-titres-emtn_10), [and] during normal office hours from the Issuer’s registered office and at the designated offices of the Paying Agent(s) from whom a copy may be obtained. [In addition², the Base Prospectus [and the Base Prospectus Supplement] [is] [are] available [on/at] [●].]

[The following wording applies if the first Tranche of an issue of which the amount has been increased was issued for a Prospectus or Base Prospectus bearing an earlier date.]

The terms used below are considered to be final for the purposes of the Terms included in the base prospectus dated [initial date] certified by the Autorité des Marchés Financiers (“AMF”) under no. [●] dated [●] [and in the base prospectus supplement dated [●] certified by the AMF under no. [●] dated [●]] ([together] the “Initial Base Prospectus”) that [together] constitute a base prospectus according to Directive 2003/71/EC of the European Parliament and Council of the 4 November 2003 (the “Prospectus Directive”) as amended. The present document constitutes the Final terms of the issue of the Notes described below for the purposes of Article 5.4 of the Prospectus Directive and must be read together with the Base Prospectus dated 4 November 2016 (certified by the AMF under the no. 16-[●] dated [●] November 2016) [and the Base Prospectus Supplement dated [=] (certified by the AMF under the no. [●] dated [●])] ([together,] the “Current Base Prospectus”), except for the terms taken from the Initial Base Prospectus and included by reference in the Current Base Prospectus. Full information on the Issuer and the Notes offer is only available on the basis of the Prospectus composed of the present Final Terms, Initial Base Prospectus and Current Base Prospectus. [A summary of the Note issue is appended to these Final Terms.]³ The present Final Terms, the Base Prospectus [and the Base Prospectus Supplement] are available on the web sites of (a) the AMF (www.amf-france.org) and (b) the Issuer (http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots-2318#programme-d-emissions-de-titres-emtn_10), [and] during normal office hours from the Issuer’s registered office and at the designated offices of the Paying Agent(s) from whom a copy may be obtained. [In addition⁴, the Final Terms, the Initial Base Prospectus and the Current Base Prospectus are available [on/at] [●].]

[To be inserted if a public offer ends after the expiry date of the Base Prospectus and consequently applies to an update of the Base Prospectus.]

[The terms used herein shall be deemed to be final for the purposes of the Terms and Conditions set out in the section entitled “Terms and Conditions of the Notes” in the Base Prospectus dated 4

¹ To be inserted only in the event of an issue of Notes under €100,000.

² If the Notes are admitted to trading on a Regulated Market other than EuronextParis.

³ To be inserted only in the event of an issue of Notes under €100,000.

⁴ If the Notes are admitted to trading on a Regulated Market other than EuronextParis.

November 2016, certified by the Autorité des marchés financiers ("AMF") under no. 16-[●] dated [●] November 2016 [and in the Base Prospectus Supplement dated [●]], which [together] constitute an updated base prospectus which replaces the Base Prospectus of 2016 (the "**Base Prospectus 2017**"), with this Base Prospectus for 2017 having been certified by the AMF on the date of certification. The present document constitutes the Final Terms of the Bonds described herein as defined by article 5.4 of the Prospectus Directive, and (i) before the certification date, must be read together with the Base Prospectus 2016, as supplemented by any supplement(s) and (ii) as of the certification date, must be read together with the Base Prospectus 2017, except for the Terms and Conditions which are taken from the Base Prospectus 2016, as supplemented by any supplement(s). The Base Prospectus 2016, as supplemented by any supplement(s) and the Base Prospectus 2017 shall constitute a base prospectus as defined by the Prospectus Directive. [A summary of the Note issue is appended to these Final Terms.]⁵ Full information about the Issuer and the Bond offer is only available on the basis of a combination of these Final Terms and either (i) before the certification date, of the Base Prospectus 2016, as supplemented by any supplement(s) or (ii) as of the certification date, of the Base Prospectus 2016, as supplemented by any supplement(s) and the Base Prospectus 2017.]

⁵ To be inserted only in the event of an issue of Notes under €100,000.

*[Complete all of the following sections or otherwise state “Not Applicable” (N/A). The numbering must remain identical to that below, including when “Not Applicable” is stated for a particular paragraph or sub-paragraph. The terms in *italics* provides indications for completing the Final Terms.]*

1		Issuer:	City of Paris
2	(i) (ii)	Series No.: Tranche <i>(If the Series is fungible with an existing Series, state the characteristics of this Series including the date on which the Notes become fungible.)</i>	[●]. [●].
3		Specified Currency(ies):	[●].
4	(i) (ii)	Aggregate Nominal Amount: Series: Tranche:	[●]. [●].
5		Price of issue:	[●] % of the Aggregate Nominal Amount [plus interest accrued since [insert date] (for the fungible issues or the first broken coupon, as applicable)]
6		Nominal value(s) indicated:	[●] <i>(a single nominal value for Dematerialised Notes)</i>
7	(i) (ii)	Issue Date: Interest Commencement Date:	[●]. [●] <i>[Specify / Issue date / Not Applicable]</i>
8		Maturity Date:	<i>[specify the date or (for Floating Rate Notes) the Coupon Payment Date for the relevant month and year, or the closest date to the Coupon Payment Date for the relevant month and year]</i>
9		Interest Basis:	<i>[Fixed rate of [●] %] %] [[LIBOR, LIBID, LIMEAN, EURIBOR, CMS or EONIA] +/- [●] % of the Floating Rate] (other details below)</i>
10		Redemption/Payment basis:	<i>[Redemption at par] [●]</i>
11		Options (Article 5(b)):	<i>[Redemption Option at the choice of the Issuer]/[Not Applicable]</i>
12	(i) (ii)	Ranking: Date of issue authorisation:	Senior [●]
13		Distribution method:	<i>[Syndicated/Non-syndicated]</i>

PROVISIONS RELATING TO INTEREST PAYABLE (IF ANY)			
14		Provisions relating to Fixed-Rate Notes:	[Applicable/Not Applicable] <i>(If this paragraph is not applicable, delete the other sub-paragraphs)</i>
	(i)	Interest Rate:	[●] per annum [payable[annually/half-yearly/ quarterly / monthly] on the maturity date]
	(ii)	Coupon Payment Date(s):	[●] of each year [adjusted in accordance with [the specific Business Day Convention and all relevant Business Centre(s) concerned for definition of “Business Day”] / not adjusted
	(iii)	Fixed Coupon Amount[(s)]:	[●] for [●] of the Indicated Nominal Value
	(iv)	Broken Coupon Amount[(s)]:	<i>[Add information concerning the initial or final Broken Coupon that does not correspond to the Fixed Coupon Amount(s) and to the Interest Payment Date(s) to which they refer]</i>
	(v)	Day Count Method (Article4(a)):	[Actual/365 / Actual/Actual- ICMA / Actual/365 - FBF / Actual/Actual - ISDA/Actual/Actual - FBF/Actual/365 (Fixed) / Actual/360/30/360/360/360/ Bond Base /30/360 - FBF / Actual 30A/360 (American Bond Base) / 30E/360 / EuroBond Base/ 30E/360 - FBF]
	(vi)	Determination Date(s)(Article 4(a)):	[●] for each year (indicate the regular payment dates of the Coupon, excluding the Issue Date and the Redemption Date in the case of the first or last long or short. N.B. Only applicable when the Day Count Method is Base Actual/Actual (ICMA).
15		Provisions relating to Floating-Rate Notes:	[Applicable/Not Applicable] <i>If this paragraph is not applicable, delete the other sub-paragraphs.</i>
	(i)	Interest Periods and Accrued Interest Period:	[●].
	(ii)	Coupon Payment Date(s):	[●].
	(iii)	First Coupon Payment Date:	[●].
	(iv)	Business Day Convention and Business Day:	[“Floating-Rate” Business Day Convention / “Following” Business Day Convention / “Modified Following” Business Day Convention / “Preceding” Business Day Convention]
	(v)	Financial Centre(s) (Article4(a)):	<i>[Specify the applicable Financial Centre(s) accordance with Article 4(a)] / [Not Applicable].</i>
	(vi)	Interest rate(s) determination method:	[Determination of Screen Page Rate / FBF Determination]
	(vii)	Accrued Interest Period Date:	[Not Applicable/(specify the dates)]

	(viii)	Party responsible for calculating the Interest Rate(s) and Coupon Amount(s) (if not the Calculation Agent):	[●]/[Not Applicable]
	(ix)	Screen Rate determination (Article 4(c)(B)):	
		- Reference Rate - Screen Page - Reference Date - Reference Time: - Euro Zone	[●]. [●]. [●]. [●]. [●].
		- Coupon Determination Date:	[[● [TARGET] Business Days in [specify city] for [specify currency] before [the first day of each Interest Period/each Coupon Payment Date]]
		- Main Source of Floating Rate:	[Specify the appropriate Page or "Reference Banks"]
		- Reference Banks (if main source is "Reference Banks"):	[Specify four institutions]
		- Reference Financial Centre:	[The financial centre that has the closest relevant Market Reference - specify if it is not Paris]
		- Market Reference:	[LIBOR, LIBID, LIMEAN, EURIBOR, CMS, EONIA]
		- Specified Amount:	[Specify whether or not the quotations published on the Page or the quotations of the Reference Bank must be given for an operation for a specified amount]
		- Value Date:	[Specify whether or not the quotations must be obtained with effect at the start of the Interest Period]
		- Specified Duration:	[Specify the quotation period if different from the duration of the Interest Period]
	(x)	FBF Determination (Article 4(c)(A))	[Applicable/Not Applicable]
		- Floating Rate:	[LIBOR, LIBID, LIMEAN, EURIBOR, CMS or EONIA]
		- Floating Rate Determination Date:	[●].
	(xi)	Margin(s):	[+/-] [●] % per annum
	(xii)	Minimum Interest Rate:	[●] % per annum
	(xiii)	Maximum Interest Rate:	[●] % per annum
	(xiv)	Day Count Method (Article 4(a)):	[Actual/365 / Actual/Actual- ICMA / Actual/365 - FBF / Actual/Actual - ISDA/Actual/Actual - FBF/Actual/365 (Fixed) / Actual/360/30/360/360/360/ Bond Base /30/360 - FBF / Actual 30A/360 (American Bond Base) / 30E/360 /

			EuroBond Base/ 30E/360 - FBF]
	(xv)	Multiplier Coefficient:	[●].

PROVISIONS RELATING TO REDEMPTION

16		Redemption Option at the choice of the Issuer	[Applicable/Not Applicable] <i>(If this paragraph is not applicable, delete the other sub-paragraphs)</i>
	(i)	Optional Redemption Date(s):	[●].
	(ii)	Optional Redemption Amount elements:	Optional Redemption Amount: [●]. Y = [●]%
	(iii)	If partially redeemable:	
		(a) Minimum nominal amount to be redeemed:	[●]/[Not Applicable]
		(b) Maximum nominal amount to be redeemed	[[●]/[Not Applicable]
	(iv)	Advance notice:	[●].
17		Final Redemption Amount for each Note	[[●] per Note [of Specified Denomination of [●]] of <i>(delete wording between brackets for Dematerialised Notes)</i>
18		Early Redemption Amount	
	(i)	Amount(s) of Early Redemption for each Note paid on redemption for tax reasons (Article 5(d)) or in case of Early Redemption (Article 8):	[●] per Note [of Specified Nominal Value [●]] <i>(delete wording between brackets for Dematerialised Notes)</i>
	(ii)	Redemption for fiscal reasons on dates that do not correspond to Coupon Payment Dates (Article 5(d)):	[Yes/No]
	(iii)	Unmatured coupons to be cancelled in early redemption (exclusively Materialised Notes) (Article 6(b)(ii)):	[Yes/No/Not Applicable]

GENERAL PROVISIONS RELATING TO THE NOTES

19		Form of the Notes:	[Dematerialised/Materialised Notes] (Materialised Notes are only in bearer form) <i>[Delete the inapplicable wording]</i>
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	(i)	Form of dematerialised Notes:	[Applicable/Not Applicable] <i>[If applicable indicate whether in bearer form / registered form]</i>
	(ii)	Registration Agent:	[Not Applicable/if applicable name and information] (Note that a Registration Agent may be appointed for Dematerialised Notes in fully-registered form only).
	(iii)	Temporary Global Certificate:	[Not Applicable / Temporary Global Certificate exchangeable against Materialised Notes on [●](the "Date of Exchange"), corresponding to forty (40) days after the date of issue, subject to postponement, as indicated in the Temporary Global Certificate]
20		Financial Centre(s) (Article 6(g)):	[Not Applicable/Specify] <i>[Specify]</i> (Note that this point refers to the date and place of payment and not the Coupon Maturity Dates set out in paragraphs 15(ii) and 16(i))
21		Talons for future Coupons to attach to Physical Securities (and dates on which the Talons reach maturity):	[Yes/No/Not Applicable]. <i>(If yes, specify)</i> (Only applicable to Materialised Notes)
22		Provisions relating to redenomination, changes in nominal value and convention:	[Applicable/Not Applicable]
23		Provisions relating to consolidation:	[Not Applicable/The provisions [of Article 1(e)] apply]
24		Buy-back in accordance with the provisions of Articles L.213-1 A and D.213-1 A of the Monetary and Financial Code:	[Yes/No] <i>(Indicate whether the Issuer may keep the Notes it has bought back in accordance with Article 5(e))</i>
25		Masse (Article 10):	[Legal Masse/Contractual Masse] <i>(Insert information concerning the Representative and Deputy Representative together with their remuneration, as applicable)</i>

DISTRIBUTION			
26	(i)	If it is syndicated, names [and addresses] ⁶ of the Members of the Investment Syndicate:	[Not Applicable/give names]
	(ii)	Member responsible for Regularisation Operations (if necessary):	[Not Applicable/give names]

⁶ The address must be stated for Note issues of less than €100,000 and when the Dealer concerned is not a Permanent Dealer.

	[(iii)]	Dealer Commission:	[●] ⁷
	(iv)	Date of underwriting contract:	[●] ⁸
27		If it is non-syndicated, name [and address] ⁹ of the Dealer:	[Not Applicable/ <i>give name</i>]
28		Sales restrictions - United States of America:	[Regulation S Compliance Category 1; TEFRA C /TEFRA D rules / Not Applicable] (<i>The TEFRA rules are not applicable to Dematerialised Notes</i>)
29		Non-exempt offer	[Not Applicable] / [A Note offer can be made by [●] (<i>insert names of financial intermediaries having been granted consent</i>)] [and any other financial intermediary who has obtained the Issuer's consent for the purpose of using the Base Prospectus in the framework of a Non-Exempt Offer and who will be identified on the Issuer's website, http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots-2318#programme-d-emissions-de-titres-emtn_10 , as an Authorised Offeror (together, persons having obtained the Issuer's consent shall be referred to as the " Authorised Offerors ") other than under article 3(2) of the Prospectus Directive in (<i>specify the relevant Member State - which must be a jurisdiction in which the Prospectus and the supplement(s) relating thereto must be passported</i>) (the " Countries of the Public Offer ") during the period from [●] to [●] (<i>specify the dates</i>) (the " Offer Period "). For further details, see paragraph 9 of Part B below.
GENERAL			
30		The aggregate nominal amount of Notes issued has been converted into Euros at a rate of [●], making the sum of:	[Not Applicable/Euro [●]] (applicable only to Notes not in Euros)

[PURPOSE OF THE FINAL TERMS

The present Final Terms comprise the final terms required for issue and/or admission to trading of the Notes on [Euronext Paris / other (specify)] described in the Euro Medium Term Note Programme of [€5,000,000,000] of the City of Paris.]

INFORMATION FROM A THIRD PARTY

[(*Information originating from a third party*) originates from (*specify source*). The issuer hereby confirms that this information has been faithfully reproduced and that, as far as the issuer knows and is able to ascertain in the light of information published by (*specify source*), no facts have been

⁷ Information not required for Note issues over €100,000.

⁸ Information not required for Note issues over €100,000.

⁹ The address must be stated for Note issues of less than €100,000 and when the Dealer concerned is not a Permanent Dealer.

omitted which would render the information reproduced inaccurate or false.]¹⁰

Signed on behalf of the Issuer:

By:

Duly authorised

¹⁰ To be included if the information originates from a third party / third parties.

PART B - OTHER INFORMATION

1. Admission to trading

	(i)	Admission to trading:	<p>[A request for admission of the Notes to trading on [the Euronext Paris / other regulated market (specify)] from [●] has been made.]</p> <p>[A request for admission of the Notes to trading on [the Euronext Paris regulated market / other regulated market (specify)] from [●] shall be made by the Issuer (or on its behalf).]</p> <p>[Not Applicable]</p> <p><i>(in the case of an issue that may be assimilated, indicate that the original Notes have already been admitted to negotiations.)</i></p>
	(ii)	Estimation of total expenses related to admission to trading:	[[●]/[Not Applicable]]

2. Ratings

		Ratings:	<p>The Programme has been rated AA by Standard & Poor's Rating Services and AA by Fitch Ratings</p> <p>Each of these rating agencies is established in the European Union and registered under Regulation (EC) no.1060/2009 of the European Parliament and Council of 16 September 2009 as amended by Regulation (EU) no. 513/2011 (the "CRA Regulation"), and recorded on the list of registered credit rating agencies published on the European Securities and Market Authority website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).</p> <p>[The notes to be issued have been given the following rating:</p> <p>[Standard & Poor's Rating Services: [●]] [Fitch Ratings: [●]] [[Other]: [●]]</p> <p><i>(The rating given to the notes issued under the Programme must be indicated above or, if an issue of notes has been given a specific rating, this specific rating must be indicated above.)</i></p>
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3. [Notification

[The Autorité des Marchés Financiers has been asked to provide/The Autorité des Marchés Financiers has provided (insert the first alternative in the case of an issue contemporary with the updating of the Programme and the second alternative for later issues.)) to (insert the name of the competent authority of the host Member State)[a] certificate[s] of approval declaring that the prospectus and supplement[s] has [have] been drawn up in compliance with the Prospectus Directive.]]

4. [Interest of physical persons and legal entities participating in the issue

The purpose of this section is to describe all interests, including conflicts of interest, that might materially influence the issue of Notes, identifying each of the persons concerned and indicating the nature of that interest. This could be satisfied by inserting the following declaration:

["Except as indicated in the section "Subscription and Sale", to the Issuer's knowledge, no person involved in the Offer has any significant interest.]

5. Reasons for the offer and use of the product

The Issuer must indicate the reasons for the offer and, if applicable, indicate the total estimated cost of the issue/of the offer and the estimated net amount of its proceeds. This cost and these proceeds must be allocated according to the prescribed principles of use, by decreasing order of priority. If the Issuer is aware that the estimated proceeds shall not suffice to finance all the uses envisaged, it must indicate the amount and source of any additional sums that might be required.

[The City of Paris shall monitor the amounts invested in the selected projects and shall publish, on an annual basis, information about each of these projects until the first of the following dates to occur: (i) the date on which, for each project concerned, the total amount allocated to this project has been fully invested and this information has been published; (ii) the Maturity Date.]¹¹

6. [Fixed-Rate notes only - yield

		Yield:	<input type="checkbox"/> The yield is calculated at the Date of Issue on the basis of the Issue Price. This is not an indication of future yields.]
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7. [Floating rate notes only - historic interest rates]

The rate history [LIBOR, LIBID, LIMEAN, EURIBOR, CMS, EONIA] may be obtained from [Reuters/other]

8. Other markets

		Mention all regulated markets or equivalent markets on which, to the knowledge of the Issuer, notes in the same category as those to be offered or admitted to trading, have already been traded.	<input type="checkbox"/> /None]
--	--	---	---------------------------------

¹¹ To be included for the issue of climate bonds.

9. [TERMS AND CONDITIONS OF THE OFFER¹²

		Aggregate amount of the issue /offer:	[●]
		Provisional price at which the Notes shall be offered or price-fixing method and price publication procedure:	[●]
		Description of the subscription procedure (including the period during which the offer shall be open and the possible amendments):	[●]
		Information concerning the minimum amount and/or maximum amount of subscription (expressed either as a number of securities, or as a global sum to invest):	[●]
		Description of the possibility of reducing subscriptions and the way of refinancing any excess amounts paid:	[●]
		Information on the methods and deadlines for paying up and delivering the Notes:	[●]
		Terms and conditions and date on which the results of the Offer will be announced to the public:	[●]
		Procedure relating to the exercise of any pre-emptive right, tradability of subscription rights and treatment of subscription rights that are not exercised:	[●]
		Category of potential investors to whom the Notes shall be offered and whether one or several Tranches have been reserved for certain countries:	[●]
		Procedure for the notice of the amount allocated and indication whether distribution may commence	[●]

¹² Applicable when the nominal value of the notes is below €100,000

		before notice has been served:	
		Amount of any expense, tax or duty incurred specially by the subscriber or buyer:	[●]
		Consent of the issuer for the use of the Prospectus during the Offer Period	[●]
		Authorised Offeror(s) in the countries where the offer is made:	[Not applicable / Name(s) and address(es) of the financial intermediaries named by the Issuer to act as Authorised Offeror(s) / Any financial intermediary who satisfies the conditions set out below “ <i>Conditions of consent of the Issuer for use of the Prospectus</i> ”]
		Conditions of consent of the Issuer for use of the Prospectus:	[●]

10. Operational information

	(i)	ISIN code:	[●]
	(ii)	Common code:	[●]
	(iii)	Depositar(y)(ies):	[state the name(s) and address(es) oof the depositaries /Not Applicable]
		(a) Euroclear France acting as Central Depositary:	[Yes/No]
		(b) Common Depositary for Euroclear and Clearstream, Luxembourg:	[Yes/No]
	(iv)	Any system of compensation other than Euroclear France, Euroclear and Clearstream, Luxembourg and the corresponding identification number(s)	[Not Applicable/give the name(s) and number(s)]
	(v)	Names and addresses of initial Paying Agents appointed for the Notes:	<p>BNP Paribas Securities Services (Euroclear France Affiliate Number: 29106) Les Grands Moulins de Pantin 9, rue du Débarcadère 93500 Pantin France Attention: Corporate Trust Services</p> <p>For any operational notice:</p>

			BNP Paribas Securities Services, Luxembourg Branch Corporate Trust Services 33, rue de Gasperich, Howald - Hesperange L - 2085 Luxembourg Tel: +352 26 96 20 00 Fax: +352 26 96 97 57 Attention: Lux Emetteurs / Lux GCT
	(vi)	Names and addresses of initial Paying Agents appointed for the Notes:	[●]

11. [INVESTMENT AND UNDERWRITING]¹³

	(i)	Name and address of the coordinator(s) of the offer as a whole and its different parts and, to the extent that this information is known to the Issuer and offeror, of the dealers in the different countries where the offer is made:	[●]
	(ii)	Entities having agreed on underwriting and entities having agreed to deal in the Notes without underwriting or by the terms of a third-party investment contract. If the underwriting does not cover the whole of the issue, indicate the proportion covered:	[●]
	(iii)	Name and address of the entities that have a firm commitment to act as authorised intermediaries on the secondary market, by supplying liquidity at buy/sell prices and description of the main terms of their commitment:	[Not applicable / name, address and description]
	(iv)	Date on which the underwriting contract was or shall be honoured	[●].

¹³ Required when the nominal value of the notes is below €100,000

[ANNEXE - SUMMARY OF THE ISSUE]

(The Issuer will insert the summary of the issue if applicable)

GENERAL INFORMATION

1. The Issuer has obtained all agreements, approvals and authorisations required in France within the framework of the updating of the Programme which was authorised by deliberation No. 2015 DFA 133-1 of 14, 15, 16 and 17 December 2015 of the Municipal Council of the Issuer. All Note issues must be authorised by a decision of the Municipal Council of the Issue.
2. An application may be made for admission of the Notes to trading on Euronext Paris, on any other Regulated Market of the European Economic Area and/or on a non-regulated market, or they may not be admitted for trading.
3. There has been no noteworthy change in the financial situation of the Issuer since 31 December 2015.
4. Any supplement to the Base Prospectus will be published on the websites of (i) the AMF (www.amf-france.org), (ii) the Issuer (http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots-2318#programme-d-emissions-de-titres-empt_10), any other relevant regulatory authority, and it shall be available for consultation and copy, free of charge, during the usual business hours on any day of the week (with the exception of Saturdays, Sundays and bank holidays) at the registered office of the Fiscal Agent or at that of the Paying Agents. The Final Terms of the Notes admitted to trading on a regulated market of the EEA or offered to the public in a Member State other than France, in each case in compliance with the Prospectus Directive, shall be published on the websites of (i) the AMF (www.amf-france.org) and (ii) the Issuer (http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots-2318#programme-d-emissions-de-titres-empt_10) and (iii) any other relevant regulatory authority.
5. In the twelve (12) months preceding the date of the present Base Prospectus, the Issuer is not and has not been involved in any governmental, judicial or arbitration procedure and has no knowledge of any such procedure pending, or by which it is threatened, which could have or recently has had material effects on his financial situation.
6. A request for the admission of Notes to the clearing operations of the Euroclear France, Euroclear and Clearstream, Luxembourg systems may be filed. The Common Code and the ISIN (International identification number for notes) or the identification number of any other clearing system concerned by each Series of Notes shall be indicated in the relevant Final Terms.
7. For as long as the Notes issued under the present Base Prospectus are outstanding, the following documents shall be available, as soon as they are published, free of charge, at the usual office hours, any day of the week (except Saturdays and bank holidays) for consultation and, in the case of the documents mentioned in (iii), (iv), (v) and (vii), for copying free of charge in the office of the Fiscal Agent or the Paying Agents:
 - (i) the Financial Service Contract (which includes the model for the accounting letter, the Temporary Global Certificates, the Materialised Notes, Coupons and Talons);
 - (ii) the investment Contract;
 - (iii) the two most recent original budgets (modified if necessary by a supplementary budget) and administrative accounts published by the Issuer;
 - (iv) all the Final Terms relating to the Notes admitted to trading on Euronext Paris or any other regulated market;
 - (v) a copy of the present Base Prospectus together with any supplements to the Base

Prospectus or any new Base Prospectus;

- (vi) a copy of the Firm Underwriting Contract relating to the Notes issued within the scope of a syndicated issue admitted to trading on a regulated market; and
 - (vii) all reports, correspondence and other documents, evaluations and declarations drawn up by an expert at the request of the Issuer of which any part might be extracted or to which reference may be made in the present Base Prospectus and relating to the issue of Notes.
8. For any Tranche of Fixed Rate Notes, an indication of performance under such Notes will be specified in the applicable Final Terms. The yield is calculated on the Issue Date of the Notes on the basis of the Issue Price. The specified performance is calculated as the yield to maturity at the Issue Date of the Notes and will not be an indication of future performances.
9. The price and amount of the Notes issued within the scope of the Programme shall be determined by the Issuer and each of the Investment Agents concerned at the time of the issue according to the state of the market.
10. Within the scope of each Tranche (as defined in “Terms and Conditions of the Notes” chapter), one of the Dealers may act as the establishment handling stabilisation operations (“Stabilising Manager”). The identity of the “Stabilising Manager” shall be indicated in the Final Terms in question. For the purposes of any issue, the Stabilising Manager (or any other entity acting on behalf of the Stabilising Manager) may over-allot Notes or conduct operations with a view to supporting the price of the Notes at a higher level than that which might have prevailed in the absence of any such operations. However, there is no assurance that the Stabilising Manager (or any other entity acting on behalf of the Stabilising Manager) shall perform such operations. Any such stabilisation action may only begin on or after the date on which the final terms of the issue were disclosed and, once it has begun, it may be ended at any time and must end no later than the earlier of the following two dates: (i) thirty (30) calendar days after the date of issue and (ii) sixty (60) calendar days after the date of allotment of the Notes. Any stabilisation action must be carried out in compliance with all applicable laws and regulations.
11. The Programme has been rated AA by Standard & Poor’s Rating Services and AA by Fitch Ratings. The issuer is rated AA and A-1+ Stable Outlook by Standard & Poor’s Rating Services and AA and F1+ Negative Outlook by Fitch Ratings for its long-term and short-term debt respectively.

RESPONSIBILITY FOR THE BASE PROSPECTUS

Person taking responsibility for the present Base Prospectus

In the name of the issuer

After having taken all reasonable measures to this effect, I hereby certify that all information included in this Base Prospectus is, to my knowledge, true to the facts and contains no omissions likely to alter the scope thereof.

Paris, 4 November 2016

CITY OF PARIS

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Represented by: Guillaume Robert
Director of Finance and Purchasing, for the Mayor of Paris and by delegation



In application of articles L. 412-1 and L. 621-8 of the Monetary and Financial Code and of its General Regulation, and in particular Articles 212-31 to 212-33, the Autorité des Marchés Financiers has affixed its approval no. 16-**[●]** dated 4 November 2016 to the present Base Prospectus. This prospectus has been drawn up by the issuer and binds the responsibility of the signatories.

Approval, in compliance with the provisions of Article L. 621-8-1-I of the Monetary and Financial Code, was granted after the AMF had checked “whether the document is complete and comprehensible and whether the information that it contains is coherent”. It implies neither approval of the opportunity of the operation, nor authentication of the accounting and financial elements therein.

In compliance with Article 212-32 of the AMF General Regulations, any issue or admission of notes on the basis of this prospectus shall give rise to publication of the Final Terms.

Issuer

**City of Paris
Direction des Finances et des Achats
17, Boulevard Morland
75004 Paris - France**

Arranger

**HSBC France
103, avenue des Champs Elysees
75008 Paris - France**

Dealers

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5 The North Colonnade
Canary Wharf
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**BNP PARIBAS
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United Kingdom**

**Citigroup Global Markets Limited
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Canary Wharf
London E14 5LB, United Kingdom**

**Credit Agricole Corporate and Investment Bank
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92547 Montrouge Cedex
France**

**HSBC France
103, avenue des Champs Elysees
75008 Paris
France**

**NATIXIS
30, Avenue Pierre Mendes France
75013 Paris
France**

Fiscal Agent, Principal Paying Agent and Calculating Agent

**BNP Paribas Securities Services
(Euroclear France Affiliate Number: 29106
Les Grands Moulins de Pantin
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France**

Legal Advisors

of the Issuer

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of the Dealers

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75008 Paris
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