



Base Prospectus dated 7 November 2017

CITY OF PARIS

Debt-notes issue programme

(Euro Medium Term Note Programme)

of 6,000,000,000 euros

The City of Paris (the “Issuer”) may, under the Euro Medium Term Note Programme (the “**Programme**”), which is the subject of this base prospectus (the “**Base Prospectus**”) and with respect for applicable laws, regulations and directives, issue debt notes (the “**Notes**”) at any time. The total nominal amount of Notes in circulation cannot exceed 6,000,000,000 euros at any time (or the exchange value of this amount in other currencies calculated at the relevant issue date).

In some circumstances, a request for admission into trading on Euronext Paris (“**Euronext Paris**”) may be made. Euronext Paris is a market regulated under Directive 2004/39/EC of 21 April 2004 (a “**Regulated Market**”). The Notes may also be granted admission into trading on another regulated market of the European Economic Area (EEA) or on a non-regulated market or not be granted admission into trading. The relevant Final Terms (as defined in the chapter “Terms and Conditions of the Notes” and of which the model features in this document), prepared in the framework of any issue of Notes, shall stipulate if these Notes are granted admission or not into trading and will indicate, if necessary, the Regulated Market concerned. This Base Prospectus has been submitted to the AMF (*L'Autorité des marchés financiers*, France’s financial-markets regulator), who marked it with their stamp of approval under no. 17-577 on 7 November 2017.

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

The Dematerialised Notes shall be established in book entry form pursuant to articles L. 211-3 et seq. of the French Monetary and Financial Code. No document shall be issued to represent the Dematerialised Notes.

At the Issuer’s discretion, the Dematerialised Notes may be (a) in bearer form, registered from the issue date in the books of Euroclear France (acting as the central custodian), who will credit the accounts of the Account Holders (as defined in the chapter “Terms and Conditions of the Notes - Form, Nominal Value, Ownership, Redenomination and Consolidation”), including Euroclear Bank S.A./N.V. (“**Euroclear**”) and the custodian bank for Clearstream Banking S.A. (“**Clearstream**”) or (b) in registered form and, in this case, at the discretion of the Holder concerned (as defined in the chapter “Terms and Conditions of the Notes - Form, Nominal Value, Ownership, Redenomination and Consolidation”), either in fully registered form, in which case they shall be established in book entry form with the Issuer or a registration agent (designated in the relevant Final Terms) on behalf of the Issuer, or in administered registered form, in which case they shall be established in book entry form with the Account Holder designated by the Holder concerned.

The Materialised Notes shall be issued only in bearer form and shall only be issued outside of France. A Temporary Global Certificate in bearer form without an interest coupon attached (“**Temporary Global Certificate**”) relating to Materialised Notes shall be issued initially. This Temporary Global Certificate shall be later exchanged for Materialised Notes represented by physical notes (“**Physical Notes**”) accompanied, if necessary, by interest coupons, at the earliest by a date around the fortieth calendar day after the issue date of the Notes (subject to carry-over, as described in the chapter “Temporary Global Certificates relating to Materialised Notes”) based on certification that the Notes are not held by United States persons, pursuant to the regulations of the United States Treasury, as described more precisely in this Base Prospectus. The Temporary Global Certificates shall be (a) in the case of a Tranche (as defined in the chapter “Terms and Conditions of the Notes”) for which clearing must be carried out by Euroclear and/or Clearstream, Luxembourg, deposited at the issue date with a custodian common to Euroclear and Clearstream, or (b) in the case of a Tranche for which clearing must be carried out through a clearing system that is different or complementary to Euroclear and/or Clearstream or delivered outside of any clearing system, deposited in conditions agreed upon between the Issuer and the Dealer concerned (as defined below).

The Programme has received an AA rating from Standard & Poor’s Rating Services and an AA rating from Fitch Ratings. The Notes issued as part of the Programme may be subject to a rating or not. If the Notes are rated, such a rating shall be specified in the relevant Final Terms. A rating is not a recommendation to purchase, sell or hold notes and can, at any time, be suspended, modified or withdrawn by the rating agency concerned. The Issuer has received ratings of AA and A-1+ Stable Outlook from Standard & Poor’s Rating Services and AA and F1+ Stable Outlook from Fitch Ratings concerning its long-term debt and short-term debt respectively.

At the date of this Base Prospectus, each credit-rating agency is established in the European Union, registered pursuant to 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 registered in the list of credit-rating agencies published on the website of the European Securities and Markets Authority (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) pursuant to the CRA Regulation.

Investors are asked to take into consideration the risks described in the chapter “Risk factors” before making a decision to invest in the Notes issued as part of this Programme.

This Base Prospectus will be published on the websites of (i) the AMF ([www.amf-france.org](http://www.amf-france.org)) and (ii) the Issuer (<http://www.paris.fr/investisseurs>). Documents incorporated by reference in the Base Prospectus are published on the AMF website ([www.amf-france.org](http://www.amf-france.org)).

#### Arranger

HSBC

#### Dealers

BNP Paribas

Barclays

HSBC

Citigroup

Crédit Agricole CIB

Natixis

This Base Prospectus (and any supplement relating to it) constitutes a base prospectus pursuant to Article 5.4 of Directive 2003/71/EC of the European Parliament and Council dated 4 November 2003, as modified (the “Prospectus Directive”), and contains or incorporates by reference any useful information about the Issuer that enables investors to assess, with full knowledge, the Issuer’s assets, activity, financial situation, results and prospects, as well as the rights associated with the Notes, and especially the information required by Appendices V, XIII, XVI and XX of Regulation no. 809/2004/EC and Appendices XXII and XXX of Regulations no. 486/2012/EU and no. 862/2012/EU. Each Tranche (as defined in the chapter “Terms and Conditions of the Notes”) of Notes shall be issued pursuant to the provisions featuring in the chapter “Terms and Conditions of the Notes” of this Base Prospectus, as completed by the provisions of the relevant Final Terms, agreed upon between the Issuer and the Dealers concerned (as defined on the last page of this Base Prospectus) upon issue of said Tranche. Together, the Base Prospectus (and any supplement relating to it) and the Final Terms constitute a prospectus as defined by Article 5.1 of the Prospectus Directive.

In the issue or sale of the Notes, no person is authorised to pass on any information or to make any declarations other than those contained or incorporated by reference into this Base Prospectus. If passed on or made, any such information or declaration must not be considered as having been 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 based on it, imply that there has been no adverse change in the Issuer’s financial situation since the date of this document or since the date of the most recent additional clause or supplement of this document, or that any other information supplied as part of the Programme is correct at 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 through which the Notes can be offered to the public or through which this Base Prospectus can be distributed 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 who come into possession of this Base Prospectus or the Notes are required to take into full consideration said restrictions regarding distribution of this Base Prospectus or the offering or sale of the Notes, and to observe them. In particular, there are restrictions on distribution of this Base Prospectus and 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 as 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 of America’s U.S. Securities Act of 1933, as amended, or with one of the authorities responsible for stock-market regulation in any state in the United States of America or other United States jurisdiction, and the Notes may include Materialised Notes in bearer form subject to United States of America tax law provisions. Subject to certain exceptions, the Notes may not be offered, sold or, in the case of Materialised Notes in bearer form, delivered in the United States, or, in the case of certain Materialised Notes in bearer form, to, or on behalf of, or for the benefit of, American nationals (United States Persons), as defined in the US Internal Revenue Code of 1986, as amended, and its implementing texts. The Notes shall be offered and sold outside the United States of America 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, regarding 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 regarding the legality of their investment on account of the applicable laws. Any prospective investor in the Notes must be capable of taking on the financial risk of their investment in the Notes for an unspecified period of time.

The Arranger and Dealers have not separately checked the information contained or incorporated by reference in this Base Prospectus. The Arranger and Dealers do not make any declaration, express or implied, nor do they accept any responsibility regarding the accuracy or completeness of any of the information contained or incorporated by reference in this Base Prospectus. This Base Prospectus is not intended to provide the basis of any financial assessment or any other type of assessment and should not be considered 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 relevance of the information contained in this Base Prospectus and must base their decision to purchase the Notes on the research they consider necessary. The Arranger and Dealers do not undertake to examine the financial situation or affairs of the Issuer during the life of this Base Prospectus, nor to notify any investor or prospective investor of any information that might be brought to their attention.

In this Base Prospectus, unless otherwise specified or unless the context does not allow for it, any reference to “€”, “Euro” or “euro” shall mean the legal currency in the Member States of the European Union that have adopted the single currency introduced pursuant to the Treaty establishing the European Economic Community; any reference to “Pound Sterling” or “Sterling” shall mean the legal currency in the United Kingdom; any reference to “USD” shall mean the legal currency in the United States; and, any reference to “Swiss francs” shall mean the legal currency of Switzerland.

## CONTENTS

PROGRAMME SUMMARY	5
RISK FACTORS	24
DOCUMENTS INCORPORATED BY REFERENCE	33
TERMS AND CONDITIONS OF THE NOTES	35
TEMPORARY GLOBAL CERTIFICATES FOR MATERIALISED NOTES	56
USE OF FUNDS	58
DESCRIPTION OF THE ISSUER	59
TAXATION	171
SUBSCRIPTION AND SALE	173
FINAL TERMS TEMPLATE	177
GENERAL POINTS	194
RESPONSIBILITY FOR THE BASE PROSPECTUS	196

## PROGRAMME SUMMARY

### Caution for the reader:

The summaries contain required information called “Elements”. These elements are numbered in sections A to E (A.1-E.7).

This summary contains all the Elements that should be included in a summary for this type of security and Issuer. The numbering of the Elements may not always be sequenced without breaks, as some Elements do not have to be included. Although an Element may have to be included in the summary, due to the type of security and Issuer, there might be no relevant information concerning the Element in question. In such a case, a short description of the Element is included in the summary, followed by the words “Not applicable”.

This summary is provided in the framework of issues of Notes with a nominal unit value of less than €100,000 (or the equivalent of this amount in any other currency) that are made as part of the Programme. A summary that is specific to each issue type will be appended to the applicable Final Terms.

### Section A - Introduction and caution

Section A - Introduction and caution		
A.1	<b>General caution relating to the summary:</b>	This summary should be read as an introduction to this Base Prospectus. Any decision to invest in the Notes should be based on an in-depth reading of the Base Prospectus by the investors, including the documents incorporated in it by reference and any supplement that could be published in the future. When legal action concerning the information contained in this Base Prospectus is taken before a court, the plaintiff may, pursuant to the national legislation of the Member State of the European Economic Area, have to bear the costs of translating this Base Prospectus before the start of the legal proceedings. Only the civil liability of the persons that presented the summary or translation of the Base Prospectus can be incurred, but only if the content of the summary, including its translation, is misleading, incorrect or contradictory regarding the other parts of the Base Prospectus, or if it does not, when read in combination with the other parts of the Base Prospectus, provide key information that helps investors considering investing in the Notes.

A.2	Information regarding the Issuer's consent concerning use of the Base Prospectus:	<p>The Issuer agrees to the use of this Base Prospectus as part of any offering of the Notes that is not made on account of an exemption for having to publish a prospectus pursuant to Directive 2003/71/CE, as amended (a “Non-exempt Offer”):</p> <ul style="list-style-type: none"> <li>• during the offering period stated in the applicable Final Terms,</li> <li>• either (1) in France (the “Country of the Public Offering”), stated in the applicable Final Terms by any intermediary (an “Authorised Offerer”) with permission to make such offerings under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and which meets the conditions mentioned (if there are any) in the applicable Final Terms, or (2) by any Authorised Offerer stated in the applicable Final Terms, in the Country of the Public Offering stated in the Final Terms and subject to the applicable conditions stated in the relevant Final Terms, for as long as they are authorised to make such offerings 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 they do so, the Issuer shall publish the information above concerning them on <a href="http://www.paris.fr/investisseurs">http://www.paris.fr/investisseurs</a>.</li> </ul> <p>Any Authorised Offerer who wishes to use this Base Prospectus under a Non-exempt Offering as set out in (1) above shall, for the duration of the Offering Period concerned, publish on its website a statement declaring that it is using this Base Prospectus for such a Non-exempt Offering in accordance with the Issuer's consent and the conditions relating to it.</p> <p>Any person intending to acquire or acquiring any Notes from an Authorised Offerer (an “Investor”) shall do so, and offerings and sales of the Notes to an Investor by an Authorised Offerer shall be made, pursuant to any terms and other arrangements agreed upon between this Authorised Offerer and this Investor, including in respect of price, allocations and settlement arrangements and any spending or taxes invoiced to the Investor (the “Terms and Conditions of the Non-Exempt Offering”). The Issuer shall not be involved in these agreements with the Investors (other than the Dealers) regarding the offering or selling of the Notes and, consequently, this Base Prospectus and all Final Terms shall not contain this information. The Terms and Conditions of the Non-Exempt Offering shall be provided to the Investors by said Authorised Offerer during the period concerned. The Issuer, Dealers or other Authorised Offerers cannot be held responsible for this information.</p> <p>Issue Summary</p> <p>[Not applicable] /</p> <p>The Issuer agrees to the use of the Base Prospectus for a later resale of the Notes or a final investment of them by any Authorised Offerer, regarding any offering of Notes that is not made on account of a prospectus exemption pursuant to the Prospectus Directive (a “Non-Exempt Offering»), 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 Working Day]] (the «Offering Period»);</p> <p>(ii) the only offerers allowed to use the Base Prospectus as part of a Non-exempt Offering 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 [●] (being the date of the Final Terms) and has specified information about them on its website (<a href="http://www.paris.fr/investisseurs">http://www.paris.fr/investisseurs</a>)]/</p>
-----	---	---

		<p>[[and] any financial intermediary who is authorised to make such an offering 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 Offering Period (the «Authorised Offerer[s]»); [and]</p> <p>(iii) consent is given only for use of the Base Prospectus for the purposes of a Non-exempt Offering in France; [and]</p> <p>[(iv) consent is given subject to the following condition[s]: [●].]</p>
		<p>Any Authorised Offerer as mentioned in paragraph (ii) above who satisfies all the other conditions specified above and wishes to use this Base Prospectus as part of a Non-Exempt Offering shall, for the duration of the Offering Period, publish on their website that they are using the Base Prospectus for such a Non-Exempt Offering in accordance with the Issuer's consent.</p> <p>An Investor intending to acquire or acquiring any Notes from an Authorised Offerer shall do so, and offerings and sales of the Notes to an Investor by an Authorised Offerer shall be made, pursuant to any terms and conditions and other agreements agreed upon between this Authorised Offerer and this Investor, including in respect of price, allocations and settlement arrangements (the "Terms and Conditions of the Non-Exempt Offering"). The Issuer shall not be involved in these agreements with the Investors (other than the Dealers) regarding the offering or selling of the Notes and, consequently, this Base Prospectus and all Final Terms shall not contain this information. The Terms and Conditions of the Non-Exempt Offering shall be stated for the Investors on their website by said Authorised Offerer during the period concerned. The Issuer, Dealers or other Authorised Offerers cannot be held responsible for this information.</p>



Section B - Issuer		
B.17	Rating given to the Issuer or the Notes:	<p>The Programme has been given an AA rating by Standard &amp; Poor's Rating Services and an AA rating by Fitch Ratings. Each credit-rating agency is established in the European Union, registered pursuant to 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 registered in the list of credit-rating agencies published on the website of the European Securities and Markets Authority (<a href="http://www.esma.europa.eu/page/List-registered-and-certified-CRAs">http://www.esma.europa.eu/page/List-registered-and-certified-CRAs</a>) pursuant to the CRA Regulation. The Notes issued as part of this Programme may receive a rating. When the Notes issued receive a rating, the rating shall not necessarily be the one given by the Programme. If a rating of the Notes is provided, it shall be specified in the Final Terms. A rating is not a recommendation to purchase, sell or hold securities and can, at any time, be suspended, amended or withdrawn by the relevant rating agency.</p> <p>The Issuer has received ratings of AA and A-1+ Stable Outlook from Standard &amp; Poor's Rating Services and AA and F1+ Stable Outlook from Fitch Ratings concerning its long-term debt and short-term debt respectively.</p> <p><b>Issue Summary</b></p> <p>The Programme has been given an AA rating by Standard &amp; Poor's Rating Services and an AA rating by Fitch Ratings. [The Notes to be issued have been given a [●] rating by Standard and Poor's Rating Services and a [●] rating by Fitch Ratings]</p> <p>Each credit-rating agency is established in the European Union, registered pursuant to 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 registered in the list of credit-rating agencies published on the website of the European Securities and Markets Authority (<a href="http://www.esma.europa.eu/page/List-registered-and-certified-CRAs">http://www.esma.europa.eu/page/List-registered-and-certified-CRAs</a>).</p>

B.47	Description of the Issuer:	<p>The city of Paris is not only a political and administrative capital, but the most densely populated city in France as well as the country's economic, financial and cultural centre. This importance is expressed in an administrative structure that is unique in France. The French territory is divided up administratively into three categories of local authorities: the region, the department and the municipality. Each of these has its own geographical territory, legal personality, remits, regulatory powers and independent budget. However, Paris differs administratively from other French local authorities and has undergone important changes over time.</p> <p>The Issuer was incorporated in its current form by the French Law of 31 December 1975, which created two distinct authorities within the territory of Paris: the Municipality of Paris and the Department of Paris, up until 31 December 2018.</p> <p>The relationship between the Municipality of Paris and the Department of Paris is defined by Article L. 2512-1 of the French General Local Authorities Code (CGCT). In reality, 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 years and chaired by the Mayor of Paris. Many financial transfers are made between the municipality's budget and the department's budget (the municipality contributes to the department's budget and vice-versa), despite the two authorities being financially independent of each other. For this reason, political and financial decisions are made on the basis of two legal entities making up the City of Paris.</p> <p>On the other hand, local authorities, including Paris, were given their own powers under the major decentralisation reforms undertaken in 1982, codified in the French General Local Authorities Code (CGCT). The current status of Paris was therefore determined by the French Law of 31 December 1982 (known as the PML law (PML standing for Paris, Marseilles, Lyons). This law aimed to bring management of France's three largest municipalities closer to their citizens. Without undermining the administrative unity of Paris, this law established district councils in each of its twenty administrative subdivisions ("arrondissements").</p> <p>French Law no. 2017-257 of 28 February 2017 on the status of Paris and metropolitan organisation introduced a considerable reform of the capital city's status, notably by creating a special-status authority called "Ville de Paris" (City of Paris), as from 1 January 2019, replacing the current municipality and department of Paris. The City of Paris shall exercise its competences as a municipality and department within its territory. The City of Paris shall replace the municipality and department of Paris in all their rights and obligations, in all deliberations and actions under their competence, and in all administrative and jurisdictional procedures underway and contracts in effect at its date of creation. This reform aims to introduce a simplified form of administration, a new breakdown of competences between the state and the city, and a strengthened role of mayors of arrondissements. Paris shall no longer be both a municipality and a department with two separate budgets and administrative entities. Rather, it shall become a special-status authority called "Ville de Paris" (City of Paris) with a single budget.</p> <p>As such, this base prospectus describes the City of Paris in its entirety, in accordance with its administrative structure, despite the initial issuer of this bond programme being the municipality of Paris.</p>
------	----------------------------	---

***Issuer powers***

Through the subsidiarity principle, reaffirmed in 2003 in Article 72 of the Constitution, the intention is that Paris institutions make decisions in all matters that can be better implemented at their level. These powers are those of municipalities and departments under ordinary law, with several particularities.

As a municipality, Paris has jurisdiction for all local policies. These include, among other affairs, young children (schools and daycare centres), streets, water treatment and waste collection, as well as town planning, housing and culture.

As a department, Paris has power over all local policies relating to solidarity, social affairs and territory. As such, Paris manages local infrastructure in its area. For example, it builds and maintains secondary schools and roads and oversees welfare expenditure for children, the elderly, people with disabilities and the needy.

The Greater Paris Metropolis was created by French Law no. 2014-58 of 27 January 2014 on the modernisation of local public activities and the upholding of metropolitan areas (MAPTAM). It was established on 1 January 2016, as provided for in Article L. 5219-1 of the French General Local Authorities Code, amended by French Law no. 2015-991 of 7 August 2015 on new territorial organisation ("NOTRe" Law). It brings together 131 municipalities, represents seven million inhabitants and is organised into territories without a separate legal personality. The City of Paris is classed as one of these territories. In any event, legislation has stipulated that for any transfer of powers provided for by the French General Local Authorities Code, the local authority or public institution automatically replaces the municipal authority in all its rights and obligations, in all its deliberations and acts. Contracts are then performed under the previous conditions until they expire, except if agreed otherwise by the parties.

As part of these investment projects, the Paris authority is granted loans on an annual basis for its funding requirements and for balancing its budget. This freedom is nevertheless strictly regulated.

***Recent events that are relevant in assessing the Issuer's solvency***

There has been no recent event that is relevant in assessing the Issuer's solvency.

***Description of the Issuer's economy***

Paris enjoys a central geographical and administrative position, attracting foreign investments, with 236 Direct Foreign Investments in 2016 from a total of 359 in the surrounding Île-de-France region, representing 6,635 jobs. The Registry of the Commercial Court of Paris reports that there were 391,044 companies in operation in Paris at 31 December 2016 (excluding self-employed professionals and artisan sole traders), a 2.6% increase compared to the same period in 2015.

The breakdown of salaried employees by sector (industry, construction and the service sector) is stable, with the service sector overrepresented: 89% of all salaried employees in the private sector. For several years, this sector has continued to grow steadily to the detriment of other sectors. On the other hand, both industry and construction are represented minimally in Paris. In the first quarter of 2017, the unemployment rate stood at 7.4% in Paris, versus 8.3% in the surrounding Île-de-France region and 9.3% in mainland France.

		<p>Actual operating income of the Paris local authority in 2016 mainly consisted of taxes and charges (68.5% including taxation transferred as part of transfers of certain powers), and then State grants and other subsidies and contributions (9.6%) and compensation paid by the State for transfers of certain powers (4.4%), the rest coming mainly from fees paid by farmers and concession holders and for occupancy and use of public space (3.4%), from rents (5.8%) and from services provided to users of services in Paris (2.1%).</p> <p>Actual operating expenditure in 2016 mainly comprised personnel costs (29.3%), welfare spending (21%), contributions to equalisation mechanisms (6.4%), current operating expenditure (11.7 %), compulsory contributions (10.1%) and subsidies and other contributions (7%).</p> <p>In 2016, construction and repair work were the first item of actual investment expenditure (38%), followed by subsidies for facilities, notably to social-housing organisations for building social housing (28.3%), and acquisitions of land, equipment, furniture, vehicles and works of art (24.6%), with other expenditure corresponding to work carried out for third parties, advances, etc.</p> <p>Actual investment income in 2016 mainly consisted of subsidies and grants received, representing 51.9% (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, etc.), with other income being from real-estate disposals (32.2%) and repayments of loans and advances (2.5%).</p>																					
<b>B.48</b>	<b>Public-finance and foreign-trade situation / Main information on this for the two budget periods / Notable changes since the end of the last budget period:</b>	<p><b><i>Public-finance situation for the last two budget periods</i></b></p> <table border="1"> <thead> <tr> <th>Key figures (In millions of euros)</th><th>Administrative account 2015</th><th>Administrative account 2016</th></tr> </thead> <tbody> <tr> <td>Actual investment income</td><td>621</td><td>538</td></tr> <tr> <td>Actual investment expenditure</td><td>1,397</td><td>1,629</td></tr> <tr> <td>Actual operating expenditure</td><td>7,653</td><td>7,683</td></tr> <tr> <td>Actual operating income</td><td>7,914</td><td>8,264</td></tr> <tr> <td>Gross saving</td><td>261</td><td>581</td></tr> <tr> <td>Debt at 31/12</td><td>4,640</td><td>5,159</td></tr> </tbody> </table> <p><b><i>Foreign-trade situation for the last two budget periods</i></b></p> <p>Over 2015, Paris accounted for 15.6 % of exports from and 20.1% of imports to the Île-de-France region, which itself accounted for 18.7% of France's exports and 26.9% of the country's imports. Over 2016, Paris accounted for 14.7% of exports from and 17.5% of imports to the Île-de-France region, which itself accounted for 19.1% of France's exports and 27.3% of the country's imports.</p> <p><b><i>Notable changes</i></b></p> <p>There have been no notable changes in the public-finance and foreign-trade situation of the Paris municipality and department since 31 December 2016</p>	Key figures (In millions of euros)	Administrative account 2015	Administrative account 2016	Actual investment income	621	538	Actual investment expenditure	1,397	1,629	Actual operating expenditure	7,653	7,683	Actual operating income	7,914	8,264	Gross saving	261	581	Debt at 31/12	4,640	5,159
Key figures (In millions of euros)	Administrative account 2015	Administrative account 2016																					
Actual investment income	621	538																					
Actual investment expenditure	1,397	1,629																					
Actual operating expenditure	7,653	7,683																					
Actual operating income	7,914	8,264																					
Gross saving	261	581																					
Debt at 31/12	4,640	5,159																					

Section C - Securities		
C.1	Type and category of the Securities/ ISIN:	<p><i>Type and category of the Securities</i></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 relevant Final Terms.</p> <p><i>Identification number of the Notes</i></p> <p>An international securities identification number (ISIN) shall be stated in the Final Terms applicable to each Note.</p> <p>Issue Summary</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, US dollars, Japanese yen, Swiss francs, pounds sterling and in any other currency that could be agreed upon by the Issuer and the Dealer(s) concerned.</p> <p>Issue Summary</p> <p>The Notes are issued in [●].</p>
C.5	Tradability:	<p>Not applicable. There is no restriction on the free tradability of the Notes (subject to application of sales restrictions in certain jurisdictions).</p> <p>Issue Summary</p> <p><i>[insert the sales restriction(s) applicable to the issue]</i></p>

C.8	Rights attached to the Notes and their rank and limitation to these rights:	<p><b>Form of the Notes</b></p> <p>The Notes may be issued either in dematerialised form or in materialised form.</p> <p><b>Issue Summary</b></p> <p>The Notes are issued in [dematerialised/materialised] form.</p> <p><b>Nominal value(s)</b></p> <p>Notes in the same Series will have the nominal value stated in the relevant Final Terms. There can be only one nominal value per Series.</p> <p><b>Issue Summary</b></p> <p>The Nominal Value of the Notes is [●].</p> <p><b>Rank</b></p> <p>The Notes and, if applicable, any Coupons relating to them, constitute direct, unconditional, unsubordinated and (subject to provisions on maintaining the loan at its rank) unsecured undertakings of the Issuer and are (subject to binding exceptions under French law) at the same rank as each other and as all other present or future unsecured and unsubordinated undertakings of the Issuer.</p> <p><b>Maintenance of the loan at its rank</b></p> <p>As long as any of the Notes or, if applicable, any Coupons relating to them, remain outstanding (as defined in Article 1(c)(iv) above), the Issuer shall not grant or allow there to remain any mortgage, charge, pledge, lien 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, notes or other securities of a term of more than one year that are (or are likely to be) admitted into trading on a regulated market incurred or guaranteed by the Issuer, unless bonds of the Issuer deriving from the Notes and, as applicable, Coupons, enjoy equivalent security and the same rank.</p> <p><b>Case of Accelerated Maturity</b></p> <p>The Notes will be due and payable at their principal amount, together with any accrued interest on them:</p> <p>a) in the event of default on payment of the principal Note or interest relating to any Note by the Issuer for a period of thirty calendar days (under certain conditions); or</p> <p>b) in the event of failure by the Issuer in any of its other obligations in the framework of the Notes for a period of sixty calendar days (under certain conditions); or</p>
-----	---	---

		<p>c)(i) in the event of non-redemption by the Issuer for a principal amount of more than €200 million (or equivalent in any currency) owed on one or several bank or bond loan-debts (under certain conditions); or (ii) in the case of non-payment by the Issuer of an amount of more than €200 million (or equivalent in any currency) of one (or several) guarantee(s) granted under one of several bank or bond loans contracted by third parties when this/these guarantee(s) is (are) due and is (are) called.</p> <p><b>Taxation</b></p> <p>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 their payments to the extent permitted by law and subject to certain exceptions.</p> <p><b>Applicable law</b></p> <p>French law</p>
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><b>Date of first entitlement and interest-payment date</b></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 relevant issue of the Notes.</p> <p><b>Issue Summary</b></p> <p>The date of first entitlement is [●].</p> <p>The interest payment date is [●].</p> <p><b>Issue Price</b></p> <p>The notes may be issued at par, below par or at a premium.</p> <p><b>Issue Summary</b></p> <p>The issue price of the Notes is [●].</p> <p><b>Nominal Interest Rate</b></p> <p>The Notes may be “Fixed-Rate Notes” or “Floating-Rate Notes” according to the interest base stated in the relevant Final Terms.</p> <p><b>Issue Summary</b></p> <p><b>[Fixed-Rate Notes]</b></p> <p>Interest at the fixed rate of [l] shall be payable in arrears on [[●]/[●] of each year.]]</p>

***[Floating-Rate Notes]***

Floating-Rate Notes shall bear interest at the rate determined for each Series as follows:

- 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 (French Banking Federation) Framework Agreement relating to transactions on forward financial instruments supplemented by the Technical Addenda on Interest and Currency that may be applicable (Exchange of interest conditions or currency - technical supplement) published by the *Association Française des Banques* (French Association of Banks) or the *Fédération Bancaire Française* (French Banking Federation), or
- 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 quotation service,

by adding or subtracting in each case any applicable margin, where appropriate, and subject to any Minimum and/or Maximum Rate of Interest and/or Rate Multiplier, all as specified in the relevant Final Terms. Unless a Minimum Rate of Interest is specified in the applicable Final Terms, the Minimum Rate of Interest shall be considered to be equal to zero.

Floating-Rate Notes shall 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.]

***Maturity date and arrangements for the amortisation of the loan, including redemption procedures******Redemption at Maturity Date***

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

***Optional redemption***

The Final Terms prepared on each issue of Notes shall state whether said Notes may be redeemed (in full or in part) at the discretion 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 the paragraph “Optional Redemption” above, the Notes may only be redeemed at the discretion of the Issuer for fiscal reasons.



		<p><b>Issue Summary</b></p> <p><i>Maturity</i></p> <p>The maturity date of the Notes is [●].</p> <p><i>[Redemption at Maturity Date]</i></p> <p>Subject to buyback 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.]</p> <p><i>[Optional redemption]</i></p> <p>The Notes may be redeemed (in full or in part) before the scheduled maturity date at the discretion of the Issuer <i>[State the terms and conditions applicable to this redemption]</i>].</p> <p><i>Early redemption for fiscal reasons</i></p> <p>Subject to the provisions of the paragraph “Optional Redemption” above, the Notes may only be redeemed at the discretion of the Issuer for fiscal reasons.</p> <p><b>Yield</b></p> <p>The yield of the Fixed-Rate Notes shall be stipulated in the applicable Final Terms.</p> <p><b>Issue Summary</b></p> <p><i>[Yield]</i></p> <p>The yield of the Notes is [●].]</p> <p><b>Representatives of the Noteholders</b></p> <p>The representatives of the Noteholders and the deputy representative shall be designated in the Final Terms applicable to each issue of Notes concerned.</p> <p><b>Issue Summary</b></p> <p><b>Representatives of the Noteholders</b></p> <p>The Noteholders shall be grouped to defend their common interests in a body governed by the provisions of the French Commercial Code, subject to certain exceptions (the “Body”). The Body shall have distinct legal personality and shall either act through a representative or through a General Meeting of the Noteholders.</p> <p>[The representative of the Noteholders is [●].</p> <p>The deputy representative is [●].]/</p> <p>[Not Applicable]</p>
--	--	---

C.10	<b>Derivative related to the payment of interest on the Notes:</b>	Not applicable; the Notes issued as part of the Programme are not related to any derivative.
C.11 and C.12	<b>Admission into trading:</b>	<p>An application may be made for admission of the Notes into 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 into trading.</p> <p><b>Issue Summary</b></p> <p>[An application for admission of the Notes into trading on [Euronext Paris] / [●] has been filed. / Not applicable, the Notes have not been admitted into trading on a stock exchange or any market.]</p>

Section D - Risks		
D.2	Main risks specific to the Issuer:	<p>Enforcement and insolvency proceedings under private law are not applicable to legal entities under public law like the City of Paris. Contrary to an issuer under private law, the assets of the City of Paris cannot therefore be seized.</p> <p>As a local authority, the Issuer is not subject to the same accounting standards as an issuer under private law. Their financial statements (budgets, administrative accounts, etc.) are subject to specific accounting rules. Financial assessment of the Issuer by investors requires consideration of this specific system of accounting. Furthermore, the Issuer's accounts are not audited according to the same procedures as an issuer under private law, but subject to controls by the State in the form of a legal control performed by the Prefect, financial controls performed by the Prefect and the public accountant, and a management assessment carried out regularly by the regional chamber of accounts.</p> <p>The Issuer is exposed to risks concerning their assets. Given the cost of exhaustive insurance of the risks incurred and taking account of the financial base of the Issuer, the principle of self-insurance of risks was adopted and, as an exception to this principle, insurance was taken out in certain cases.</p> <p>Regarding financial risks, the legal framework of borrowing by local authorities limits the risks of insolvency. As such, although the Issuer enjoys freedom of appreciation in terms of financing, this is subject to regulation: on the one hand, borrowing must be intended exclusively for financing investments and, on the other hand, repayment of the capital must be covered by its own resources. Moreover, the obligatory nature of debt repayment provides a strong guarantee for lenders.</p> <p>Use of financial contracts (derivatives such as swaps, caps, tunnels, etc.) is only authorised to hedge interest or exchange-rate risk and may not be speculative in nature, pursuant to Interministerial Circular n° NOR/IOCB1015077C of 25 June 2010 relating to financial products offered to local authorities and their public institutions. Furthermore, French 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 French General Local Authorities Code, under the terms of which, when a local authority takes out a loan in a foreign currency, the local authority is required to conclude a swap contract for that currency against Euros on taking out the loan, for the full amount and total term of the 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 beneficiaries that can be divided into two main categories: guarantees for public and/or private firms specialising in the acquisition and renovation of social housing, and guarantees for organisations outside the social housing sector such as public firms for local development (SPLA), local public firms (SPL), public-private firms (SEM) and associations working on projects considered to be in the general interest of Parisians. Although an enforcement of guarantee could arise, it remains very rare (in the past ten years, there have been two enforcements of guarantees provided by the City of Paris, with a total value of €24,756).</p>

		<p>The Issuer's policy regarding 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 they agree, from the outset, on currency-exchange contracts into euros when issuing securities in foreign currencies.</p> <p>Regarding risk of variation in revenue, the Issuer follows the principle of financial autonomy ensured by the Constitution, yet remains subject to the risk of changes in the legal framework that could alter the structure and yield of their revenue, including state grants. The reduction in the level of grants paid by the state is likely to have an adverse effect on the Issuer's operating income. As budgetary balance must be maintained, the Issuer could be required to make adjustments to variation in their expenditure, or increase their other resources.</p> <p>The rating of the Issuer's long-term and short-term debt by Fitch Ratings and Standard &amp; Poor's Rating Services, only constitutes, by its very nature, an opinion expressed in regard to the level of credit risk associated with the Issuer and does not necessarily reflect all risks related to the Issuer. This rating does not constitute a recommendation to buy, sell or hold Notes and can be suspended, changed or withdrawn by the rating agency at any time.</p> <p>There is a risk relating to the legal control performed by the Prefect, who has two months as from receipt in the prefecture of a resolution or decision by the City of Paris and contracts agreed upon by the latter to assess their legality and, if the Prefect judges them to be illegal, to refer them, for those among them that constitute administrative deeds, to the competent administrative court and, if necessary, request that they be suspended. The competent administrative court may then, if they judge them to be illegal, suspend them or cancel them wholly or partially.</p> <p>Furthermore, a third party with an interest in taking action may appeal on the grounds of ultra vires before administrative jurisdictions against a resolution by the City of Paris or a decision to sign contracts agreed upon by the latter other than a resolution or decision constituting the deed that can be detached from an administrative contract, within a period of two months as from its publication and, if necessary, request suspension of its performance. In the event of an appeal on the grounds of ultra vires against a resolution or decision to sign, other than a resolution or decision constituting the deed that can be detached from an administrative contract, the competent administrative judge may then, if they judge the relevant administrative deed to be illegal, cancel it wholly or partially, which could consequently make illegal the contract(s) agreed upon based on said deed.</p> <p>Lastly, in a scenario in which a contract agreed upon by the City of Paris is considered to be an administrative contract, a third party with an interest in taking action may appeal, with full jurisdiction, before the administrative jurisdictions, against such a contract or certain non-regulatory clauses that are divisible from it within a period of two months as from the appropriate publicity measures having been taken, and, if necessary, request its suspension. If the competent judge finds faults that render the contract invalid, they could notably, having assessed the importance and consequences and especially taken into consideration the nature of these faults, decide to terminate or cancel the contract.</p>
--	--	--

D.3	Main risks specific to the securities:	<p>Certain factors are significant for assessing risks related to the Notes issued as part of the Programme, in particular:</p> <ul style="list-style-type: none"> <li>• the Notes may not be an appropriate investment for all investors</li> <li>• the market in notes may be volatile and adversely affected by many events</li> <li>• an active market in the Notes may not develop or continue</li> <li>• investors cannot calculate their yield rate in advance on Floating-Rate Notes</li> <li>• risks related to Fixed-Rate Notes</li> <li>• exchange risks and exchange-control risks</li> <li>• risks relating to ratings</li> <li>• the Notes may be redeemed before maturity</li> <li>• an early-redemption option in favour of the Issuer, provided for by the Final Terms of a given issue of the Notes, may result in a considerably lower yield than the Holders expected</li> <li>• risks relating to optional redemption by the Issuer</li> <li>• changes to the Terms and Conditions of the Notes</li> <li>• risk of conflict of interest</li> <li>• legislative change</li> <li>• taxation</li> </ul> <p>Prospective investors must make their decision to invest in the Notes only after they have thoroughly studied the information presented in the Base Prospectus, and they are asked to consult their own advisers in law, taxation and related aspects.</p>
-----	--	---

Section E - Offering		
E.2b	Reasons for the offering and its use and proceeds:	<p>[The net proceeds of the Notes issue are due to fund the Issuer's investments, unless otherwise specified in the relevant Final Terms.]</p> <p><b>Issue Summary</b></p> <p>The net proceeds of the Notes issue are due to fund the investments of the Issuer / Other (<i>specify</i>).</p>
E.3	Terms and Conditions of the Offering:	<p>The Notes shall be issued at the issue price and shall be wholly or partially released, as specified in the applicable Final Terms. The issue price of the Notes to be issued under the Programme shall be determined by the Issuer and Dealer(s) concerned at the time of the issue, taking account of market conditions.</p> <p>There are restrictions that 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. In the framework of the offering and sale of a given Tranche, additional selling restrictions may apply and shall be indicated in the applicable Final Terms.</p> <p><b>Issue Summary</b></p> <p>[No public offering has been made or planned.]/ [The Notes shall be offered to the public in [●].]</p> <p>The total amount of the [issue]/[offering] is [●].</p> <p>Offering period: from [●] to [●].</p> <p>Offer Price: [Issue Price]/[●]</p> <p>Conditions to which the Offering is subject: [●]</p> <p>Description of the subscription process: [●]</p> <p>Details regarding the minimum or maximum amount of subscription: [●]</p> <p>Terms and conditions and date on which the results of the Offering shall be declared to the public: [●]</p>
E.4	Interest, including conflicts of interest, likely to have a significant impact on the issue/offering:	<p>Interest, and any conflicts of interest, likely to have a significant impact on the relevant issue/offering of Notes shall be described in the applicable Final Terms.</p> <p><b>Issue Summary</b></p> <p>[Not applicable; to the Issuer's knowledge, no person involved in the issue has a significant interest in it.]/[The Dealer shall receive commissions to the amount of [●]% of the principal amount of the Notes. To the Issuer's knowledge, no other person involved in the issue has a significant interest in it.] [●].</p>

E.7	<b>Estimated expenses charged to the investor by the Issuer or the offerer:</b>	<p>An estimate of expenses charged to the investor by the Issuer or offerer shall be included in the applicable Final Terms.</p> <p><b>Issue Summary</b></p> <p>[Expenses to be borne by the investor are estimated at [●]./ Not applicable, no expenses are to be borne by the investor.]</p>
-----	---	--

## RISK FACTORS

*The Issuer considers the following factors important in making any decision to invest in the Notes and/or that these factors may affect their ability to fulfil their obligations to investors under the terms of the Notes. These risks are contingencies and the Issuer is unable to express a view on the chances of these contingencies actually occurring.*

*The Issuer considers that the factors described below are the main risks inherent to the Notes issued under the Programme, but that they are not exhaustive. The risks described below are not the only risks incurred by an investor in the Notes. Other risks and uncertainties that are unknown to the Issuer on this day or that the Issuer considers, on the day of this Base Prospectus, to not be decisive factors, may have a significant impact on the risks related to an investment in the Notes. Prospective investors must also read the detailed information presented in this Base Prospectus and form their own opinion before making any investment decision. In particular, investors must make their own assessment of the risks related to the Notes before investing in these Notes and must consult their own financial or legal advisers regarding the risks associated with investment in a specific Series of Notes and the relevance of investment in notes given their own situation.*

*The Issuer considers that the Notes should be only purchased by investors who are (or who are acting on advice from) financial institutions or other professional investors that are in a position to assess the specific risks involved in an investment in the Notes.*

*Any reference below to an Article refers to a corresponding numbered article in the chapter “Terms and Conditions of the Notes”.*

### 1. ISSUER RISKS

#### *Legal risks relating to enforcement*

Pursuant to the principle of impossibility of seizing property belonging to legal entities under public law (article L. 2311-1 of the French General Code of Ownership for Public Entities), the City of Paris is not subject to channels of enforcement of private law (Final Court of Appeal, 1st Civil, 21 December 1987, Geological and Mining Research Office c/ Lloyd Continental company, Civil Bulletin I, no. 348, p. 249).

Consequently, and like any legal entity under public law, the City of Paris is not subject to collective proceedings under the French Commercial Code (Paris Court of Appeal, 3rd chamber sect. B, 15 February 1991, *Centre national des bureaux régionaux de fret* (French National Centre of Regional Freight Offices), No. 90-21744 and 91-00859). Contrary to an issuer under private law, the assets of the City of Paris cannot therefore be seized.

#### *Risks relating to the Issuer's financial statements*

As a local authority, the Issuer is not subject to the same accounting standards as an issuer under private law. Their financial statements (budgets, administrative accounts, etc.) are subject to specific accounting rules, determined notably by Decree no. 2012-1246 of 7 November 2012 relating to public budget management and accounting, and by the French General Local Authorities Code. Financial assessment of the Issuer by investors requires consideration of this specific system of accounting.

Furthermore, the Issuer's accounts are not audited using the same procedures as an issuer under private law, but subject to a state control that takes three forms: (i) legal control performed by the Prefect, (ii) financial controls performed by the Prefect and the public accountant, and (iii) a management assessment carried out regularly by the French regional chamber of accounts.

#### *Property Risks*

The property risks of the City of Paris relate to all damages, accidents, destruction and physical losses that may occur to its real-estate and movable property, notably due to natural disasters, fire, acts of terrorism, etc.



In addition, the activities and operations of the City of Paris are likely to present risks, especially regarding property damage and notably concerning automotive vehicles in its fleet or actions of its officers and representatives.

Given the cost of exhaustive insurance of the risks incurred and taking into account the financial situation of the Paris authority, the principle of self-insurance of risks has been adopted. As an exception to the principle, insurance has been taken out in the following cases:

- when it is required by law (automotive insurance, medical liability, nursery assistant insurance, etc.);
- when it makes it possible to achieve an economy of scale and ensures effective compensation of citizens via outsourcing of multiple small claims to an insurer (legal liability for cleaning activities, one-off events, etc.);
- when it makes it possible to cover the risks of subsidiary budgets that the Paris authority cannot self-insure given their budgetary independence;
- when it makes it possible to cover major legal liability claims. As such, the City and Department of Paris have each taken out secondary (or “umbrella”) coverage that makes it possible, above a deductible level of 10 million euros, to cover a major claim up to maximum liability of €15M.
- when it makes it possible to cover the risks of an emblematic and sensitive site such as *l’Hôtel de Ville* (Paris city hall). As such, this was partially covered by a “Property damage” insurance policy for €250M for an appraisal value of €413M in 2007 so as to give coherence to the cost of insurance (€145K per year) and the required level of cover.

#### *Financial risks*

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

Article 2 of French Law no. 82-213 of 2 March 1982 relating to the rights and liberties of municipalities, departments and regions removed all state supervision over the acts of the local authorities. This change acknowledged full freedom of appreciation of local authorities in terms of funding, and liberalised and generalised the rules that apply to their borrowing. Local authorities are now free to borrow and their relations with lenders are subject to private law and freedom of contract.

This freedom is nevertheless governed by the following principles:

- borrowing is intended exclusively for funding investments
- the capital must be covered by their own resources.

Also, debt servicing is compulsory expenditure, whether for repaying capital or for financial charges. Interest on debt and repayment of debt in capital constitute compulsory expenditure for local authorities by law (Article L.2321-1 et seq. of the French General Local Authorities Code). This expenditure should consequently be recorded in the local authority’s budget. If this is not the case, legislation has provided for a procedure (Article L.1612-15 of the French General Local Authorities Code) that authorises the Prefect, further to the opinion of the regional chamber of accounts, to record the expenditure in the local authority’s budget. Furthermore, in the absence of a mandate to carry out such compulsory expenditure, legislation has also provided for a procedure (Article L.1612-16 of the French General Local Authorities Code) that authorises the Prefect to perform this as a matter of course.

This compulsory nature of debt repayment therefore gives lenders strong legal protection.

Nevertheless, the Holders are exposed to the Issuer’s credit risk. Credit risk means the risk of the Issuer being unable to meet their financial obligations regarding the Notes, resulting in a loss for the investor.

*Risks relating to loan guarantees granted by the Issuer*

The City and Department of Paris provide loan guarantees for beneficiaries that can be divided into two main categories: guarantees for public and/or private firms specialising in the acquisition and renovation of social housing, and guarantees for organisations outside the social housing sector such as public local development companies (SPLA), public local companies (SPL), public-private partnerships (SEM) and associations working on projects considered to be in the general interest of Parisians.

On 1 September 2017, outstanding loans guaranteed by the City of Paris and the former Seine Department stood at €9,646.8 M, which is a 4.6% increase (€452.2 M in value) in relation to the situation at 31 December 2016. The loan guarantees granted by the Issuer are less than 50% of the real revenue of the operations section, pursuant to the budgetary ratio defined in Articles L. 2252-1 and L. 3231-4 of the French General Local Authorities Code (see the “Loan guarantees” section of this Prospectus).

An enforcement of guarantee may occur. Such a scenario remains very rare (in the past ten years, there have been two enforcements of guarantees provided by the City of Paris, with a total value of €24,756). In this scenario, the loan guarantee conventions, systematically agreed upon between the City or the Department, as the case may be, and the beneficiary of the guarantee upon each granting of a guarantee, provide for redemption, in favour of the guarantor, of the sums that may have been used by the latter as security.

*Risks relating to derivative products*

Use of financial contracts (derivatives such as swaps, caps, tunnels, etc.) is only authorised to hedge interest or exchange-rate risk, pursuant to Interministerial Circular no. NOR/IOCB1015077C of 25 June 2010 relating to financial products offered to local authorities and their public institutions. Speculative trading and similar operations are strictly forbidden. The Paris authority’s policy regarding interest-rate risk is cautious: it aims to protect Paris’ debt against a rise in interest rates while reducing its cost.

Furthermore, the City of Paris takes no currency risks as they agree, from the outset, on currency-exchange contracts into euros when issuing securities in foreign currencies.

On this point, French Law no. 2013-672 of 26 July 2013 on the separation and regulation of banking activities inserted the Article L. 1611-3-1 into the French General Code of Public Authorities under the terms of which, when a local authority takes out a loan in a foreign currency, the local 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.

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

*Risk of changes in income*

With regard to its resources, the City of Paris, as a local authority, is exposed to any potential change in the legal and regulatory framework that could change the structure and yield, especially with regard to grants paid by the state. Nevertheless, proceedings from local taxes account for the majority of operating income 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 revenue and other resources specific to local authorities represent, for each category of authorities, a decisive portion of all resources*”.

In this context, reduction in the level of grants paid by the state is likely to have an adverse effect on the Issuer’s operating income. As budgetary balance must be maintained, the Issuer could be required to make adjustments to variation in their expenditure, or increase their 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, only constitutes, by its very nature, an opinion expressed in regard to the level of credit risk associated with the Issuer and does not necessarily reflect all risks related to the Issuer. This rating does not constitute a recommendation to buy, sell or hold Notes and can be suspended, changed or withdrawn by the rating agency at any time.

*Risk relating to the legal control performed by the Prefect*

The Île-de-France regional Prefect has two months, as from receipt in the prefecture of a resolution or decision by the City of Paris and of contracts agreed upon by the City of Paris, to assess their legality and, if the Prefect judges them to be illegal, to refer them, for those among them that constitute administrative deeds, to the competent administrative court and, if necessary, request that they be suspended. The competent administrative court may then, if they judge them to be illegal, suspend them or cancel them wholly or partially.

*Risk relating to appeals from third parties*

A third party with an interest in taking action may appeal on the grounds of ultra vires before administrative jurisdictions against a resolution by the City of Paris or a decision to sign contracts agreed upon by the latter other than a resolution or decision constituting the deed that can be detached from an administrative contract, within a period of two months as from its publication and, if necessary, request suspension of its performance. The two-month period stated may be extended if the appeal on the grounds of ultra vires against a resolution follows an administrative appeal, if this appeal is filed by a claimant residing abroad or in certain other circumstances. Furthermore, if this resolution or decision to sign is not published appropriately, such an action could be carried out by any interested third party without any time limit.

In the event of an appeal on the grounds of ultra vires against a resolution or decision to sign, other than a resolution or decision constituting the deed that can be detached from an administrative contract, the competent administrative judge may then, if they judge the relevant administrative deed to be illegal, cancel it wholly or partially, which could consequently make illegal the contract(s) agreed upon based on said deed.

In a scenario in which a contract agreed upon by the City of Paris is considered to be an administrative contract, a third party with an interest in taking action may appeal, with full jurisdiction, before the administrative jurisdictions, against such a contract or certain non-regulatory clauses that are divisible from it within a period of two months as from the appropriate publicity measures having been taken, and, if necessary, request its suspension. Furthermore, if the administrative contract has not been the subject of appropriate publicity measures, appeals may come from any third party that can prove an interest in taking action without any time limit.

If the competent judge finds faults that render the contract invalid, they could notably, having assessed the importance and consequences and especially taken into consideration the nature of these faults, decide to terminate or cancel the contract.

## **2. RISKS RELATING TO THE NOTES**

### **1.1. General risks relating to the market**

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

Each prospective investor should determine, based on its own analysis and on any advice it deems to be relevant under the circumstances, that its investment in the Notes is appropriate given its personal situation. In particular, any 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 presented in this Base Prospectus or in any supplement to this Base Prospectus and in the relevant Final Terms
- ii) have at their disposal, and know how to use, appropriate analysis tools to make an assessment, with regard to their personal situation and sensitivity to risk, of an investment in the relevant Notes and of the effects the Notes might have on their entire investment portfolio

- iii) have sufficient financial resources and liquid assets to deal with all the risks of an investment in the Notes, including when the currency of payment of the principal or interest is different to that of the prospective investor
- iv) understand perfectly the terms and conditions of the Notes in question and be familiar with the behaviour of all relevant indices and financial markets
- v) be capable of assessing (either alone or with the help of a financial adviser) the possible scenarios regarding the economy, interest rates or any other factor that might affect their investment and their ability to cope with the risks incurred.

A prospective investor should not invest in the Notes unless their expertise (alone or with their advisers) allows it to assess the way the Notes will evolve in changing conditions, the consequent effects on the value of the Notes and the investment's impact on the prospective investor's entire investment portfolio.

Any prospective investor is asked to consult their own legal, tax, accounting and/or financial advisers before investing in the Notes.

**(b) The debt-note market may be volatile and adversely affected by many events**

The debt-note market is influenced by economic and market conditions and, to various extents, by interest rates, exchange rates and inflation rates in other European and developed countries. It cannot be guaranteed that events in France, Europe or elsewhere might not cause market volatility or that such market volatility might not adversely impact 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 continue**

It cannot be guaranteed that an active market in the Notes will develop or, if it does develop, that it will continue or remain sufficiently liquid. If an active market does not develop in the Notes or if it does not continue, the market price or the price and liquidity of the Notes may be adversely impacted. Investors might therefore not be in a position to easily dispose of their Notes or 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 under the conditions set forth in Article 5(e) of the Terms and Conditions of the Notes and the Issuer may issue Notes again under the conditions set forth in Article 12 of the Terms and Conditions of the Notes. Such operations may have a positive or adverse impact on the price of the Notes. If additional or competing products are put on the market, this may have an adverse impact 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 foreseen. Due to variation in interest revenue, investors cannot determine a given yield on Floating-Rate Notes at the time of purchasing them, so their return on investment cannot be compared with that on investments with longer periods of fixed interest. If the Terms and Conditions of the Notes provide for regular interest payment dates, investors are exposed to the risk of reinvestment if market interest-rates fall. In such a case, investors will be able to reinvest their interest revenue only at the rate that applies at the time, which may be lower.

**(e) Risks relating to Fixed-Rate Notes**

It cannot be ruled out that the value of Fixed-Rate Notes might be adversely impacted by future variations 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 certain risks relating to currency conversion if the financial activities of an investor are mainly performed in a currency or monetary unit (the "Investor Currency") different to the Specified Currency. These risks include the risk that exchange rates might vary significantly (including variations due to devaluation of the Specified Currency or revaluation of the Investor Currency) and the risk that the relevant authorities overseeing 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 (some have done so in the past) that could adversely impact exchange rates. As a result, the investors might receive a lower-than-expected principal amount or level of interest, or perhaps even receive no principal or interest at all.

**(g) Risks relating to ratings**

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

**2.2. General risks relating to the 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 pursuant to Article 7(b) of the Terms and Conditions 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 issue of the Notes, may result in a considerably lower return than the Holders expected.**

The Final Terms of a given issue of the Notes may provide for an early-redemption option in favour of the Issuer. As a result, 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, which would mean that the Holder would not receive the total amount of capital invested. Furthermore, in the event of early redemption, investors who choose to reinvest the funds they receive may be in a position to reinvest only in financial notes with 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 carry out 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 as the Issuer 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 their borrowing cost is lower than the interest rate of the Notes. In such a situation, an investor generally cannot reinvest the proceeds of the redemption at an effective interest rate as interesting as that of the interest rate of the redeemed Notes. Prospective investors should therefore take account of the risk related to reinvestment in light of other investments available at the time of their investment.

**(d) Modification of the Terms and Conditions of the Notes**

The Holders shall be grouped into a Body (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 are such that, in certain cases, Holders who are not present or represented during a general meeting can be bound by the vote of the Holders who are present or represented, even if they disagree with this vote.

The general meeting of the Holders may, subject to the provisions of Article 10 of the Terms and Conditions of the Notes on “Holder Representation”, vote on any proposal aiming to amend the Terms and Conditions of the Notes, and in particular on any draft compromise or arrangement regarding disputed rights or that have been the subject of court decisions.

**(e) Risk of conflict of interest**

There may be potential conflicts of interest between the Calculation Agent and the Holders (including the case of a Dealer acting as a Calculation Agent) and especially in the framework 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 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 regarding the consequences of a court decision or of a change in legislation or French regulations after the date of this Base Prospectus.

**(g) Taxation**

Prospective buyers and sellers of the Notes should take into consideration the fact that they might be required to pay taxes or other levies or fees pursuant to law or practices that apply in the countries where the Notes shall be transferred or in other jurisdictions. In some jurisdictions, no official position of the tax authorities, nor any court decision, is available regarding financial notes such as these Notes. Prospective investors are advised not to completely rely on the fiscal information presented in this Base Prospectus, but to seek advice from their own tax advisers regarding their personal situation concerning acquisition, remuneration, sale and redemption of the Notes. Only these advisers are in a position to correctly take into consideration a potential investor’s specific situation. These considerations regarding investment should be read together with the information presented in the “Taxation” chapter 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 Financial Transaction Tax (FTT) 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-reaching and, if adopted, could apply in certain cases to transactions in the Notes (including on the secondary market).

According to the Commission Proposal, the FTT could also extend, in certain cases, to persons beyond 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 established in the territory of a Participating Member State and at least one of the parties is established in a Participating Member State. A financial institution is, or is deemed to be, “established” in a Participating Member State in a very wide range of circumstances, including (a) if it has performed 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 the subject of negotiations between the Participating Member States. It is therefore likely to be amended before being transposed. Other EU Member States may decide to take part in it.

Prospective holders of the Notes are asked to consult their own professional financial advisers regarding the FTT.

## OFFERINGS AND THE SECONDARY MARKET

In the event that any offering of notes in France (the “**Country of the Public Offering**”) that is not made under an exemption from the requirement to publish a prospectus pursuant to the Prospectus Directive (a “**Non-Exempt Offering**”), regarding any person (an “**Investor**”) to whom any offering of notes is made by any financial intermediary to whom the Issuer has given consent to use this Base Prospectus (an “**Authorised Offerer**”) and when the offering is made during the period and in the Country of the Public Offering for which consent has been given and in compliance with all other conditions relating to the granting of this consent, as specified in this Base Prospectus, the Issuer accepts responsibility in the Country of the Public Offering for information regarding this Base Prospectus. However, the Issuer or any Dealer cannot be held responsible for any conduct of any Authorised Offerer, including the compliance of any Authorised Offerer with the applicable rules of conduct or any other local regulatory requirements and legislative requirements regarding securities in relation to this offering.

The Issuer agrees to the use of this Base Prospectus for later resale of the Notes or for their final investment by any Authorised Offerer within the framework of a Non-exempt Offering during the Offering Period stated in the applicable Final Terms (the “**Offering Period**”) either (1) in the Country of the Public Offering stated in the applicable Final Terms by any Authorised Offerer with permission to make such offerings under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and who meets the conditions mentioned (if any) in the applicable Final Terms, or (2) by any Authorised Offerer stated in the applicable Final Terms, in the Country of the Public Offering stated in the Final Terms and subject to the applicable conditions stated in the relevant Final Terms, for as long as they are authorised to make such offerings 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 they do so, the Issuer shall publish the above information about them on (<http://www.paris.fr/investisseurs>).

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 offerings occurring within the twelve (12) months that follow the date of this Base Prospectus.

**Any Authorised Offerer who wishes to use this Base Prospectus under a Non-exempt Offering as set forth in (1) above shall, for the duration of the Offering Period concerned, publish on their website a statement declaring that they are using this Base Prospectus for such a Non-exempt Offering in accordance with the Issuer’s consent and the conditions relating to it.**

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

Unless otherwise noted, the Issuer and Dealers have not authorised the initiation of any Non-exempt Offering of Notes by any person in any circumstances and such a person is not authorised to use this Base Prospectus as part of their offering of Notes. Such unauthorised Non-exempt Offerings are not made by or on behalf of the Issuer and Dealers or any Authorised Offerer, and neither the Issuer nor the Dealers nor any Authorised Offerer shall be held responsible for the conduct of any person setting up such offerings.

Any investor intending to acquire or acquiring any Notes from an Authorised Offerer (an “**Investor**”) may do so, and offerings and sales of the Notes to an Investor by an Authorised Offerer shall be made, pursuant to any terms and other arrangements agreed upon between this Authorised Offerer and Investor, including in respect of price, allocations and settlement arrangements and any spending or taxes invoiced to the Investor (the “**Terms and Conditions of the Non-Exempt Offering**”). The Issuer shall not be involved in these agreements with the Investors (other than the Dealers) regarding the offering or selling of the Notes and, consequently, this Base Prospectus and all Final Terms shall not contain this information. The Terms and Conditions of the Non-Exempt Offering shall be provided to the Investors by said Authorised Offerer during the period concerned. The Issuer, Dealers or other Authorised Offerers cannot be held responsible for this information.



## DOCUMENTS INCORPORATED BY REFERENCE

The sections entitled “Terms and Conditions of the Notes” in the following base prospectuses relating to the Programme are incorporated by reference in this Base Prospectus for the sole purpose of enabling the issue of consolidated Notes to form a single series together with the Notes that 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
Base Prospectus dated 04 November 2016 (approved by the AMF under number 16-515, dated 04 November 2016)	Pages 33 to 54

## BASE PROSPECTUS SUPPLEMENT

Any significant new factor, mistake or inaccuracy relating to the information presented in the Base Prospectus that would be likely to considerably impact the valuation of the Notes and would occur or be discovered after the date of this Base Prospectus, should be indicated in a supplement to the Base Prospectus pursuant to Article 212-25 of the AMF's general regulations.

Subject to the applicability of Article 212-25-I of the AMF's general regulations, investors who have already accepted to purchase or subscribe to the Notes before publication of a supplement to the Base Prospectus have the right, pursuant to Article 212-25II of the AMF's general regulations, and in the event of a public offering of the Notes, to withdraw their acceptance within a period of two (2) days after publication of the supplement.

Any supplement to the Base Prospectus shall be published on the websites of (i) the AMF ([www.amf-france.org](http://www.amf-france.org)), (ii) the Issuer (<http://www.paris.fr/investisseurs>), and (iii) any other relevant regulatory authority and shall be available for consultation and copy, free of charge, during the usual office hours, 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 that shall apply to the Notes, as completed pursuant to 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 notes marking 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 (subject to possible simplification resulting from removal of non-applicable stipulations) or (ii) the text of the completed terms and conditions, shall feature on the back of the Physical Notes. All words in capital letters that are not defined in these Terms and Conditions shall have the meaning given to them in the relevant Final Terms. References made in the Terms and Conditions to “Notes” concern the Notes of a single Series rather than all Notes that could be issued as part of the Programme. The Notes shall constitute bonds as defined under 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 in tranches (each one a “Tranche”) having the same issue date or different issue dates. The specific terms and conditions of each Tranche (which may be completed, if necessary, by additional terms identical to those 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 feature 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 agreed upon on 7 November 2017 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 Agents and the acting Calculating Agent(s) (as the case may be) are named below, respectively, the “Fiscal Agent”, the “Paying Agents” (this expression including the Fiscal Agent) and the “Calculation Agent(s)”. Holders of interest coupons (the “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 (the “Talons”) shall be named “Coupon Holders”.

Any reference below to “Articles” shall mean the numbered Articles below, unless the context requires this term to be interpreted differently.

The provisions of Article 1195 of the French Civil Code do not apply to these Terms and Conditions.

### 1. FORM, NOMINAL VALUE, OWNERSHIP, REDENOMINATION AND CONSOLIDATION

#### (a) Form

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

- i) Ownership of the Dematerialised Notes shall be established in book entry form in compliance with Articles L. 211-3 et seq. of the French Monetary and Financial Code. No documents shall be issued as a representation of the Dematerialised Notes (including representative certificates pursuant to Article R.211-7 of the French Monetary and Financial Code).

Dematerialised Notes (as defined under Articles L. 211-3 et seq. of the French Monetary and Financial Code) are issued, at the Issuer’s discretion, either in bearer form, inscribed in the books of Euroclear France (acting as the central custodian) which shall credit the accounts of the Account Holders, or in registered form and, in this case, at the relevant Noteholder’s discretion, either in administered registered form, in which case they shall be inscribed in the books 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 (the “Registration Agent”).

In these Terms and Conditions, “Account Holder” means any intermediary authorised to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank SA/NV as operator of the Euroclear system (“Euroclear”) and Clearstream Banking SA (“Clearstream”).

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

Pursuant to Articles L. 211-3 et seq. of the French Monetary and Financial Code, securities (such as the Notes, which are bonds as defined by French law) in materialised form and governed by French law must be issued outside French territory.

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

**(b) Nominal value**

The Notes shall be issued in the stated nominal value(s) as set forth in the relevant Final Terms (the “Stated Nominal Value(s)”). Dematerialised Notes shall be issued in one Stated Nominal Value only.

**(c) Ownership**

- i) Ownership of Dematerialised Notes in bearer form and in administered registered form is passed on, and transfer of such Notes may only be carried out through registration of the transfer in the accounts of the Account Holders. Ownership of Dematerialised Notes in fully registered form is passed on, and transfer of such Notes may only be carried out through registration of the transfer in the accounts of the Issuer or the Registration Agent.
- ii) Ownership of the 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 made by a competent court or to applicable legal provisions, the holder of any Note (as defined below), Coupon or Talon shall be considered, 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 ownership, of any right to this Note or Coupon, of any information that might have been added thereto, without consideration of it having being stolen or lost and without the possibility of anyone being held responsible for having considered the Holder as such.
- iv) In these Terms and Conditions,

“**Noteholder**” or, as applicable, “holder of Notes”, means, (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 Physical Notes, any holder of any Physical Note and of the Coupons or Talons relating to it.

“**Outstanding**” means, concerning Notes of any Series, any Note issued other than (a) those that have been redeemed pursuant to 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 pursuant to the stipulations of Article 6, (c) those that have become null and void with regard to which any legal action is barred, (d) those that have been bought back and cancelled pursuant to these Terms and Conditions, (e) for Physical Notes, (i) defaced or erased Physical Notes that have been exchanged against replacement Physical Notes, (ii) (solely for the purposes of determining the number of Physical Notes in circulation

and without detriment to their status for any other purpose) Physical Notes that have allegedly been lost, stolen or destroyed and for which replacement Physical Notes have been issued and (iii) any Temporary Global Certificate insofar as it has been exchanged against one or more Physical Notes pursuant to 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, and by giving at least thirty calendar days advance notice pursuant to Article 13, redenominate in euros all (and not just a part) of the Notes in each Series, from the date at which the EU member state in whose national currency the Notes are denominated becomes a member state of the European Economic and Monetary Union (as defined by 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 Coupon 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 giving the holders of Notes advance notice of no less than thirty calendar days, pursuant to 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 and conditions as those of the Notes for all periods following this consolidation.

## **2. CONVERSIONS AND EXCHANGES OF NOTES**

**(a) Dematerialised Notes**

- i) Dematerialised Notes issued in bearer form may not be converted into Dematerialised Notes in registered form, whether in fully registered form or administered registered form.
- 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 Noteholder’s discretion, be converted into Notes in administered registered form, and vice versa. The exercise of such an option by said Noteholder shall be performed in accordance with Article R.211-4 of the French Monetary and Financial Code. The cost of any such conversion shall be borne by the Noteholder.

**(b) Materialised Notes**

Materialised Notes of a Stated Nominal Value may not be exchanged for Materialised Notes of another Stated Nominal Value.

## **3. DEBT RANK AND MAINTENANCE OF THE LOAN AT ITS RANK**

The Notes and, if applicable, any Coupons relating to them, constitute direct, unconditional, unsubordinated and (subject to the followed paragraph) unsecured undertakings of the Issuer and are at the same rank as each other and (subject to binding exceptions under French law) as all other present or future unsecured and unsubordinated undertakings of the Issuer.

As long as any of the Notes or, if applicable, any Coupons relating to them, remain outstanding (as defined in Article 1(c)(iv) above), the Issuer shall not grant or allow there to remain any mortgage, charge, pledge, lien or other security interest upon any of its present or future assets or revenues, for the purposes of securing a Debt (as defined below) incurred or guaranteed by the Issuer, unless obligations of the Issuer deriving from the Notes and, as applicable, Coupons, enjoy equivalent security and the same rank. For the purposes of this Article, “Debt” shall mean any present or future loan represented by bonds, notes or other securities of a term exceeding one year and that are (or may be) admitted into 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 meanings:

“**Reference Banks**” means 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 swaps market or the over-the-counter market in index options) closest to the Market Reference (which, if the Market Reference concerned is EURIBOR or EONIA, shall be the eurozone; 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 market of the Reference Financial Centre).

“**Interest Period Commencement Date**” means the issue date of the Notes or any other date that may be stated in the relevant Final Terms.

“**Coupon Determination Date**” means, regarding an Interest Rate and Accrued Interest Period, the date defined as such in the relevant Final Terms or, if no date is specified, (i) the day that comes two TARGET business days before the first day of the Accrued Interest Period if the Specified Currency is euro or (ii) the first day of the Accrued Interest Period if the Specified Currency is sterling or (iii) if the Specified Currency is neither sterling nor euro, the day that comes two Business Days before the first day of this Accrued Interest Period in the city stated in the relevant Final Terms.

“**Coupon Payment Date**” means the date(s) stated in the relevant Final Terms.

“**Reference date**” means, for any Note or Coupons, the date at which the payment that these Notes or Coupons might require becomes due or (if any amount payable might not be paid without justification or if payment is unjustifiably delayed) the date at which the amount not yet paid is paid in full or (in the case of Materialised Notes, if this date is earlier) the day that is seven calendar days after the date at which the Holders of these Materialised Notes are notified that such a payment shall be made further to a new presentation of said Materialised Notes or Coupons pursuant to the Terms and Conditions, but provided that payment is actually made at the time of this presentation.

“**Accrued Interest Period Date**” means each Coupon Payment Date unless otherwise stated in the relevant Final Terms.

“**Value Date**” means, regarding a Floating Rate to be determined at a Coupon Determination Date, 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 Coupon Determination Date relates.

“**FBF Definitions**” means the definitions given in the 2007 FBF (French Banking Federation) Framework Agreement relating to transactions in financial futures as supplemented by the Technical Addenda, as published by the *Fédération Bancaire Française* (French Banking Federation), as amended, where applicable, at the Issue Date.

“**Specified Currency**” means the currency stated in the relevant Final Terms.

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

**“Reference Time”** means, for any Coupon Determination Date, the local time at the Reference Financial Centre stated in the relevant Final Terms or, if no time is specified, the local time at the Reference Financial Centre where 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”** means, for Europe and the eurozone as Reference Financial Centre, 11.00 am (Brussels time).

**“Business Day”** means:

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

**“Day Count Method”** means, for the calculation of a coupon amount for any Note for any period of time (from the first day of this period (this day being included) until the last day of this (this day being excluded)) (whether or not this period constitutes an Interest Period, hereafter the “Calculation Period”):

- i) if the terms **“Actual/365”** or **“Actual/365 - FBF”** or **“Actual/Actual - ISDA”** are stated in the relevant Final Terms, this is the actual number of days elapsed 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) of 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 stated in the relevant Final Terms:
  - (A) if the Calculation Period is of a duration that is 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 said Determination Period and (y) the number of Determination Periods normally ending in the year; and
  - (B) if the Calculation Period is of a duration greater than the Determination Period, the sum of:
    - (x) the number of days of said Calculation Period in 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; and
    - (y) the number of days of said Calculation Period in the subsequent Determination Period, 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”** means the period beginning from a Coupon Determination Date (inclusive) in any given year and ending at the next Coupon Determination Date (exclusive), and **“Coupon Determination Date”** means the date stated as such in the relevant Final Terms or, if no date is stated, the Coupon Payment Date;

- iii) if the terms “**Actual/Actual - FBF**” are stated in the relevant Final Terms, this is the fraction whose numerator is the exact number of days elapsed 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 from the last day of the Calculation Period;
  - (B) this number is increased by the fraction on the period concerned, calculated as stated in the first paragraph of this definition;
- iv) if the terms “**Actual/365**” (Fixed) are stated in the relevant Final Terms, this is the real number of days elapsed during the Calculation Period divided by 365;
- v) if the terms “**Actual/360**” are stated in the relevant Final Terms, this is the real number of days elapsed during the Calculation Period divided by 360;
- vi) if the terms “**30/360**”, “**360/360**” or “**Bond Basis**” are stated in the relevant Final Terms, this is the number of days elapsed in the Calculation Period divided by 360 (i.e. the number of days to be calculated for a year of 360 days including twelve months of thirty 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 must not be shortened to a thirty-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 stated 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 day 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:

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

or:

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

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 stated in the relevant Final Terms, this means the number of days elapsed in the Calculation Period divided by 360 (the number of days to be calculated for a year of 360 days including twelve months of thirty days, without taking account of the date



at which the first or last day of the Calculation Period comes, 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 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 elapsed during this period, calculated on a year of twelve months of thirty 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 elapsed during this month is the exact number of days.

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

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

“**Coupon Amount**” means the amount of interest due and, in the case of Fixed-Rate Notes, the Fixed Coupon Amount or Broken Coupon Amount, depending on the case.

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

“**Screen Page**” means 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 so as 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 that might replace it, in each case as designated by the entity or by the organisation providing or ensuring distribution of information appearing on said service so as to state rates or prices that are comparable to the Reference Rate, unless otherwise provided for in the Final Terms.

“**Interest Period**” means the Period beginning at the Interest Period Commencement Date (inclusive) and ending at the first Coupon Payment Date (exclusive) as well as each subsequent period beginning at a Coupon Payment Date (inclusive) and ending at the subsequent Coupon Payment Date (exclusive).

“**Accrued Interest Period**” means the Period beginning at the Interest Period Commencement Date (inclusive) and ending at the first Accrued Interest Period Date of the Coupon (exclusive) and each subsequent period beginning at an Accrued Interest Period Date of the Coupon (inclusive) and ending at the subsequent Accrued Interest Period Date of the Coupon (exclusive).

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

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

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

“**Reference Rate**” means 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).

“**Eurozone**” means the region comprising the Member States of the European Union 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 at each Coupon Payment Date.

If a fixed coupon amount ("Fixed Coupon Amount") or a broken coupon amount ("Broken Coupon Amount") is stated in the relevant Final Terms, the Coupon Amount payable on each Coupon Payment Date shall be equal to the Fixed Coupon Amount or, if applicable, to the Broken Coupon Amount as stated, and in the case of a Broken Coupon Amount it shall be payable at the Coupon Payment Date(s) stated 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 at each Coupon Payment Date. This/These Coupon Payment Date(s) is/are stated in the relevant Final Terms or, if no Coupon Payment Date is stated in the relevant Final Terms, the Coupon Payment Date shall mean each date that comes at the end of the number of months or at the end of another period stated in the relevant Final Terms as being the Interest Period, coming after the previous Coupon Payment Date and, in the case of the first Coupon Payment Date, coming after the Interest Period Commencement Date.
- ii) *Business Day Convention:* When a date stated 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 shall be deferred to the following Business Day unless this day comes 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 shall be set on the last Business Day of the month when this maturity date would have come in the absence of such adjustments, (B) the Following Business Day Convention, this date shall be deferred to the following Business Day, (C) the Modified Following Business Day Convention, this date shall be deferred to the next Business Day unless this date comes 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 shall 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 the stipulations below concerning either the FBF Determination or the Screen Rate Determination that shall apply, according to the option stated in the relevant Final Terms.

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

When the FBF Determination is stated in the relevant Final Terms as being the applicable method for determining 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 Rate that would be determined by the Agent for an exchange operation performed as part of an FBF Framework Agreement completed by the Technical Addendum on the Exchange of Interest or Currency Terms, under which:

- (x) the Floating Rate is as stated in the relevant Final Terms, and
- (y) the Date of Floating-Rate Determination is as stated 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 given to them in the FBF Definitions.

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

When a Screen Rate Determination is stated 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) at the Coupon Determination Date relating to said Accrued Interest Period as stated below:

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

in each case as published on said Screen Page at the Reference Time at the Coupon Determination Date, unless otherwise provided for in the relevant Final Terms.

- (b) if the main source of the Floating Rate is composed of Reference Banks or if the sub-paragraph (a)(i) applies and no Reference Rate has been published on the Screen Page at the Reference Time at the Coupon Determination Date or if the sub-paragraph (a)(ii) applies and fewer than two Reference Rates have been published on the Screen Page at the Reference Time at the Coupon Determination Date, the Interest Rate, subject to what is stated below, shall be equal to the arithmetic mean average of the Reference Rates that each Reference Bank offers to top-tier banks at the Reference Financial Centre at the Reference Time at the Coupon Determination Date, as determined by the Calculation Agent and
- (c) if paragraph (b) above applies and the Calculation Agent observes that fewer than two Reference Banks thus suggest Reference Rates, then the Interest Rate, subject to what is stated below, shall be equal to the arithmetic mean 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 euro, in the eurozone, as selected by the Calculation Agent (the "Main Financial Centre"), offer at the Reference Time or close to that time at the date at which said banks habitually offer these rates for a period starting from the Value Date and equivalent to the Specified Duration (I) to top-tier banks performing their business activities in Europe or (when the Calculation Agent determines that fewer than two banks offer these rates to the top-tier banks in Europe) (II) to the top-tier banks performing their business activities at the Main Financial Centre, given that when fewer than two of these banks offer these rates to the top-tier banks at the Main Financial Centre, the Interest Rate shall be the Interest Rate determined at the preceding Coupon 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 at the date of redemption unless (i) at this redemption date in the case of Dematerialised Notes, or (ii) at the date of their presentation in the case of 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, pursuant to the terms and conditions in Article 4, until the Reference Date.

**(e) Margin, Multiplier Coefficients, Interest Rate, Minimum and Maximum Redemption Amounts, and Rounding Off**

- i) If a margin (the “Margin”) or a Multiplier Coefficient is stated in the relevant Final Terms (either (x) in general or (y) in one or more Accrued Interest Periods), an adjustment shall be made for 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 sub-paragraph (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 sub-paragraph.
- ii) If an Interest Rate or a Minimum or Maximum Redemption Amount is stated in the relevant Final Terms, each of these Interest Rates or Redemption Amounts may not exceed this maximum nor be less than this minimum, as the case may be. Unless a higher Minimum Interest Rate is specified in the relevant Final Terms, the Minimum Interest Rate shall be considered to be equal to zero.
- iii) For any calculation that must be made pursuant to 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 shall be rounded off, if necessary, to the nearest ten thousandth (halves being rounded up to the higher figure), (x) all the percentages resulting from the calculations shall be rounded off, if necessary, to the nearest fifth decimal place (halves being rounded up to the higher figure), (y) all the amounts shall be rounded off to the seventh decimal place (halves being rounded up to the higher figure), and (z) all the amounts in foreign currencies that have become payable shall be rounded off to the nearest unit of said currency (halves being rounded up to the higher figure) with the exception of yen, which shall be rounded down to the lower unit. For the purposes of the present Article, “unit” means the smallest subdivision of the currency in circulation in the country using this 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 is stated for this period, in which case the amount of interest payable on the Note for this same period shall be equal to said Coupon Amount. If any Interest Period comprises 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 said Accrued Interest Periods.

**(g) Determination and publication of Interest Rates, Coupon 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, they shall determine this rate and calculate the Coupon Amounts for each Stated Nominal Value of the Notes during the course of the corresponding Accrued Interest Period. They 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 that might be required. They shall then notify the Fiscal Agent, the Issuer, each Paying Agent, and any other Calculation Agent designated in relation to the Notes, the Interest Rate and Coupon Amounts for each Interest Period, as well as the relevant Coupon Payment Date and, if necessary, the Final Redemption Amount, the Early Redemption Amount and the Optional Redemption Amount, so that any further calculations may be carried out as soon as this information is received. If the Notes are admitted into trading on a regulated market and if the rules of this market so require, they 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 to this market of the Interest Rate and Coupon Amount, or (ii) in all other cases, no later than the fourth Business Day after it has been determined. When the Coupon Payment Date or the Accrued Interest Period are subject to adjustment in accordance with Article 4(c) (ii), the Coupon Amounts and Coupon Payment Dates thus published may be subject to modifications

(or to other appropriate adjustment measures) without notice in the event of an extension or shortening of the Interest Period. Each rate or amount determined, each quotation obtained and each determination or calculation carried out by the Calculation Agent or Agents shall be (in the absence of clear error) final and shall bind the parties.

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

The Issuer shall ensure that there are, at all times, four Reference Banks (or any other number as required) possessing at least one office in the Reference Financial Centre, and one or more Calculation Agents if this is stated 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 via 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 are 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 unable to establish an Interest Rate for any Interest Period or Accrued Interest Period, or is unable to calculate the Coupon 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 over-the-counter index options market) most closely linked to the calculation and determination being performed by the Calculation Agent (acting via the intermediary of its main office in Paris, or any other office operating on this market) so as to act in this capacity in its place. The Calculation Agent may not give up their tasks without a new Calculation Agent being designated under the conditions described above.

**5. REDEMPTION, PURCHASE AND OPTIONS**

**(a) Final redemption**

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

**(b) Redemption at the Issuer's discretion and Partial Redemption**

If a Redemption Option is mentioned in the relevant Final Terms, the Issuer may, subject to their compliance with all applicable laws, regulations and directives, and on condition that they irrevocably notify the holders of the Notes at least fifteen calendar days and at most thirty calendar days in advance, pursuant to Article 13 (or any other advance notice indicated in the relevant Final Terms), redeem 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 any interest accrued until the date set for redemption. Each of these redemptions must concern Notes of a nominal value at least equal to the minimum redeemable nominal value as stated in the relevant Final Terms and may not exceed the maximum redeemable nominal amount as stated in the relevant Final Terms.

The Optional Redemption Amount payable for any Note upon redemption of said Note pursuant to this article shall be determined as follows:

**“Optional Redemption Amount”** =  $Y \times \text{Nominal Value}$

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 at the date stated 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 Physical 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 shall be carried out by reduction of the nominal amount of these Dematerialised Notes proportionally to the nominal amount redeemed.

**(c) Early redemption**

The Early Redemption Amount payable for any Note upon redemption of said Note pursuant to Article 5(d) or if this Note matures and is due pursuant to Article 8, shall be equal to the Final Redemption Amount plus any interest accrued up to the effective redemption date, unless stated 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 pursuant to Article 7(b) below, owing to changes in French legislation or regulations or for reasons resulting from changes in the official interpretation or application of these texts coming into effect after the issue date, they may, on any Coupon Payment Date or, if it is stated in the relevant Final Terms, at any time, on condition of having informed the Holders by notice pursuant to the stipulations of Article 13, no more than forty-five calendar days and no less than thirty days before 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 set, on condition that the early redemption date scheduled in the notice does not come before the latest date at which the Issuer is, in practice, in a position 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 relating to the Notes, the payment by the Issuer of the total sum due to the Holders or Coupon Holders is 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 calendar days addressed to the Holders pursuant to Article 13, must then redeem the total amount, and not only part, of the Notes outstanding at the time at their Early Redemption Amount plus any interest accrued up to the redemption date set, as from (A) the latest Coupon Payment Date at which full payment relating to these Notes can be effectively made by the Issuer, subject to the condition that if the notice stated above expires after this Coupon Payment Date, the redemption date of the Holders shall be the later of either (i) the latest date at which the Issuer is, in practice, in a position to make payment of the total amount due in respect of the Notes, and (ii) fourteen calendar days after advising the Fiscal Agent, or (B) if stated in the relevant Final Terms, at any time, on condition that the redemption date scheduled in the notice is the latest date at which the Issuer is, in practice, in a position to make 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, carry out buybacks of the Notes either on or off the stock market (including by public offering) at any price (on condition, however, that in the case of Materialised Notes, all the unmatured Coupons and non-exchanged Talons relating to them are attached or returned with these Materialised Notes), pursuant to the laws and regulations in force.

Unless this option is expressly excluded in the relevant Final Terms, the Notes bought back by or on behalf of the Issuer may, at the Issuer's discretion, be kept pursuant to Articles L.213-1 A and D.213-1 A of the French Monetary and Financial Code, for the purpose of boosting the liquidity of said Notes, or cancelled pursuant to Article 5(f).

**(f) Cancellation**

Any Note bought back for cancellation pursuant to 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 Notes concerned to which shall be added all the unmatured Coupons and non-exchanged Talons attached to these Notes, as applicable, and in each case, on condition that they are transferred and returned, all these Notes, and all 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 released from all obligations relating to these Notes.

**6. PAYMENTS AND TALONS**

**(a) Dematerialised Notes**

Any 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 concerned. Any valid payment made to said Account Holders or said Bank shall release the Issuer from their payment obligations.

**(b) Physical Notes**

**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 credited or transferred (which, if the payment is made in yen to a non-resident of Japan, shall be a non-resident account) held by the beneficiary, or, at the beneficiary's choice, by cheque written in the Specified Currency drawn from 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 eurozone, 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 Notes and Coupons**

Any payment of the principal relating to Physical Notes must be made (subject to all that is stated below) in the way set forth in paragraph (i) above only upon presentation and return (or, in the case of partial payment of a sum due, on annotation) of the corresponding Notes, and all payment of interest on the Physical Notes must be made (subject to all that is stated below) under the conditions set forth 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 Notes must be presented for payment with the related unmatured Coupons (this expression shall, for the purposes of the present, 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 stated above on return of the relevant missing Coupon before 1 January 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 Note becomes due before its Redemption Date, the related unmatured Talons are null and void and shall not lead to the issue of any further Coupons.

When a Floating-Rate Note represented by a Physical Note 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 lead to any payment or, if applicable, to issue of any further Coupons.

If the redemption date of a Physical Note is not a Coupon Payment Date, any accrued interest (where applicable) relating to this Note since the previous Coupon 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 Physical 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 at the office that any Paying Agent has designated in New York under the conditions stated above if (i) the Issuer has designated Paying Agents with offices outside the United States of America and which they reasonably think are able to make the related payments to the Holders as described above when these are due, (ii) the payment in full of these amounts at these offices is prohibited or, in practice, excluded by exchange control regulations or by any other similar restriction relating to payment or reception of such sums, and (iii) such payment is nevertheless authorised by United States 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, notably fiscal, that are applicable without prejudice to the stipulations of Article 7. No commission or fees shall be charged to the holders of Notes or Coupons when these payments are made.

**(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, any 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, they have (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 providing financial service for the Notes in France for as long as the Notes are admitted into trading on Euronext Paris, and for as long as the regulations applicable to this market so require), (iv) for Dematerialised Notes in fully registered form, a Registration Agent and (v) any other agent who may be required by the rules of any regulated market on which the Notes may be admitted into trading.

Furthermore, the Issuer shall promptly designate a Paying Agent in the city of New York for the requirement of Materialised Notes in US dollars in the circumstances specified in paragraph (c) above.



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

**(f) Talons**

On the Coupon Payment Date of the last Coupon on the Coupon sheet provided with any Materialised Note, 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 respect of this postponement. In the present paragraph, “Business Day” means a day (other than Saturday and Sunday) (A)(i) for Dematerialised Notes, on which Euroclear France operates, or (ii) for Materialised Notes, on which the banks and exchange markets of the financial centre of the place where the Note is presented for payment are open, (B) when the banks and exchange markets are open in the countries stated 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 made 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” means a bank established in the main financial centre in which the specified currency is used or, in the case of payments made 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 relating 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 state or any of its authorities having the 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 relating to any Note or Coupon should be subject to a 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 relating to any Note or Coupon in the following cases:

**i) Other reason**

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

- ii) More than thirty calendar days have elapsed since the Reference Date

for Physical Notes, more than thirty calendar days have elapsed since the Reference Date, except if the holder of the Notes or Coupons would have been entitled to a larger amount on presentation of these Notes or Coupons for payment on the last day of said thirty-day period.

The references in the present Terms and Conditions to (i) “principal” shall be deemed to include any premium that is payable relating to the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and all other principal sums, payable pursuant to Article 5 of the relevant Final Terms (ii) “interest” shall be deemed to include all Coupon Amounts and other amounts payable pursuant to 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 ACCELERATED MATURITY

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

1. default on payment of the principal or interest relating to any Note (including any additional amount pursuant to Article 7) by the Issuer for more than thirty calendar days as from the date at which this payment is due and required; or
2. in the case of a breach by the Issuer of any other obligations relating to the Notes, if this breach has not been remedied within sixty calendar days as from receipt by the Issuer of notice of said breach given by the Representative or a holder of Notes; or
3.
  - i) failure of the Issuer to repay 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 apply; or
  - ii) failure of the Issuer to pay an amount exceeding €200 million (or its equivalent in any other currency) on one (or several) guarantee(s) granted relating to one or more bank or bond borrowings 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 said debts are due or the validity of the implementation of said guarantee(s) and has referred this challenge to the competent courts, in which case said failure to pay or repay shall not be deemed to be a Case of Accelerated Maturity for as long as the relevant court has not issued a final ruling;

it being understood that any event stipulated in (a), (b), or (c) above shall not constitute a Case of Accelerated Maturity and that the deadlines mentioned (if any) shall be suspended, if the Issuer gives notice to the Fiscal Agent before expiry of the relevant deadline (if a deadline is stated) of the requirement, so as 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 at 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 give notice to the Fiscal Agent of the date at 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, pursuant to the stipulations of Article 13.

## 9. BARRING BY LIMITATION

Legal action against the Issuer relating to the Notes and Coupons (excluding Talons) shall be barred unless made within four years as from 1 January of the year following that in which they became payable respectively.

## 10. REPRESENTATION OF THE HOLDERS

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

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 Body”, the Holders shall, for all Tranches of a single Series, be grouped together automatically for the defence of their common interests into a single Body that shall 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 Body shall be a distinct legal entity and act in part through a representative (the “Representative”) and in part through a General Meeting of the Holders (the “General Meeting”), or, as the case may be, through a written unanimous decision (a “Unanimous Written Decision”) of the Holders as stipulated in Article 10(i) hereafter.

The Body alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may come from the Notes or relate to them.

### (b) Representative

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

- i) the Issuer, the members of their Municipal Council, their 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 forbidden from practising as a banker or who have been stripped of the right to direct, administer or manage a firm in whatever capacity.

The names and addresses of the appointed Representative of the Body and their deputy shall be stated in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes shall be the Representative of the single Body of all Tranches in that Series.

The Representative shall receive a remuneration corresponding to their functions or duties, if such remuneration is provided for, on the date or dates stated in the relevant Final Terms. No additional remuneration shall be due with respect to any Tranche subsequent to a given Series.

In the event of death, winding up, resignation or revocation of appointment of the Representative, this Representative shall be replaced by the deputy Representative, as the case may be.

Pursuant to the provisions of Article R.228-71 of the French Commercial Code, each Holder shall provide justification of the right to take part in General Meetings by recording in book entry form, in their name, their Notes, in the books of the Account Holder concerned at 12.00 am (Paris time) on the second Business Day in Paris preceding the scheduled date of said General Meeting.

All interested parties shall have the right at all times to obtain the names and addresses of the initial Representative and their deputy (as the case may be) from the address of the Issuer or the specified offices of each of the Paying Agents.

**(c) Powers of the Representative**

The Representative shall have the power (unless there has been 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 a person among them to file a request with a competent court in Paris to appoint an agent who shall call the General Meeting.

Notice of the date, time, venue and agenda of the General Meeting shall be published pursuant to Article 13 at least fifteen calendar days before the date of the General Assembly on the first call and no less than five calendar days before the date of the General Assembly on the second call.

Each Holder is entitled to take part in a General Meeting in person, by proxy, by correspondence, by videoconference or by any other means of telecommunication by which the participating Holders can be identified. Each Note carries the right to one vote or, in the case of Notes issued with more than one Stated Nominal Value, one vote in respect of each multiple of the lowest Stated Nominal Value comprised in the principal amount of the Stated Nominal Value of the Note.

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

The General Meeting has the power to deliberate on the dismissal and replacement of the Representative and their deputy. It may also act with respect to any other matter that relates to the common rights, actions and benefits that may come from the Notes now or in the future, including authorising the Representative to act in court 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 only if the Holders present or represented hold at least one quarter of the nominal amount of the Notes outstanding at that time. When called for the second time, no quorum shall be required. Decisions at General Meetings shall be taken by a majority of votes cast by the Holders attending such meetings, either in person or represented by a proxy.

Resolutions adopted by the General Meetings must be published pursuant to the stipulations of Article 13.

**(f) Unanimous Written Decision**

On the initiative of the Issuer or the Representative, collective decisions can also be made by a Unanimous Written Decision.

Such a Unanimous Written Decision must be signed by or on behalf of all the Holders without having to comply with the requirements of formalities and time limits stipulated in Article 10(g). Any Unanimous Written Decision must, for all purposes, have the same effect as a resolution adopted in a General Meeting of Holders. Such a decision can be physically represented in a single document or in several documents, signed by or on behalf of one or more Holders and must be published pursuant to Article 13.

**(g) Holder information**

During the fifteen calendar day period preceding each General Meeting, each Holder or proxy thereof shall have the right to consult or make a copy of the text of the resolutions that shall be put forward and of the reports that shall be presented at the General Meeting, which shall be at the disposal of the relevant Holders at the address of the Issuer, at the specified offices of the Paying Agents and at any other place specified in the notice of the General Meeting.

**(h) Costs**

The Issuer will pay all costs relating to operations of the Body, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses voted for by the General Meeting, it being expressly stipulated that no expenses may be charged against the interest payable on the Notes.

**(i) Single Body**

The holders of Notes in the same Series, and the holders of Notes of any other Series that have been consolidated into the Notes of the aforementioned Series, pursuant to Article 1(e) or Article 12, shall be grouped together in a single Body for the defence of their common interests. The Representative appointed in respect of the first Tranche of a Series of Notes shall be the Representative of the single Body of that Series.

**(j) Single Holder**

If and for as long as the Notes of a same Series are held by a single Holder, this single Holder shall exercise all the powers, rights and obligations that bind the Holders, pursuant to the provision of the French Commercial Code. The Issuer should keep a ledger of the decisions adopted by the single Holder in their capacity and should make it available, upon request, to any subsequent Holder of the Notes of this Series.

**(k) Notice to the Holders**

Any notice addressed to the Holders pursuant to this Article 10 should be addressed in compliance with Article 13.

For the purposes of the present Article 10, the term “outstanding” shall not include Notes subscribed or bought back by the Issuer pursuant to Article L.213-0 1 of the French Financial and Monetary Code, which are kept by the Issuer and not cancelled.

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

If any Materialised Note, Physical Note, Coupon or Talon is lost, stolen, defaced or destroyed, partly or wholly, it may be replaced, subject to applicable legislation and stock-market regulations, at the office of the Fiscal Agent or the office of any other Paying Agent as may be designated by the Issuer for this purpose, and notice of this designation shall be given to the Holders. This replacement shall be made 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 Note, 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 upon request of the amount payable by the Issuer in respect of these additional Physical Notes, Coupons or Talons). Partially destroyed or defaced Physical Notes, 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 into 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 given by the Issuer**

to the holders of Dematerialised Notes in registered form shall be valid if either, (i) they are posted to them at their respective postal addresses, in which case they shall be deemed to have been given on the fourth Business Day (other than a Saturday or a Sunday) after the dispatch or, (ii) at the Issuer’s discretion, they are published in a leading daily business newspaper that is widely distributed in Europe (the “Financial Times” in principle). It is specified that for as long as the Notes are admitted into trading on any regulated market and the rules of this regulated market so demand, a notice shall only be deemed valid if published in a daily business newspaper that is widely distributed in the city or cities where these Notes are admitted into trading, which, in the case of Euronext Paris, shall be, in principle, “Les Echos”, and in any case as required by the rules applicable to this market.

### **(b) Notices sent to Holders**

of Materialised Notes and of Dematerialised Notes in bearer form shall be valid if they are published in a business daily newspaper that is widely distributed in Europe (in principle the “Financial Times”) and, for as long as these Notes are admitted into trading on a market and the rules of this market so demand, notices must also be published in a leading daily business newspaper that is widely distributed in the city or cities where these Notes are listed, which, in the case of Euronext Paris, shall be in principle “Les Echos”, and in any case as required by the rules applicable to this market.

### **(c) If any such publication**

cannot, in practice, be carried out, notice shall be considered valid if published in another well-known daily business newspaper widely distributed in Europe, it being specified that for as long as the Notes are admitted into trading on any regulated market, notices must be published in any other way required, as necessary, by the rules that apply to this regulated market. Holders shall be deemed to have been informed of the content of such notices at their date of publication or, in the case of notices published several times or at different dates, at the date of first publication as described above. Holders of Coupons shall be deemed, in all circumstances, to have been informed of the contents of any notice given to the Holders of Materialised Notes pursuant to the present Article.

**(d) Notices required to be given**

to the holders of Dematerialised Notes (whether in registered form or in bearer form), pursuant to these Terms and Conditions, may be delivered to Euroclear France, Euroclear, Clearstream, and to any other clearing system through which the Notes are, at that time, being cleared in substitution for the sending and publication provided for by Articles 13(a), (b) and (c) above, it being understood that (i) for as long as the Notes are admitted into trading on any regulated market and that the rules of this regulated market so require, notices shall also be published in a daily business newspaper widely distributed in the city or cities where these Notes are admitted into trading, which, in the case of Euronext Paris, shall be, in principle, “Les Echos”, and by any other way required, as necessary, by the rules that apply to 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 distributed 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 written 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 relating to 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 issue date of said Tranche with a common custodian (the “Common Depositary”) at Euroclear Bank SA/ NV as operator of the Euroclear system (“Euroclear”) and Clearstream Banking SA (“Clearstream”). After deposit of this Temporary Global Certificate with a Common Custodian, Euroclear or Clearstream shall credit each subscriber with a principal amount of Notes corresponding to the nominal amount subscribed and paid.

The Common Custodian may also credit the accounts of subscribers with the nominal amount of Notes (if stated in the relevant Final Terms), with other clearing systems through accounts held directly or indirectly by these other clearing systems with Euroclear and Clearstream. Conversely, a nominal amount of Notes that is initially deposited with any clearing system may, in the same conditions, be credited to subscribers’ accounts opened with Euroclear, Clearstream or other clearing systems.

### 2. EXCHANGE

Each Temporary Global Certificate issued in respect of Materialised Notes shall be exchangeable, free of charge to the bearer, at the Exchange Date at the earliest (as defined below):

- i) if the relevant Final Terms state that the Temporary Global Certificate is issued in compliance with the C Rules or as part of a transaction to which TEFRA rules do not apply (see chapter “Programme Summary - Restrictions on Sale”), wholly and not partially, for Physical Notes and
- ii) in all other cases, wholly and not partially, after certification, if required by Section 1.163- 5(c)(2)(i) (D)(3) of the U.S. 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), that the Notes are not held by U.S. nationals against Physical Notes (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), shall be made only if the certificate described in (ii) above has been received by Euroclear and/or Clearstream, and if Euroclear and/or Clearstream, as applicable, has given such a certificate (based on the certificate received) to the appropriate Paying Agent. The bearer of a Temporary Global Certificate may 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 NOTES

On or after the Exchange Date, the holder of a Temporary Global Certificate may remit this Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer shall deliver or have delivered a corresponding total nominal amount of duly signed and countersigned Physical Notes. For the purposes of the present Base Prospectus, “Physical Notes” means, in relation to any Temporary Global Certificate, the Physical Notes for which the 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 Notes shall be security-printed, in accordance with any laws and stock-market regulations in force.



**“Exchange Date”**, with regard to a Temporary Global Certificate, means the day at least forty calendar days after the issue date, it being understood that, in the case of a new issue of Materialised Notes to be consolidated into the aforementioned Materialised Notes, and issued before this day pursuant to Article 12, the Exchange Date may, at the Issuer’s discretion, be postponed to the day forty 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 C Rules do not apply), the Temporary Global Certificate must contain the following paragraph:

**“ANY U.S. PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, WHO HOLDS THIS NOTE SHALL BE BOUND BY THE RESTRICTIONS OF U.S. 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 Notes, the use of funds is specific, it shall be stated in the relevant Final Terms.

# PRESENTATION OF THE PARISIAN LOCAL AUTHORITY

## DESCRIPTION OF THE ISSUER

A political and administrative capital, Paris is also the most-populated city in France and its economic, financial and cultural centre. Its stature translates into an administrative structure unique in France.

French territory is administratively divided into three categories of local authorities - primarily regional, departmental and municipal - each corresponding to a given geographical territory, with its own legal personality, specific attributions, regulatory power and an autonomous budget. Yet, only Paris brings two levels of government together within one area and under one single entity.

The link between the municipality of Paris and the department of Paris is defined by provisions made under article L.2512-1 of the General Local Authorities Code (Code Général des Collectivités Territoriales: CGCT). In fact, interdependence between these two entities is very strong. In particular, all matters involving these two authorities are regulated through decisions made by a single assembly, called the “Council of Paris”, composed of 163 members elected for six (6) years and presided over by the Mayor of Paris.

Furthermore, while the municipalities and departments are financially autonomous from one another, up until now, Paris has been the exception with multiple transfers between its two budgets (the municipality contributes to the department’s budget and vice versa). Political and financial decisions have thus been made based on the existence of two legal entities effectively making up “the City of Paris.” Law #2017-57 of February 28, 2017 on the status of Paris and its metropolitan organization brought about an important reform of the Paris’s status, specifically by creating on January 1, 2019 a municipal authority with a particular status called “City of Paris” to replace the current municipality and department of Paris. The City of Paris will exercise the jurisdiction of both a municipality and a department on its territory. The City of Paris will replace the municipality of Paris and the department of Paris in all of their rights and obligations, in all deliberations and all actions that fall under their jurisdiction, in all ongoing administrative and jurisdictional procedures at the time of its creation, and in all ongoing contracts on the date of its creation.

Thus, although the initial issuer of this mandatory programme is the municipality of Paris, this introductory prospectus describes the City of Paris in its entirety, in accordance with its administrative structure.

## **I. LEGAL AND ORGANIZATIONAL STATUS OF THE ISSUER**

### **A. INFORMATION REGARDING THE ISSUER**

#### **1. NAME, OFFICE AND MAILING ADDRESS**

VILLE DE PARIS (CITY OF PARIS)

Direction des Finances et des Achats - Service de la gestion financière (SGF) (Department of Finances and Purchasing - Financial Management Services)

17, boulevard Morland - 75184 Paris cedex 04

#### **2. GEOGRAPHICAL STATUS**

Capital of France and largest city in the Île-de-France Region

#### **3. INCORPORATION DATE**

The issuer's current incorporation goes back to the law of December 31, 1975, which created two distinct local authorities, the Municipality of Paris and the Department of Paris, on the Paris territory up to December 31, 2017.

Law #2017-57 of February 28, 2017 on the status of Paris and its metropolitan organization brought about an important reform regarding the status of Paris, specifically by creating, from January 1, 2019, a local authority structure with a particular status called the "City of Paris" to replace the current municipality and department of Paris. The City of Paris will exercise the jurisdiction of a municipality and a department on its territory. The City of Paris will replace the municipality of Paris and the department of Paris in all of their rights and obligations, in all deliberations and all actions that fall under their jurisdiction, in all ongoing administrative and jurisdictional procedures at the time of its creation, as well as in all ongoing contracts on the date of its creation.

#### **4. REGISTRATION NUMBER**

SIRET (Identification system for the directory of establishments) #21750001606743

APE (Establishment's main activity) Code: 8411Z (General public administration)

#### **5. LEGAL STATUS, LEGISLATION APPLICABLE TO THE ISSUER AND COURTS OF COMPETENT JURISDICTION**

Municipality governed by the General Local Authorities Code (CGCT) to which is applied French legislation and for which litigation is brought before the courts of Paris.

#### **6. ORGANIZATION AND OPERATIONS OF THE CITY**

Like any local authority, Paris is freely administered by an elected council and notably disposes of regulatory power in order to exercise its authority.

In virtue of the principle of subsidiarity, reaffirmed in 2003 under article 72 of the constitution, Parisian institutions are designed to make decisions for all areas of jurisdiction that can best be implemented at their level. These areas of jurisdiction fall under the common law of municipalities and departments, with a few specificities:

- Paris retains the power linked to its former municipal status and has jurisdiction over all local policy. These local affairs include, in particular, early childhood (schools and daycare centres), municipal roads, water treatment and the collection of waste, as well as city planning, housing and cultural projects.
- Paris also retains its former departmental authority, and has jurisdiction over all social and territorial solidarity policies. Therefore, within its territory, Paris manages local infrastructures, for example via the construction and maintenance of schools and roadways, and administers welfare expenses for children, the elderly, disabled people or those experiencing hardship.

However, Parisian institutions remain unique since they have authority over an extended area compared to “traditional” municipalities or departments. Paris remains governed by a single executive and is regulated through the decisions of one deliberating assembly, called the “Council of Paris,” presided over by the Mayor of Paris.

The Council of Paris is composed of 163 members elected for 6 years according to a proportional representation system adjusted for majority rule in the context of each arrondissement or district. The Council of Paris meets nine times a year, upon the Mayor of Paris’s invitation, i.e., as a general rule, once a month excluding the summer months.

Six political parties are currently represented in the Council of Paris. The Council of Paris includes council members from the following political parties:

- The Socialist party and affiliates (55),
- The Républicains party (48),
- The Paris Ecologist party (16),
- The UNI Modem party (15),
- Communist-Front de Gauche party (13),
- Parisiens Progressistes et Constructifs party (6),
- Radical Left, Centre and Independents (6) and
- Unregistered elected officials (4).

The Mayor of Paris acts on the behalf of the local authority of Paris. The mayor is responsible for executing the decisions of the Council of Paris falling within the jurisdiction of these local policies, subject to the jurisdiction attributed to arrondissement leaders and those granted to the police prefecture (law of December 31, 1982), called the “PLM” law modified by the laws of December 29, 1986 and February 27, 2002). For this, she has both her own special powers and authority delegated by the Council of Paris. The mayor is also the rightful president of numerous organizations connected to the City, for example, the Centre of Social Action for the City of Paris (Centre d’action sociale de la Ville de Paris: CASVP).

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

She is assisted by twenty-one deputy mayors, who have each been delegated authority in a specific domain of municipal and departmental work, as well as five councillor delegates.

The First Deputy Mayor is Mr. Bruno Julliard, in charge of culture and arrondissement relations.

The local authority of Paris is made up of 20 administrative subdivisions called arrondissements, which do not have a legal identity, but which reproduce, at their level, the common law municipal structure with a deliberating assembly, an arrondissement council and an executive body presided over by the mayor of the arrondissement. The jurisdiction of these councils was strengthened by the law of February 27, 2002 regarding local democracy.

They are consulted primarily about affairs whose execution is planned either totally or partially within the limits of their arrondissements.

The municipality and department of Paris are managed by one highly structured administration, made up of approximately 50,000 civil servants, under the authority of the general administration department.

Other than its principal budgets, the City of Paris has five additional budgets for the specific management of certain authorities: four municipal ones (municipal automobile transportation, grave digging, sanitation and water) and one departmental one (managing departmental establishments for children's welfare).

Some local authority activities are managed by municipal public bodies, which have been given their own legal identity and their own autonomous budget.

Thus, the Centre of Social Action for the City of Paris (CASVP) is an autonomous public body, presided over by the Mayor of Paris, and the City covers its operational expenses. The centre implements social services granted by the City in addition to those required under its responsibilities. Essentially targeted at the elderly, this social policy has subsequently provided services to people with disabilities, families, the unemployed and the homeless.

Paris Habitat-OPH and the Crédit Municipal of Paris are public bodies under the Parisian local authority with their own budgets.

Moreover, Paris and its bordering municipalities participate in the financing of three public bodies: SIAAP (Intercommunal federation of sanitation workers for the Paris urban area) for the processing of wastewater, SYCTOM (Intercommunal association for the treatment of household waste) and EPTB (Territorial Public Establishment for the Seine Basin-Great Lakes), which manages the Seine river's dams and reservoirs.

Lastly, Public Assistance - Hospitals of Paris (Assistance Publique - Hôpitaux de Paris: AP-HP), endowed with their own budget, is a public body attached to the Government and presided over by the Mayor of Paris.

With regard to certain areas of its authority, Paris chose to grant specific missions to local companies: public-private partnerships (societies d'économie mixte: SEM), public local companies (sociétés publiques locales: SPL) and public local development companies (sociétés publiques locales d'aménagement: SPLA).

These local companies implement the decisions made by the Parisian local authority. They intervene in different sectors: urban planning, the improvement of living environments, the development of social housing, eradicating dilapidated housing as well as other numerous public services.

Paris holds stakes in 15 public-private partnerships and 4 public local development companies and is the major shareholder in 16 of these companies. The only public-private partnerships in which the local authority does not hold a majority share are SOGARIS (logistical platform operators, 49.5%), the CPCU (the Parisian Company for Urban Heating), due to the historical authority of this public-private partnership, and the SEML (Local Public-Private Partnership) Energie Posit'if, the regional operator with which the City became associated in January 2013.

These operators benefit from the flexibility of the status of a trading company subject to the regulations of private law, however, the City of Paris ensures that its own interests are carefully monitored, primarily by elected officials who sit on the administration boards.

Since 2010, Paris has made even greater use of the SPL(A) format in which 100% of the capital is held by public shareholders. In particular, this use includes Paris Batignolles Aménagement and SEMAPA (Parisian development, project ownership and consulting company), which manage large-scale urban redevelopment projects on behalf of the City. It also includes, SOREQA (Authority for the Redevelopment of Old Neighbourhoods) a metropolitan tool to prevent squalor. An SPL was also chosen to manage the Eiffel Tower (SETE).

Lastly, in 2012 Paris created the SPL Carreau du Temple. The company's mission is to manage and promote a new multipurpose neighbourhood facility, offering athletic, cultural and event spaces.

The twenty-odd local companies are distributed over three business sectors:

- Urban development (particularly through joint urban planning zones) and the construction and rehabilitation of housing through two public-private partnerships (the Paris-Seine SEM and SEMAEST, a commercial urban development SEM) and three public local urban development companies (SOREQA, Paris Batignolles Aménagement and SEMAPA)
- Construction, management and maintenance of buildings (2 SEMs: SIEMP-ELOGIE, RIVP)
- Services including, in particular, the distribution of potable water, funereal services, urban heating, the operation of the Rungis market, the Palais Omnisports de Bercy complex, the Eiffel Tower and thermal renovation for housing (9 service SEMs: Eau de Paris, SAEMES (Public-Private Partnership for Funereal Services), SAEML Parisienne de photographie, SAEPOPB (Public Company for the Operation of the Palais Omnisports de Paris-Bercy complex), SOGARIS, CPCU (Parisian Company for Urban Heating), SEMMARIS (International Rungis Market), the SEM Energies Posit'if and the SPL Carreau du Temple).

## **B. CHANGE IN THE ISSUER'S INSTITUTIONAL ORGANIZATION AND JURISDICTION**

### **1. REFORMING PARIS'S STATUS**

The law of February 28, 2017 on the status of Paris and its metropolitan organization has officially been enacted. The law aims to simplify administrative procedures, with a new distribution of authority between the State and the City, as well as strengthen the role of the arrondissement's mayors. Paris is no longer both a municipality and a department, with two budgets and two distinct administrations, but is now a local authority with a particular status, called the "City of Paris".



This law had four major objectives: merging the Municipality and the Department of Paris together, regrouping the first four arrondissements, strengthening the role of the arrondissements' councils and the arrondissements' mayors and granting the City some powers currently exercised by the State.

#### **a. MERGING THE MUNICIPALITY AND THE DEPARTMENT OF PARIS TOGETHER**

By merging the Municipality and the Department together on January 1, 2019, the aim is to create more clarity for Parisians, and improve simplicity and efficiency for public projects. The creation of a single local authority will put an end to an artificial separation that causes cumbersome procedures, with, for example, the existence of two budgets and the overlapping of now obsolete responsibilities.

In terms of human resources, the merging of the Municipality and the Department will also be accompanied with the transformation of the departmental civil servant administration into the Parisian administration civil servant team.

The merging of the Municipality and the Department will require a change in budgetary and accounting nomenclature. It will be necessary to drop the French M14 (municipal) and M52 (departmental) budget and accounting classification in order to adopt M57.

#### **b. STRENGTHENING THE POWERS OF THE ARRONDISSEMENTS' MAYORS**

Continuing the actions that it started in 2001, the City would like to strengthen the authority of the arrondissements in terms of occupancy agreements for local facilities in the public domain (with the exception of educational facilities) and contracts for creating green spaces of less than one hectare. Moreover, each arrondissement's mayor will have a say in authorizations for outdoor installations and sidewalk eating areas.

#### **c. REGROUPING THE CENTRAL ARRONDISSEMENTS**

In parallel, in order to correct the differences in population between the 20 Parisian arrondissements, the political representation and the administrative organization of the least populated arrondissements (1st, 2nd, 3rd and 4th arrondissements) will be grouped together by instituting one single electoral unit. In terms of political representation, this measure will not apply until the 2020 elections. In the meantime, an arrondissement meeting that brings together council members from the first 4 arrondissements of Paris will be set up in order to prepare the terms of this regrouping. It will need to submit a report before December 31, 2018.

#### **d. TRANSFERRING POWER FROM THE POLICE PREFECTURE TO THE MAYOR OF PARIS**

Since Paris is also the capital of France, the distribution of authority between the State and the City is such that currently the Mayor of Paris does not have the same powers as other mayors.

In order to facilitate the implementation of policies desired by Parisians, the law gives the Mayor of Paris full authority, particularly in terms of parking, public impound services for automobiles, measures against substandard housing, fire control plans, funereal services, bathing policies, as well as the reception, input of requests for identity documents and their distribution to the interested parties.

##### **Progressively transferring power and agents from the Police Prefecture:**

The transfer of power from the Police Prefecture to the City is accompanied by the transfer of approximately 2,200 budgetary personnel positions, according to a gradual implementation timetable. On July 1, 2017, the responsibilities of certain police officers (such as, measures against substandard housing and funereal services) were transferred to the City. The personnel in charge of these missions joined the Parisian local authority. On January 1, 2018, the next in line will be agents in charge of parking, whether it is in terms of payment or tow-away zones, towing procedures and impounds. The services and agents in charge of issuing ID documents and passports, ensured by town hall police stations will also be placed under the authority of the Mayor of Paris.

The transfer of the corresponding financial resources, particularly, payroll, is indicated in a protocol outlined under article 37 of the law, voted during the Council of Paris in May 2017. It describes the terms for reducing the City's contribution to the Police Prefecture's special budget. The amount is in the range of €100 million in expenses and €40 million in income, equivalent to the amount of expenses transferred to the City.

##### **Impact on the City's services:**

Paris's security officers (Agents de surveillance de Paris: ASP) are destined to return to the DPSP (Prevention, Security and Protection Department) and the verification of paid parking that they have carried out up until now will be conferred to service providers and they will be offered new responsibilities in the fields of protecting facilities, personnel and users, fighting against anti-social behaviour, monitoring mobility policies, tow-away zones, participating in operations such as "Paris Breathe" or fighting against pollution. Moreover, the DPSP will incorporate agents from the Police Prefecture as police for the prevention of professional noise and olfactory pollution.



The DLH (Department of Housing) will be in charge of measures against substandard housing; the agents from the Police Prefecture concerned by this task will join the DLH's current housing technical services.

The DVD (Department of Roadways and Transportation) will take over the management of impounds and towing contracts, as well as the management of the verification of paid parking.

The issuing of identity documents will be carried out in the arrondissements' town halls by the services of the DDCT (Department of Democracy, Citizens and Territories).

Lastly, agents in charge of funereal services will join the DDCT and the DEVE (Department of Green Spaces and the Environment) according to the functions they carry out.

## 2. THE GREATER PARIS METROPOLIS

Created by the law #2014-58 of January 27, 2014 for the modernization of regional public action and the assertion of metropolises (modernisation de l'action publique territoriale et d'affirmation des métropoles: MAPTAM), the Greater Paris Metropolis (Métropole du Grand Paris: MGP) was established on January 1, 2016, as envisaged under article L. 5219-1 of the General code of territorial local authorities and modified by law #2015-99 of August 7, 2015 providing a new territorial organization for the Republic (aka "NOTRe law").

The MGP encompasses 131 municipalities and represents 7 million inhabitants. As France's largest metropolis, it will participate in Paris's international influence.

### a. ORGANIZATION AND AUTHORITY OF THE MGP

The MGP is an Intercommunal Cooperative Public Establishment with a separate tax status organized around 12 Territorial Public Establishments (Etablissements Publics Territoriaux: EPT). The EPTs have a legal identity, but a limited separate tax status ending in 2020. They are responsible for local jurisdiction.

Paris is integrated into a territory, but there is no EPT in that territory itself.

The transfer of authority to the metropolis is progressive:

- 2016-2017: development of the metropolitan project and the major master plans (urban development, housing, energy distribution networks, event organization, fighting against pollution, risk management, etc.)
- 2018: transfer of authority at metropolitan level. The MGP should, through deliberations made before the end of 2017, declare urban and economic development projects as having metropolitan importance. At this stage, no transfer to the City of Paris has yet been identified. Moreover, the MGP must assume the costs of the GEMAPI authority (Management of Aquatic Environments and Flood Prevention), but this will have no impact in 2018 since it is anticipated that the city, under the framework of a provisory centralization contract, will continue to exercise this authority on behalf of the MGP.

### b. THE MGP'S RESOURCES

Since 2016, the Greater Paris Metropolis (MGP) has collected all municipal economic taxes excluding property taxes for companies: value-added tax for companies (cotisation sur la valeur ajoutée des entreprises: CVAE), flat-rate taxes on network companies (impositions forfaitaires sur les entreprises de réseaux: IFER), taxes on commercial spaces (taxe sur les surfaces commerciales TASCOT) and the CPS portion - salary share compensation - of the flat-rate allowance for the DGF (General Operational Subsidy). The CFE (Property Tax for Companies) will continue to be collected by the EPT until 2020.

As of 2020, the MGP will collect all economic taxes, which should represent approximately €3.5 billion.

### C. THE BUDGETARY AND FINANCIAL IMPACT FOR PARIS

Within the framework of implementing the MGP, the city of Paris will thereby transfer a large portion of its economic taxes. However, in application of the principle of budget neutrality, it will be awarded compensation (attribution de compensation: AC) equal to the income transferred minus the transferred expenses. In 2016, given the absence of transferred expenses, the AC recorded on Paris's budget was equal to the resources transferred (e.g., approximately €980 million).

Contrary to the metropolis's other territories, there is no territorial public establishment in Paris. Nevertheless, the operational and investment expenses and income from certain authorities exercised by the other territories will be redrawn to create a special territorial status. In this way, the city's work will be identified as a territory of the metropolis. This special status has been annexed to the municipal budget since the 2016 Provisional Budget.

### C. INFORMATION REGARDING THE ISSUER'S ACTIVITY

In virtue of the principle of subsidiarity, reaffirmed in 2003 under article 72 of the constitution, Parisian institutions are designed to make decisions for all domains that can best be implemented at their level. These domains fall under the jurisdiction of common law for municipalities and departments, with a few specificities:

Paris has jurisdiction over all local policies. These local affairs include, in particular, early childhood (schools and daycare centres), municipal roadways, water treatment and the collection of waste, as well as city planning, housing and cultural projects.

The Mayor is responsible for executing the decisions made by the Council of Paris pertaining to these local policies, subject to the powers attributed to the arrondissements' mayors and those granted to the police prefect, as aforementioned.

Paris was, in fact, the only city in France where the functions of the municipal police (traffic, peacefulness and public hygiene) were not entirely exercised by an elected mayor, but in conjunction with, depending on the subject, the police commissioner, a government official appointed in a cabinet meeting by the President of the Republic. In order to fulfil their duties, the police commissioners had a "special" autonomous budget, voted by the Council of Paris. In this regard, law #2017-257 of February 28, 2018, regarding the status of Paris, not only extends the Mayor's authority (special police for funerals and cemeteries), but transfers more power to his or her office as well (including the police dedicated to hygienic housing and buildings threatening to collapse). Another Parisian specificity is the way municipal transportation is organized since it falls under the jurisdiction of a regional structure, Île-de-France-Mobilités (the new name of the STIF) to which the City contributes financially.

Moreover, the capital's own policies have had an impact well beyond its municipal borders, for example, in the domain of urban development or the organization of large sporting events. In addition, in order to develop the capital's international influence, Paris is able to conclude agreements with foreign public or private entities (with the exception of Governments) and be a guarantor for loans or grant subsidies.

Paris retains its former departmental authority in terms of social and territorial solidarity policies. Therefore, within its territory, Paris manages local infrastructures. In particular, Paris builds and maintains schools and roadways, and administers spending on social services for children, the elderly, people with disabilities or those in need.

As such, the Mayor is responsible for executing the decisions of the departmental council pertaining to these departmental powers.

### D. LEGALLY IMPOSED PARITY

Decentralization has increased the authority and powers granted to the City and department, subsequently the Parisian local authority, however, the French government remains guarantor of the general good, and continues

to ensure that these powers are exercised in the respect of the Constitution, and the laws and regulations that define them. Consequently, the State ensures that general parity is respected.

## 1. STATE-ENSURED RESOURCE MANAGEMENT

The State carries out the administration of local Parisian taxes: it determines their basis (by calculating, in particular, the rental value of taxable premises), then using this basis and based on the rates voted by the local authority, it notifies that authority of the amount that it will receive, and, above all, it guarantees that Paris, as a city and department, will receive the entire amount of these indicated taxes, regardless of the amount effectively collected. In addition, each month it advances one twelfth of the voted tax amount. In return for these benefits, the State requires Paris, like all the other French local authorities, to place its funds in a non-remunerated Treasury account.

## 2. MONITORING PARITY

Decentralization laws removed the State's financial protection of Paris, however they also reiterated the principle of state supervision over administrative acts and financial decisions.

On the one hand, the laws from 1982 "immediately" made the decisions by the City of Paris binding. However, the Paris prefect, a representative of the State, retrospectively exercises administrative control, called "legality," on these decisions. Thus, if it is deemed that a decision does not respect the laws and regulations, they can, within a period of two months as of the date on which the act was sent to them, send it to the administrative courts of Paris. On the other hand, while decentralization increased Paris's resources, it was also accompanied by strengthened controls on the use of public funds. These financial controls not only fall under the Paris prefect's jurisdiction, but also under the jurisdiction of two other representatives of the State: the public accountant for the General revenue office for finances and the Regional chamber of accounts.

Parisian financial transactions are not carried out by the Parisian executive that orders them, but by a public accountant, a specialized representative of the Ministry of Finance, which advises the executive body and only executes their orders after having first verified their legal and accounting compliance.

The public accountant thus commits their personal and financial responsibility, which constitutes additional insurance for the financial security of the local authority.

The Regional Chamber of Accounts may retrospectively present observations on the management of the entire Parisian local authority, city and department: this is a control to monitor the "correct usage" of public money by the executive who ordered the expenses. However, above all, the Regional Chamber of Accounts ensures that the public accountant has fulfilled his or her obligations and that the local authority adopts within the legal period a balanced budget in which all their mandatory expenses appear.

Debt services represent a mandatory expense for the City of Paris, since it involves handling the repayment of capital or financial fees such as interest charges (obligation under article L.2321-2 and L.3321-1 of the General code for territorial local authorities for the current municipality and department, then under article L.2512-20 from the General code of territorial local authorities for the unique City of Paris local authority created on January 1, 2019). Consequently, these expenses must be recorded in the local authority's budget. If this obligation is not respected, the creditors of the City of Paris benefit from a "mandated and official" procedure (article 1 - II from law #80-539 from July 16, 1980 regarding the penalties issued for administrative matters and the execution of judgments by public legal entities codified and completed in articles L.1612-15 and L.1612-16 from the General code of territorial local authorities).

# GENERAL PRESENTATION OF THE 2016 ECONOMY FOR PARIS AND Île-de-France

Paris, the heart of the Île-de-France region, has a central geographical and administrative location. As the largest demographic, economic and administrative hub in France, it benefits from the intense concentration of a high-quality workforce, major decision-making centres, educational or global research hubs, exceptional infrastructures and remarkable tourism appeal, which makes it one of the most powerful regions in Europe.

Note: information regarding the economy of Paris and the Île-de-France region represents the most recent information available to the Issuer. If some of the economic or demographic information seems outdated, this can be explained by the fact that it can be published by INSEE (National Institute for Statistics and Economic Studies) a few years later.

## I. POPULATION

*(Sources: INSEE - National Institute for Statistics and Economic Studies - APUR - Parisian Urban Planning Agency)*

The capital's population decreased between 2009-2014, while there had been an upward trend since 1999. On January 1, 2014, the legal municipal population of Paris was established at 2,220,445 inhabitants. This number represents a decrease of 13,660 inhabitants compared to the 2,234,105 inhabitants making up the official municipal population in 2009. The Parisian population decreased by 2,732 inhabitants on average each year between 2009 and 2014, e.g. a rate of -0.1% per year. From 1999 to 2009, Paris increased by 10,886 inhabitants on average each year (+0.5% per year). This demographic slowdown echoes the decrease in births observed between 2010 and 2013. Between 1968 and 1999, Paris continued to lose its inhabitants. The decrease was interrupted between 1999 and 2009. Between 2009 and 2014, the capital once again decreased in population. The 2014 population was higher than that from the 1999, 1990 and 1982 censuses.

In the inner suburbs (Hauts-de-Seine, Seine-Saint-Denis, Val-de-Marne), demographic growth continued (+0.6%/year), but at a decreased rhythm compared to the period between 1999-2009. In the outer suburbs (Seine-et-Marne, Yvelines, Essonne, Val-d'Oise), the population continued to increase at a rhythm of +0.7%/year between 2009 and 2014 compared to +0.6%/year between 1999 and 2009. Overall, the regional municipal population reached 12,027,565 in 2014 at an increase of 0.5% a year compared to 2009.

The change in population is explained partly by specifically demographic factors: the developments in natural population change as well as those in apparent net migration. However, population change is also dependent on factors related to housing and households. In fact, it depends on the capacity of the housing stock to accommodate the population, the level of main residences and developments in household sizes. Natural population slightly reduced following the decrease in births. In Paris, the number of births outnumbering deaths fell slightly. Between 2009-2013, this difference corresponded to nearly 16,200 people per year on average instead of 16,300 people per year between 1999 and 2008. The decrease in the natural population change is explained by a decrease in birth rates since 2010. With 30,200 births per year between 2009 and 2013, Paris had nearly 1,300 fewer births per year compared to the period between 1999 and 2008 during which the number of births was 31,500 per year. The number of births continued to decrease after 2013 and settled at 28,266 births in 2015. A slight decrease in deaths also limited decline in the natural population change: 14,000 deaths per year were recorded between 2009 and 2013 on average compared to 15,200 per year over the course of the previous period (1999-2008). The decrease in the mortality rate is connected to two phenomena: an increased life expectancy and people tending to leave the city upon retirement, which limits aging, and thus, the number of deaths. Net migration shows a greater deficit. At the same time, the net migration with other departments, calculated as the difference between the variation in the population and the natural balance, has fallen further. It resulted in the loss of approximately 18,900 people per year in comparison with 5,400 between 1999 and 2009, however is it not yet known whether there were fewer arrivals or more departures, or both.

After having lowered between 1999 and 2009, the proportion of unoccupied housing has once again increased. Unoccupied housing includes vacant or occasional housing and vacation homes. The proportion they represented had clearly decreased in Paris between 1999 and 2009 going from 16% to 14.3%, which made increased the number of potential main residences, excluding new constructions. However, since 2009, the proportion of unoccupied housing increased by 1.5 points, probably in relation to an increase in housing “illegally” dedicated to furnished rentals for tourists. This increase in unoccupied housing between 2009 and 2014 corresponds to a decrease of nearly 20,350 main residences over five years from the entire housing stock. In 2014, in certain arrondissements like the 1st, 2nd, 4th, 6th and 8th arrondissements, more than one housing unit out of four is unoccupied. This proportion has also particularly increased in the 2nd, 7th and 10th arrondissements (more than 4 points in five years).

## II. WEALTH

(Sources: Insee and Customs Office)

### A. GROSS DOMESTIC PRODUCT

In 2014, the gross domestic product (GDP) from Île-de-France reached 649.5 billion euros. It represents 30% of mainland France's GDP. The GDP per inhabitant is 1.6 times higher in the region than in the provinces. The GDP per Île-de-France job is also much higher, but the disparity is less (1.3 times).

Regional Gross Domestic Product (GDP) in 2014

	Île-de-France		Mainland France	
	2014	2014/2013 evolution (in %)	2014	2014/2013 evolution (in %)
GDP in millions of euros	649,575	0.9	2,099,415	1.1
GDP per inhabitant in euros	53,921	0.4	32,736	0.6
GDP per job in euros	105,534	0.5	78,678	0.9

The service sector contributed to 86.7% of the added value in the Île-de-France region, compared to 78.5% in the provinces. This structural difference is explained through the significant presence of corporate services, financial and real estate businesses and individual services. In the region, industry represents only 8.9% of production, compared to 14% for the rest of France.

### B. INCOME AND SALARY

In 2014, the annual available gross income for households amounted to €23,839 per inhabitant in the Île-de-France region, e.g. 23% more than in the provinces (€19,506). 75.7% of this is composed of gross salary and wages, compared to 58.3% in the provinces. The share of benefits (including retirement pensions) collected by residents of the Île-de-France region is 10 points lower and those from taxes seven points higher. This is explained, in particular, by the fact that inhabitants from the Île-de-France region, generally much younger, have a larger workforce and have much higher income on average.

Origin of gross available income from households per inhabitant in 2014 (in euros)								
SEMI-DEFINITIVE 2010 basis								
	Regions	Gross surplus and mixed income	Gross salary and wages	Social withholdings for salaried and unsalaried workers	Taxes	Benefits in cash	Other (1)	Gross available income
Île-de-France		5,403	18,068	3,199	5,175	6,584	2,158	23,839
Mainland France	4,380	12,637	2,256	3,281	7,172	1,668	20,320	
Provinces (2)		4,144	11,381	2,038	2,844	7,308	1,555	19,506
France (3) (Mainland France+DROM+Special Status territories)	4,360	12,514	2,217	3,207	7,071	1,633	20,154	

Source: INSEE, Regional, Local and Urban Statistics Division - regional accounts for definitive households - 2010 base

(1) Other = income from ownership (interest, income from companies, income allocated to insured parties, income from land and deposits) + other ongoing transfers

(2) Provinces = Mainland France excluding the Île-de-France region

(3) DROM = Overseas Departments and Regions; the "Special Status territories" include the Overseas Collectivities and Territories

## C. OVERSEAS TRADE IN THE ÎLE-DE-FRANCE REGION

(Source: Customs Office)

In 2016, Paris represented 14.7% of exports and 17.5% of imports in the Île-de-France region. The region represented 19.1% of exports from France and 27.3% of its imports.

## III. THE JOB MARKET

(Sources: Insee and Apur)

Continuing the trends that have continued for several decades, the socio-professional developments between 2008 and 2013 in the Greater Paris Metropolis and in the rest of the region were once again marked by an increase in "executives and senior intellectual professions" and a decrease in "labourers" and "employees."

In 2013, 3,594,014 workers in the MGP were over the age of 15 years, e.g. 51.6% of the population, among whom, 31.5% were executives (+1.7% compared to 2008). This proportion places the MGP way ahead of the Lyon metropolis with 23.2% of executives, and those of Lille (19.5%) and Marseille (17.5%).

Paris recorded the largest increase in executives in the metropolis with nearly one worker out of two belonging to this category (44%). Since 2008, the number of executives has increased by 1.6%, which represents 26,577 new Parisian executives. This progression is part of a national increase in the proportion of executives (+1% since 2008 in mainland France). The majority of them are found in the first arrondissements: more than 50% of them are in the 1st, 2nd, 3rd, 5th, 6th, 7th, 9th and 15th arrondissements. Conversely, the 18th, 19th and 20th arrondissements host a lower proportion of executives: they represent less than 40% of the active population. However, the discrepancy has reduced: the number of executives increased the most in the arrondissements where there were the fewest (+2.7% in the 18th and +2.5% in the 19th). Conversely, in the arrondissements where this category of workers is the best represented, they show only slight increases or even decreases, this being the case for the 4th, 5th and 6th arrondissements. The territories within the MGP are not homogeneous regarding the proportion of executives in the active population. Thus, the T3-Grand Paris Seine Ouest sector and the T4-Paris Ouest La Défense sector have an active population with more than 40% of executives while the T6-Plaine Commune sector and the T7-Paris Terres d'Envoi sector do not even reach 10%. And contrary to the Parisian arrondissements, the discrepancy is widening between sectors in the MGP since those with the most executives are also those for which the increases since 2008 have been the highest: +2.8% in the T-3 Grand Paris Seine Ouest sector, +3.3% in the T5-Boucle Nord de Seine sector. Similarly, the sectors with the lowest proportions of executives are also

those that have had the lowest increases: +0.4% in the T6-Plaine Commune sector since 2008. The increase in executives represents the general rise in qualifications required by the economy. The strong concentration of executives in Paris is related to functions of the economic and administrative capital and the strategic jobs resulting from the presence of large companies and central administrations. The Capital itself only has 14% of the executive jobs in mainland France.

The proportion of “employees” decreased in all of the MGP’s territories, going from 27.1% of the active population in the metropolis to 26.1% between 2008 and 2013. In Paris, their numbers went from 21.1% in 2008 to 20.1% in 2013. At regional level, a decrease on the same scale was observed (28% to 27.1%) just as at national level (from 29.2% to 28.9%). The proportion of “labourers” is continuing to decrease in Paris and in the rest of the MGP, as it is throughout the nation, because of the decreasing proportion of manufacturing jobs in the regional and national economy. In the MGP, their numbers went from 13.8% in 2008 to 12.9% in 2013, in Paris they went from 8.1% to 7.3% in 2013. The proportion of “artisans, shopkeepers and company heads” slightly increased (+0.5%) in the MGP and Paris reaching 5% and 5.3% respectively in 2013. This upturn comes after a falling trend observed over the past several decades (they represented 6.2% of the active Parisian population in 1999). In Paris, this category is chiefly found in the 6th, 7th, 8th and 16th arrondissements where they exceed 8%, even reaching 9.4% in the 16th arrondissement.

The proportion of “intermediary professions” has levelled off, going from 24.7% of the MGP’s active population in 2008 to 24.5% in 2013 and from 23.5% to 23.3% in Paris. At the regional level, the same trend is observed (26%), just as it is throughout mainland France (25%). Generally speaking, the socio-professional changes observed in the metropolis’s territory reflect both the organizational development of jobs and the effect of real estate prices on people’s residential choices.

## A. THE EVOLUTION OF EMPLOYMENT IN PARIS

(Sources: Insee, Department of Activity and Research / Regional Department of Companies, Competition, Consumption, Work and Employment (Direction Régionale des Entreprises, de la Concurrence, de la Consommation, du Travail et de l’Emploi: DARES/DIRECTE) and the Parisian Urban Planning Agency)

Paris is also characterized by its strong drawing power for employment with, in particular, 1.61 jobs per person in the resident working population (compared to: Lyon 1.4 - Toulouse 1.5). Indeed, in 2011, (the most recent information available at the time this document was written). There were close to 1.109 million people in the working population in Paris for 1.788 million jobs (census basis), which gave the Île-de-France department the advantage of having the best job/worker ratio, followed by the Hauts-de-Seine with 1.3 jobs per person in the resident working population.

Paris has the highest proportion of static workers in Île-de-France (68.5% of Parisians work in the Capital) and the lowest proportion of workers commuting out (only 31.5% of Parisians work outside of Paris).

Moreover, the capital has significant influence in regional exchanges: 31.1% of the working population in the Île-de-France region works in Paris. The proportion of the working population entering the city is 57.5%, which means that the majority of jobs exercised in Paris are done so by non-Parisians: these flows predominantly affect labourers and employees given that Paris has nearly 640,300 positions for labourers and employees for only 293,800 Parisian residents who exercise these professions.

On January 1, 2011 (Insee census basis) the Parisian urban area centre had nearly 3,800,230 jobs, both salaried and self-employed, in the private and public sectors including 1.788 million jobs in Paris.

The distribution of jobs per sector shows the predominance of the service sector in the heart of the Parisian urban area, which represents 89% of total jobs.

Corporate services are strongly represented in the urban area centre (642,242 jobs), in particular operational, administrative and support services.

Commerce has 416,998 jobs, 11% of which are occupied by self-employed workers.



The public administration remains a large provider of jobs with 364,682 jobs. By adding healthcare, social action, education and administration services, the totality of these activities represents one out of four jobs. 7% of jobs came from the industry sector in 2011. They are principally concentrated in the production and distribution of gas and electricity (35,677 jobs), the manufacturing of edible goods, beverages and tobacco (29,639 employees) and the manufacturing of transportation equipment (25,252 jobs).

## B. UNEMPLOYMENT

(Sources: Insee and the Unemployment Office)

The unemployment rate (Insee) stood at 7.4% in the 1st quarter of 2017 in Paris, compared to 8.3% in Île-de-France and 9.3% in mainland France. Over one year, the change in the number of people looking for work (the Unemployment Office) for category A (job hunters actively seeking work, without jobs) was -1.8% in Paris (133,220 job hunters in December 2016), -1.6% for Île-de-France and -3.0% for mainland France.

Insee - Paris unemployment rate

Year	Quarter	Rate
2017	1	7.4 (*projected)
2016	4	7.8
2016	3	7.8
2016	2	7.7
2016	1	7.9
2015	4	7.9
2015	3	8.2

Insee - Île-de-France unemployment rate

Year	Quarter	Rate
2017	1	8.3 (*projected)
2016	4	8.7
2016	3	8.6
2016	2	8.6
2016	1	8.8
2015	4	8.7
2015	3	9

Insee -Mainland France unemployment rate

Year	Quarter	Rate
2017	1	9.3 (*projected)
2016	4	9.7
2016	3	9.7
2016	2	9.7
2016	1	9.9
2015	4	9.9
2015	3	10.1
2015	2	10.1



## IV. FOREIGN COMPANIES AND INVESTMENTS

(Sources: Commercial Court of Paris, Insee, Paris Region Entreprise (PRE) and the French Office for International Investments - AFII)

### A. COMPANIES

#### 1. THE NUMBER OF COMPANIES

(Source: Commercial Court of Paris)

The Commercial Court of Paris recorded 391,044 operating companies in Paris on December 31, 2016 (excluding self-employed professions and individual artisanal companies), e.g. a change of +2.6% compared to the same period in 2015.

#### 2. COMPANY START-UPS AND DEFAULTS

(Source: Insee - raw data)

##### a. Company start-ups

Since December 19, 2014, new measures defined by the Pinel law of June 18, 2014 have applied to self-employed workers. In particular, the term micro-entrepreneur replaces that of self-employed worker. For data regarding company start-ups, this new term has been used since December 2014.

Annual changes:

Start-ups excluding micro-entrepreneurs	2016	2015	2015 to 2016 changes
Paris	30,612	28,251	8.40%
Île-de-France	86,335	76,982	12.10%

Quarterly information:

Start-ups excluding micro-entrepreneurs	2016			
	1Q 2016	2Q2016	3Q 2016	4Q 2016
Paris	8,038	7,594	6,775	8,205
Île-de-France	22,810	21,836	19,250	22,439

Source : INSEE, registry of companies and establishments (Sirene) - Commercial businesses excluding agriculture

Over the year 2016, 30,612 companies were created in Paris, e.g. 35.5% of regional start-ups.

Annual changes:

Microenterprise start-ups	2016	2015	2015 to 2016 changes
Paris	27,217	22,042	23.50%
Île-de-France	75,820	66,645	13.80%

Quarterly information:

Microenterprise start-ups	2016			
	1Q 2016	2Q 2016	3Q 2016	4Q 2016
Paris	6,694	6,859	6,200	7,464
Île-de-France	19,032	19,280	17,055	20,453

Moreover, Paris had 27,217 microenterprise start-ups in 2016, representing 35.9% of Île-de-France start-ups.

## b. Struggling companies

(Source: Commercial Court of Paris)

The number of safeguard procedures fell for Parisian companies in 2016 compared to 2015 (-38%). Receiverships increased by 7.5% in 2016 (447 procedures were opened in 2016). Compulsory liquidations slightly lowered compared to 2015 (3,355 opening judgments were pronounced in 2016).

	Number of procedures opened for:		
	protections	receiverships	Compulsory liquidations (opening judgments)
2015	71	416	3,447
2016	44	447	3,355
2015 / 2016 evolution	-38.0%	7.5%	-2.7%

## c. Failing companies

(Source: Insee - Banque de France)

Quarterly changes:

Defaults	2015	2016				Evolution
	4 <sup>th</sup> quarter	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter	4 <sup>th</sup> qtr. 2016/ 4 <sup>th</sup> qtr. 2015
Paris	1,011	1,083	1,123	667	1,088	7.62%
Île-de-France	3,380	3,427	3,372	2,332	3,224	-4.62%

Source : INSEE, Banque de France

Annual changes:

Defaults	2015	2016	2015/2016 changes
Paris	3,895	3,961	1.69%
Île-de-France	12,718	12,355	-2.85%

In 2016, company bankruptcy in Paris affected 3,961 establishments, e.g. +1.69% compared to 2015, while Île-de-France experienced a decrease of -2.85%

Over the course of the year, company bankruptcy in Paris represented approximately one third of bankruptcies in the Île-de-France region.

## B. FOREIGN INVESTMENTS IN PARIS AND THE ÎLE-DE-FRANCE REGION IN 2016

(Source: Paris Region Entreprise (PRE), and the French Office for International Investments - AFII)

In 2016, Île-de-France received 369 foreign investments, e.g. 15% more than in 2015. The jobs created decreased slightly, going from 7,182 to 6,635 and the average number of jobs per investment decreased from 23 in 2015 to 18 in 2016.

Moreover, 70% of companies that chose the Île-de-France region were start-ups, while 30% were expansions, demonstrating the satisfaction of investors already established in the region.

- The United States, Germany, Italy and Japan were the principal investors, and represent half of the foreign investments in Île-de-France.
- 50% of foreign investments came from Europe driven by an increase from Germany (+35%) and Italy (+24%).
- North America and Asia were in 2nd and 3rd positions, representing 26% and 18% of foreign investments, respectively.
- Japan was the main Asian country, ahead of China, to invest in Île-de-France, with investments that increased by a third between 2015 and 2016.

Three sectors stand out in particular, namely “Software and digital services,” “Consulting, engineering and operational services for companies” and “Textiles, Industrial textiles, clothing and accessories,” particularly in terms of distribution, which alone represented 45% of foreign investments in 2016. 50% of foreign investments came from Europe, supported by an increase from Germany (+35%) and Italy (+24%).

Among these 359 investments, Paris received 236 (e.g. more than 65% of the investments), compared to 177 in 2015.

These investments are related to the numerous assets in Paris and its region:

- The quality of its infrastructures, its highly-qualified workforce, its central geographical location within a market and the presence of other significant economic stakeholders are all strong draws.
- Paris is the most accessible city in Europe with an exceptionally dense network at the point of convergence for many infrastructures: 6 large train stations, 5 RER lines, 16 metro lines, 1 tramway, 74 bus lines and access to 6 highways.
- The Île-de-France region is equipped with high-profile infrastructures: it has the second largest airport in Europe, benefits from connections to the TGV network and has multiple infrastructures, including 210 km of metro lines, 1,400 km of RER and railroad lines, 3,000 km of bus lanes, 2,100 km of national roads and highways. With 70 ports distributed over 500 km of shipping channels, the region is also the second largest hub for river transport in Europe. Air traffic is significant: 92.7 million passengers and 693,200 commercial flights in 2014.
- The arrival of the Metropolis, the Greater Paris Express work site, the Charles de Gaulle Express project as well as the other upcoming large urban and scientific projects that put the Parisian region at the heart of an extremely ambitious dynamic are also particularly attractive elements for investors. The upsurge in a very dynamic innovative ecosystem based on around ten sites for business incubation, coworking and fab-labs also puts Paris in an ideal position for large companies concerned about promoting their digital revolution and finding new areas of growth.

## **U. TOURISM IN PARIS**

(Source: Paris Tourism Development Agency - OTCP)

## A. JOBS FROM TOURISM

(Source: OTCP and the Central Office for Social Security Organizations - Acoiss)

In 2015 and 2016, tourism visitor numbers were strongly impacted by the Paris, Brussels and Nice terrorist attacks, as well as by floods, strikes, violent protests and thefts. However, less than a year after the November 2015 attacks, 2016 experienced a return to growth. Few other cities could have experienced such a rapid turnaround.

The tourism sector, which provides of non-relocatable jobs, constitutes a major asset in terms of economic development, international standing and the region's attractiveness.

In 2015, 383,433 direct salaried jobs were counted in tourism-related businesses located in Greater Paris.

- 126,988 positions in transportation (-7.8% compared to 2014)
- 49,052 in housing (+1.6%)
- 146,372 in the food service industry (+1.5%)
- 61,021 in leisure activities (-1.6%)

In 2015, the proportion of salaried jobs related to tourism in Greater Paris was 12%.

## B. PARISIAN TOURISM ACTIVITY

(Source: Atout France and the Paris Tourism Development Agency - OTCP)

In 2016, tourism in Greater Paris was affected by the terrorist attacks and recorded falling rates in visits: the number of arrivals slightly decreased to 21.2 million (-4.5% compared to 2015), as did the number of nights spent, down to 44.1 million (-8.2% compared to 2015). The average occupation rate in accredited hotels was 69.5%, a slight decrease (-6.2 points) over a one-year period.

Greater Paris has 2,029 hotels (including 1,716 accredited establishments), offering 118,669 rooms.

In Greater Paris, 3\* and 4\* hotels are the majority with 61.9% of the hotel stock and 67% of the room stock.

2016		
Category	Nb of hotels	Nb of rooms
1*	48	2,963
2*	333	16,644
3*	829	41,882
4*	427	37,619
5*	79	7,506
unrated	313	12,055
<b>TOTAL</b>	<b>2,029</b>	<b>118,669</b>

(1) Hotels that are not accredited by the Paris Prefecture or are waiting for accreditation.

## C. RECREATIONAL TOURISM

In 2016, visits to museums and monuments decreased significantly. There was a generalized decrease primarily due to the terrorist attacks (in particular resulting in field trip restrictions for students), as well as social protests and poor weather conditions (flooding of the Seine last spring).

Visits to the 10 major cultural sites in Greater Paris - 2015-2016 results

Museums and monuments	2015	2016	2016/2015 variation
Notre-Dame de Paris Cathedral*	13,600,000	12,000,000	-
Sacré Cœur Basilica*	10,000,000	10,000,000	-
Louvre Museum	8,474,000	7,039,000	-16.9%
Eiffel Tower	6,917,000	5,934,000	-14.2%
The Pompidou Centre	3,060,000	3,335,509	+9.0%
Musée d'Orsay	3,439,832	2,997,622	-12.9%
Cité des sciences et de l'industrie	2,013,046	2,196,194	+9.1%
Natural History Museum - Jardin des plantes	1,782,174	1,586,450	-11%
Chapelle Notre-Dame-de-la-Chapelle-Miraculeuse*	2,000,000	2,000,000	-
Arc de Triomphe	1,760,694	1,342,361	-23.8%

(1) Estimations

## D. BUSINESS TOURISM

In Greater Paris, business tourism represented 23.2 million hotel nights in 2016, i.e. 52.7% of nights spent (+38.5 points compared to 2015).

In 2016:

- 1,118 conventions were organized in Île-de-France compared to 1,004 in 2015. On average, a convention lasts 2.2 days and hosts 854,000 conference delegates.
- The medical field still holds the most conventions (37%).
- Lastly, conventions in Île-de-France have an international scope, i.e. 27% of participants come from foreign countries.

ICCA ranking 2015(1)

	Berlin	Paris	Barcelona
Ranking/ Convention	1st with 195 conventions	2nd with 186 conventions	3rd with 180 conventions

(1) International convention cities, according to ICCA criteria

## VI. THE REAL ESTATE MARKET IN PARIS AND THE ÎLE-DE-FRANCE REGION IN 2016

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

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

Excellent stability in the real estate market continued to prove a reality throughout 2016 and resulted in 188,000 homes being sold in Île-de-France, both new and old combined. In 2016, sales increased by 8% in one year for older properties and 10% for new properties. Market fluidity and the steady growth in sales went hand-in-hand with a reversal in price trends and an increase, which, in 2016, progressively spread from the Region's centre to its borders.

The market's resources have not changed. Very attractive rates in 2016 motivated buyers. The end of the wait-and-see attitude in addition to new assistance policies, particularly regarding new homes, also contributed in galvanizing demand. However, the real estate market still remains fragile within an uncertain economic and political context.

#### 1. SALE VOLUME AND PRICES

Nearly 110,000 old apartments were sold in Île-de-France in 2016, i.e. 8% more than in 2015, and 11% more than the average over the past decade. Nevertheless, it would have taken a further 2,600 sales to meet the average annual level for the period from 1999-2007 (-2%). In other words, although the real estate market got back on track, it did not reach exceptional levels.

In 2016, 2- and 3-room housing units made up the majority of apartment purchases for an average surface area of 55 m<sup>2</sup> throughout the entire Region, which did not represent much of a change compared to 2015.

In Paris, the restricted number of properties for sale and the elevated level of prices seemed to weigh on sales, which did not change between 2015 and 2016 (approximately 34,000 sales for each year), and remains well below the 38,300 average annual sales recorded between 1999 and 2007.

The sale of single-family homes was much more dynamic, with an annual increase of 4,200 sales and of 9% between 2015 and 2016. The number of sales increased considerably in 2016 compared to the annual average over the past decade (+7,500 houses, e.g. +17%). It is slightly higher than the annual average between 1999 and 2007. Residents of the Île-de-France region preferred large homes (5 rooms and especially 6 rooms or more) for an average surface area of 103 m<sup>2</sup> compared to 101 m<sup>2</sup> in 2015.

In keeping with this trend, the perspectives for the beginning of 2017 are in a good position, with a market that remains fluid.

Prices started to slowly rise again at the beginning of 2016 in Paris, which has since progressively expanded. The largest increase in prices is generally localized in markets that are already the most expensive.

Even though the volume of sales has made less progress than elsewhere, the increases in price were higher in the capital, signalling the strain on supply and the pressure of the demand in this market. The annual increase in prices intensified over the course of the year in Paris reaching 4.4% in the 4th quarter of 2016. This trend continued into spring 2017.

From the 4th quarter 2015 to the 4th quarter 2016, the price of apartments increased by 3% in the inner suburbs and by 2% in the outer suburbs. However, contrary to what was observed in Paris, the values only changed marginally in the following months. In total, and given the past increases, the annual increase in the price of apartments could rise by 2.3% in the inner suburbs and 1.6% in the outer suburbs in April.

For houses in Île-de-France, the index from the 4th quarter 2016 showed an annual increase of 2.3% over one year. A slight acceleration is expected up to April, and prices may increase by 3.8% over one year according to specialists in the sector.

On many fronts, the market context should barely change, both in terms of the growth perspectives and the change in buying power. The desire to become a property owner for many Île-de-France residents, the lack of reassuring alternative locations, concerns regarding the international context in both the United Kingdom and the United States makes real estate look like a safe investment.

The main concerns that weigh on the market are financial in nature. The increased solvency of households is extremely dependent on exceptionally attractive interest rates and the easy and quick access to home loans. Indeed, the prices, after having decreased a little, have now started to rise again. The very first, and recent, increases in interest rates have started. However, in the short term, they could create quicker decisions to buy, before they ultimately slow down the market.

According to Île-de-France notaries, the pre-electoral context did not seem to provoke a wait-and-see attitude. Assistance programmes will continue to support investors in new real estate (PINEL law) and first-time buyers (Zero-interest loan). However, the situation could be less certain if something occurs that substantially modifies this deal and brings notable changes to the conditions for purchasing, owning or reselling a home.

It seems reasonable to expect a scenario of continuity, with a good level of continued activity and moderately rising prices. Nevertheless, the fragility and the extreme dependence of the real estate market on external factors are both increasing and allowing strong doubts to linger.

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

### **1. OFFICE REAL ESTATE IN ÎLE-DE-FRANCE**

With a little more than 2,410,000 m<sup>2</sup> of commercialized surface area, the market for offices in Île-de-France ended 2016 on the rise at 7% compared to 2015. The past year showed renewed energy in the market since its supply once again clearly exceeded its ten-year average (2,283,000 m<sup>2</sup>). Consolidating the excellent dynamic that began in the second half of 2015, the transactions involved are principally for more than 5,000 m<sup>2</sup>, which has given the market a boost, by recording a 23% increase in volumes compared to last year.

Transactions over 20,000 m<sup>2</sup> particularly stood out in 2016 (+37%), especially with EDF signing off on 39,000 m<sup>2</sup> in Smart Side (Clichy) and BNP Paribas on 23,300 m<sup>2</sup> in Millénaire 1 (Paris 19th), as well as the acquisition by Française des Jeux of 25,000 m<sup>2</sup> in the Delta (Boulogne-Billancourt) and 20,000 m<sup>2</sup> in Qu4drans by Altice Media (Paris 15th) over the course of the 4th quarter. Despite a slight downward trend (-1%), small- and medium-sized surface areas remain stable at an elevated level.

Smaller transactions (0 - 500 m<sup>2</sup>) performed particularly well (+4%) while the 500 to 2,000 m<sup>2</sup> (-5%) and the 2,000 to 5,000 m<sup>2</sup> (-2%) categories experienced more mixed results.

The year 2016 marked the return of La Défense to the forefront of Île-de-France markets. Transactions there experienced a particularly marked rise, with volumes having practically doubled (+93%), driven by numerous large-scale transactions. Within Paris itself, the market continued to over-perform, particularly in arrondissements outside of the Central Business District (QCA: a district on Paris's right bank covering a portion of the 1st, 2nd, 8th, 9th, 16th and 17th arrondissements) with an increase of +28%, while that in the QCA remained stable (-1%). Results differ more in other sectors. Some exceed the ten-year average, such as Neuilly-Levallois (+26%) and the inner eastern suburbs (+94%), others record considerable increases, but remain short of their ten-year average, such as the Northern Loop (+26%) and the inner southern suburbs (+47%), while other sectors are set even further back.

The one-year figure for properties on offer on January 1, 2017 amounted to 4.37 million m<sup>2</sup>, a 10% decrease over the past twelve months. The proportion of new and refurbished premises remains low and only represents

19% of the total offer, e.g. 800,000 m<sup>2</sup>. The spaces under construction continue to develop, with 1,135,000 m<sup>2</sup> currently in the process of construction. Many sites are expected to be completed in 2017 and 2018, including in the traditional business districts such as the Paris QCA.

The vacancy rate, on a downward trend up until now and currently standing at 6.7% for all of Île-de-France, could therefore stabilize, or rise in certain sectors. With 15.9% of unoccupied premises, the Péri-Défense still has the highest vacancy level in the region, followed by the Northern Loop, with 12.7%. Conversely, the vacancy rate within Paris itself is the lowest, at 3.5%. La Défense has a vacancy rate of 9%, mainly represented by second-hand offers, while empty new office spaces are rare.

## **2. OFFICE REAL ESTATE IN PARIS**

### **a. Annual transactions inside and outside the Paris QCA in 2016**

2016 transactions both inside and outside the Paris QCA (Central Business District) represented 1,108,000 m<sup>2</sup>, compared to 829,000 m<sup>2</sup> in 2015, i.e. a 14% increase. Paris represented 43% of office sales in Île-de-France in 2016.

Paris QCA: transactions, all surface areas combined, went from 451,000 m<sup>2</sup> in 2015 to 445,000 m<sup>2</sup> in 2016 in a slight downturn (-1%).

Outside of the Paris QCA: transactions outside the QCA, all surface areas combined, went from 520,000 m<sup>2</sup> in 2015 to 663,000 m<sup>2</sup> in 2016, e.g. a 28% increase.

### **b. Vacancy rate inside and outside the Paris QCA**

The vacancy rate for the 4th quarter 2016 in the Paris QCA was set at 3.5%, a clear decrease compared to the previous year when it was established at 4.7% in the 4th quarter of 2015.

For offices located outside of the Paris QCA, the vacancy rate also lowered markedly, reaching 3.1% in the 4th quarter of 2016, compared to 4.7% in the 4th quarter of 2015.



# MUNICIPAL POLICY FOR THE ECONOMY AND EMPLOYMENT IN PARIS

The question of economic development and employment involves issues related to real estate, entrepreneurship, innovation, tourism, commerce, professional training, higher education and international attractiveness. This is a complex dynamic, which can be understood aggregately; Anne Hidalgo's new term of office falls in line with this approach and displays a strong desire to make Paris a "welcoming, harmonious, sustainable, smart city, at the forefront of urban transformations and innovations made necessary by issues such as climate, housing, changes in the forms of social interactions and ways in which we work" (Anne Hidalgo).

In the roadmaps given to elected officials directly in charge of economic questions, importance is thus placed on:

- A very ambitious city planning policy with the continuation of large urban projects already started, the development of numerous other projects (Bercy-Charenton, Foch-Dauphine-Auteuil, the "Reinventing Paris" call for projects), the mobilization of real estate and the modification of the Land Use Plan
- Encouraging entrepreneurship (support, financing, incubator spaces, etc.) and supporting small businesses in the region
- The advent of Paris as a Smart City ("Arc de l'innovation," the spread of innovation in the city, etc.)
- Taking into account the metropolitan dimension in Paris's economic strategy
- Supporting cultural enterprises, artistic professions, fashion, design, local businesses
- The desire to make Paris the first City-Campus in the world
- Better matching between job offers and those looking for work
- Developing a Parisian "Tourism Development Plan" providing a strategy for tourism lasting several years, and a Destination Paris Committee, a coordination and centralization tool for projects and ideas in favour of tourism.

## I. THE ECONOMIC POLICY FOR THE CITY OF PARIS

### A. CORPORATE REAL ESTATE

The Department for Attractiveness and Employment (Direction de l'Attractivité et de l'Emploi: DAE) works on the economic programming of urban development operations in Paris, tracks demand in terms of corporate real estate, premises for training, and for education and research in collaboration with the Department of Urban Planning and Paris & Co, the agency for economic development (which researches sites for establishing large companies, etc.); it also initiates real estate projects in order to accommodate research institutes and start-ups in business incubators, business accelerators, business parks, multi-use premises, coworking spaces and research platforms.

Paris is an initiator of multiple arrangements for corporate real estate transactions developed in favour of economic and research activity in the capital.

Several management methods are possible:

- Direct management when the city is the owner and manager of the property (cité artisanale des Frigos, the Ateliers de Paris business incubators)
- Property granted to external operators (SEMs or private investors): business incubators, accelerators, coworking spaces, business parks and other business premises (also including covered markets and commercial premises)
- Property owned in their own right by the City's SEMs: see above.

Economic development is thus at the heart of the City's priorities: it has been advanced and supported since 2001 through the construction of new, more diversified and adaptable real estate properties making it possible to accommodate new and emerging industries.

Municipal policy in terms of economic development enabled the creation of a total of 360,000 m2 in corporate real estate stock including:

- 220,000 m2 at the service of artisanal and manufacturing companies for the first buildings constructed between 1980 and 2001
- 41,000 m2 of business parks and business accelerators for new companies as well as those in the innovation economy built between 2001 and 2008
- 100,000 m2 launched between 2008 and 2014 within the framework of the Incubator Plan to accommodate the new economy at the beginning of the 21st century (human healthcare, biotechnology, eHealth, intelligent cities, eco-businesses, construction and energy, publishing, digital, finance, design, aeronautic, individual services, corporate services, the social and solidary economy, education, circular economy, sports and recreation, culture, etc.).

In addition, there are more than 200 workshops dedicated to the industry of creation and design professions characterizing the savoir-faire of France and its Capital: Ateliers de Paris rue du Faubourg St Antoine (12th), Ateliers Paris Design rue Faidherbe (11th) in conjunction with the Boule, Duperré, Estienne and Olivier de Serres schools, Viaduc des Arts and its business accelerator, Frigos and M1D on Paris's Left Bank, Mila for the support of musical production (20 sites), Fontaines O books, etc. The construction of the Cour de l'Industrie (11th) draws to a close in 2017 with the renovation of approximately fifty workshops and there will also be future workshops in the Métropole business complex and the Villa du Lavoisier (10th), which will be completed between 2017 and 2018.

Moreover, in December 2015, a new project was launched: the Arc de l'Innovation. From porte Pouchet to porte de Vanves, from Saint Ouen to Malakoff, going clockwise around Paris, the Arc de l'Innovation project brings together four regions: Paris, the Plaine Commune, Est Ensemble and Grand Orly Seine Bièvres - and twenty-odd cities, making up one of the very first construction projects for the Metropolis.

These partners collectively decided to use urban, economic, social and environmental innovation for the development of the region, the creation of jobs and the training of young people. This strategy is in accordance with the larger issue of participating in the East/West rebalancing of the Metropolis and positioning Greater Paris as a global reference for the economy of innovation and knowledge.

Paris gave itself the objective of "creating 10,000 square meters of additional incubators... in order to develop a new field based on knowledge and innovation" (Anne Hidalgo): innovative premises, sites for research, education, housing, new forms of business, etc. The project will also incorporate spaces related to what are called new economic forms: the sharing economy, the circular economy, the collaborative economy, etc. It is a question of rethinking the ways in which we manufacture, circulate, live, move, etc. and utilize these new approaches in terms of real estate and construction.

In October 2016, the mobilization of economic property made it possible to incorporate, in the first phase of the urban "Inventing the Metropolis" call for projects, ten sites from the Arc de l'Innovation territory.

On December 8, 2016, the Arc de l'Innovation celebrated its first anniversary and launched a call for applications for 50,000 m<sup>2</sup> of premises to rent out in this perimeter, split up over approximately thirty sites.

Unprecedented in nature, the arrival of all these spaces on the market made it possible to establish new stakeholders in search of premises, which will enrich and promote diversity and exchanges at the local level by anchoring and opening up business to the neighbourhood.

Lastly, after the financial agreement signed with the City and the Deposits and Consignments Fund on July 26, 2016 regarding the Arc de l'Innovation, a new metropolitan agreement was signed on December 8, 2016 with the Deposits Fund, the institutional investor serving public interest, which has been fully engaged from the outset in this project destined for Urban Policy priority neighbourhoods. This metropolitan protocol will make the financing of new projects possible.

The collaborative work between cities and regions continued in 2017 in terms of urban planning and economic development, in concert with stakeholders from the region, with the transformation of the city gates of Paris into hubs within the polycentric Greater Paris, as well as training programmes for sections of the public that find themselves excluded, and supporting emerging trends that represent examples for the City of tomorrow (computer programming, Fab Labs and the maker movement, circular economies and social innovation, etc.).

## **B. SUPPORT OF YOUNG COMPANIES AND INNOVATIVE INDUSTRIES**

The City of Paris works towards facilitating the development of companies in order to increase local jobs and the international attractiveness of Paris. These objectives are implemented through several support programmes and through large structuring projects in order to support sectors providing jobs for today and tomorrow.

Thus, faced with the significant shortage of digital technology professionals (developers, marketing communication and sales, IT project leaders, system administrators, information analysts and legal data specialists, etc.) representing an obstacle to economic growth, in 2016 the City of Paris launched the "ParisCode" program. Its goal is to eventually train 2,000 new people per year and make digital technology a catalyst in order to develop the employability of Parisians in search of work, promote access to sustainable employment or the return to the job market and improve the diversity of professional profiles in digital technology. Starting in 2017, 1,300 people will benefit from 14 training programmes that win the call for projects.

The city also anticipates upcoming transformations in the means of production by supporting the "Makers" community. This movement, which promotes the innovative usage of new technologies coming from electronics, robotics, digital machines, as well as all recent technologies derived from 3D printing, is at the crossroads of several disciplines, the alliance between new technologies and traditional methods of production. Consultations were launched with this community in order to build support and development projects together, which in 2016, under the framework of the "Paris Cité des Makers" program, has already financed 157,000 euros of aid in investments to four structures and 543,000 euros for the creation of refurbishing centres.

Moreover, the support of "Makers" is inscribed in a broader vision of the necessary change in terms of territorial scale so that Paris remains among the most competitive global metropolises. It is with this in mind that the Arc de l'Innovation project was launched, a project that aims, within central Paris and without, to mobilize public and private investments on a massive scale to promote innovation and the creation of jobs. Officially launched on December 17, 2015 by the Mayor of Paris and the Presidents of the Parisian Northeast regions, the anniversary of the project was the perfect occasion for the first call for applications, launched on December 8, 2016, proposing more than 50,000 m<sup>2</sup> at attractive prices and rents, distributed over 30 sites, for stakeholders (companies, associations) invested in the creation of businesses and jobs and participating in a community dynamic at the service of economic, social and urban innovation.

To a greater extent, and well beyond simply heralding and anticipating these developments, the City of Paris acts in order to ensure its territory is a land of innovation, by facilitating the establishment of companies (1), by offering them solutions in order to find their initial financing (2) and, lastly, by offering them a launch and visibility favourable to their development (3).

## 1. SUPPORTING COMPANIES

Paris & Co., the result of the merger between the Paris Region Innovation Laboratories and Paris Development, has been the economic and innovation agency for the City of Paris since January 1, 2015. This agency is in charge of developing Paris's attractiveness, implementing assistance for innovation within Parisian incubators, testing innovative solutions by companies in the region as well as organizing events promoting the local economy and connecting start-ups with major accounts in order to promote open innovation. Through the support of the City of Paris, Paris & Co. accommodates and supports more than 200 start-ups per year, spread out over 10 sites, in their development. The most recent location, le Cargo, opened on March 8, 2016, represents the largest incubator in Europe with over 15,000 m<sup>2</sup>.

Innovative start-ups are also accommodated and supported within the scope of the "Paris Innovation" incubator network. These incubators, both public and private, propose legal and strategic consulting services in addition to rent at moderate prices for the companies that they host.

This policy of providing accommodation and support for young and innovative start-ups in the Parisian region could be developed thanks to the creation of the Parisian business incubators/accelerators program. The ambitious objective to build 100,000 m<sup>2</sup> for business incubators and accelerators for the 2008-2014 term was surpassed, today making Paris, with nearly 60 incubators, hothouses, accelerators, and 16 ongoing projects, the top European city for welcoming start-ups. In addition, it should be noted that Station F, a private initiative project and the largest incubator in the world, located in a 34,000-m<sup>2</sup> former railroad cargo building was inaugurated in 2017.

- The Welcome City Lab, the first tourism incubator in the world, opened its doors in September 2014. The fruit of a collaborative effort between the City of Paris and numerous partners such as the Airports of Paris, Air France and Sodexo, this incubator provides companies with a dedicated space of 1,000 m<sup>2</sup> allowing them to create the tourism of tomorrow. In 2016, this innovation platform changed scale by moving to a 2,000-m<sup>2</sup> space in the Mattei towers, near the Gare de Lyon, in order to further develop their offer to start-ups and expand it to companies in the seed phase.
- Le Tremplin, the first incubator in the world dedicated to innovation in sports, was inaugurated on April 8, 2015. This incubator welcomes promising start-ups in the field of sports innovation (new technologies, data, ticket sales, etc.). Managed by Paris & Co., it is supported by many partners such as the INSEP, UCPA, Française des Jeux and Bercy Arena. In 2016, 35 companies, e.g. two rounds of applications, integrated the incubator's premises within the Jean Bouin stadium in the 16th arrondissement.
- The innovation platform Le Cargo, located on boulevard MacDonald (19th), was inaugurated in 2016. This building, in which Paris & Co. set up its headquarters, offers young and innovative, creative and cultural companies (e-education, video games, digital publishing, digital press, 3D animation, music, audiovisual, radio, internet, etc.) with premises and support services at moderate prices. Created from 125 lots varying in size from 30 m<sup>2</sup> to 120 m<sup>2</sup>, 3,000 m<sup>2</sup> are dedicated to the incubator, 7,000 m<sup>2</sup> to the business complex and 2,800 m<sup>2</sup> to third-party and collective spaces. Its goal is to become a reference for the metropolis, combining, on the same site, a multi-usage and multi-practice offer that brings together entrepreneurs, researchers, artists, students and professional training programmes in digital technology.
- The Smart Food innovation program, dedicated to the food industry, welcomed its first batch of 20 start-ups in mid-2016. Its goal is to promote young innovative companies that contribute to reinventing gastronomy and food.
- The "Real estate of tomorrow" incubation programme encompasses a broad field: the modelling of building data (BIM (Building Information Modelling) revolutionizes the way in which buildings, infrastructures and technical networks are organized, conceived, created and managed), new uses for on-demand rentals, new heating solutions and urban agriculture. Since 2016, it has accommodated a first batch of 20 start-ups within the Nord Express building, the incubator dedicated to the sustainable city that extends over 8,000 m<sup>2</sup> in the 18th arrondissement.

- Under the Canopy, follows on from the Les Halles refurbishment project, “La Place,” a 1,400-m<sup>2</sup> space, inaugurated in spring 2016, and hosts a hip-hop cultural centre within which a project incubator, “Espace E” highlights the entrepreneurial dimension of hip-hop music and has supported approximately thirty projects since its opening.

Lastly, the City developed a programme for the temporary occupation of unoccupied municipal buildings, like the Serpollet towers (20th) or Saint Vincent de Paul (2nd), at very accessible prices in order to open up its territory to more than one hundred economic stakeholders by making it possible for them to benefit from a Parisian address at an affordable price.

## 2. FINANCING

The City of Paris supports the emergence of new projects through different financing programmes. When the law on the New Territorial Organization of the Republic, aka the NOTRe law, came into effect it strengthened regional economic authority and redefined the scope of intervention that the Parisian local authority had in this domain. Thus, the region is responsible for creating a regional economic innovation and internationalization development plan (schema regional de développement économique, d’innovation and d’internationalisation: SRDEII), which is prescriptive in nature and defines the assistance programmes for companies. In this context, the City of Paris withdrew from a certain number of programmes that it had formerly supported while obtaining the approval of the region to continue others perceived as particularly necessary.

Paris Innovation Amorçage (PIA), created in 2009, is a programme born from a partnership between the Department of Paris and Bpifrance Île-de-France. Its goal is to financially support young and innovative companies in the creation, project launch and development phases. PIA is a fund that rounds out the range of services (reception, hosting and assistance) proposed to entrepreneurs or young companies developing innovative projects within the Capital’s “Paris Innovation” incubators by the two financiers.

Since 2009, the PIA has been financed in equal parts by the City, which contributes to its funds, and Bpifrance Île-de-France, which invests an equal amount in projects and takes care of the fund management. In 2016, the City invested €3 million, leading to an equivalent contribution being made by Bpifrance Île-de-France innovation, which brought, on December 31, 2016, the total of the fund up to €41 million since its creation or more than 1,000 projects supported since the creation of the program.

This fund finances two company assistance programmes by creating a start-up fund in the form of subsidies of up to 30,000 euros for companies incubated in the “Paris Innovation” network and financing the testing of innovative solution projects in the Parisian region. Moreover, a framework agreement on testing in Paris (with or without occupation of the public domain) was voted on in 2015 by the Council of Paris, in order to facilitate implementation and development.

In 2016, assistance in the form of a repayable advance of up to 100,000 euros, targeted at companies in development, or in the seed phase, ended. This decision appeared necessary in order to recalculate the assistance provided for capitalization during the seed and early development phases, particularly in terms of all the assistance provided by the Region and BPI, which already dedicates a number of measures to young and innovative companies at a more advanced stage.

As of 2017, within the framework of the SRDEII (Regional economic, innovation and internationalization development plan, a programmatic document establishing the major strategic economic guidelines for a region), this programme has been incorporated into the “Innov’up” regional assistance programme with which it complies, while still preserving its Parisian identity.

Moreover, the City of Paris supports major events organized by innovation centres. The Futur en Seine festival, for example, organized by the Cap Digital centre and dedicated to digital creation since 2009, has become a major cultural, technological and festive event. Increasingly open to symbiosis between the stakeholders of the Maker Faire or OuiShare, Futur en Seine gives important visibility to digital stakeholders in the Île-de-France region, particularly on “fundamentals” such as: promoting emerging technologies, laying the groundwork in terms of usage, a major societal “laboratory” on digital practices, etc. The Open World Forum, renamed the Paris Open Source Summit in 2016, organized by Systemic, represents the first Free and Open Source event in Europe.

The City of Paris's actions in favour of companies are not limited to innovation. The city thus pays support subsidies to business cluster's activities or local productive systems like Capital Games, Cluster eau-milieus-sols and Durapole.

In parallel, the city supports private financing networks for entrepreneurship. Paris Initiative Entreprise provides interest-free loans or bank guarantees to fund the taking over and development of companies and associations generating jobs. The Réseau Entreprendre Paris, for its part, helps companies with strong developmental potential through interest-free loans. In addition, the Parisian local authority supports Scientipôle Croissance, an organization that provides support and advice to winning innovative start-ups from the Scientipôle Initiative association, which also proposes interest-free loans.

Lastly, Paris is a partner in the Pacte PME, a programme giving SMEs access to public order contracts by introducing public buyers to innovative companies. Pacte PME also set up a speculative innovation platform making it possible for SMEs to propose new open innovation solutions to major accounts.

Among the programmes from which Paris withdrew due to the territorial reform, is support for innovation clusters through operational subsidies and the financing component for Very Small Companies, SMEs and laboratories involved in projects conducted under the framework of the Fonds Unique Interministériel (FUI), excluding any FUI agreements previous to the NOTRe law for which the City remains contractually engaged.

### 3. PROMOTION AND ASSISTANCE FOR PARISIAN COMPANIES

The City of Paris's testing policy, set up since 2010, makes it possible for companies in the region to test their products in real-life conditions. The testing of products and innovative services in the Parisian public domain was continued with the operational support of Paris & Co. Thus, for the past 6 years, ten calls for projects were launched, ranging from smart street furniture to innovative green buildings to energy efficient buildings. In total, nearly 110 tests were set up in Paris (mushroom beds using coffee grounds as a substrate, energy consumption monitoring tools, smart street furniture).

Since the cultural economy is a vector for economic development, the Term of Office Investment Programme (Plan d'Investissement de la Mandature: PIM) plans on dedicating €6 million over the term of office in order to promote the emergence, development and adaptation to new standards of local stakeholders in the cultural sector. Two interventional approaches were retained for this investment program, with a support plan for concert halls and another one for exceptional cultural businesses (bookstores, music stores, art galleries) including an assistance component to the existing network.

The City of Paris, with the support of Paris & Co, and in connection with Paris Region Entreprises, the economic development agency for Île-de-France, also tries to promote the quality of the Parisian innovation ecosystem abroad. Paris's drawing power is based on a two-point plan: welcoming foreign companies to the region and internationalizing local companies. Besides assistance for any innovative company establishing itself in Paris, the municipal objective is to reach a 30% ratio of innovative start-ups within Parisian incubators during the 2014-2020 term. On the other hand, the City of Paris has set up partnerships with foreign cities in order to facilitate the exportation of Parisian start-ups and SMEs. Within this framework, Paris is twinned with both London and New York. In addition, Paris&Co has launched a new plan for welcoming foreign companies, the Paris Landing Pack, which aims to facilitate the establishment of international companies in the capital by offering incubation and hosting solutions.

In 2015, the City of Paris and the French Tech mission jointly launched the "Paris French Tech Ticket" program, aimed at foreign entrepreneurs and those with an ambitious plan to create or develop a start-up. Following the competition launched in May 2015, 1,372 candidates from more than 100 countries applied in order to come and create their start-up in Paris. At the end of a selection process that lasted several months, 50 entrepreneurs were selected and arrived in Paris in January 2016. The first batch was honoured during the Hacking of City Hall event, which took place on March 22, 2016, on the theme of "Start-ups without borders," and brought together 3,000 participants from 50 countries. At the end of this first year, the results have been particularly positive: 18 winning start-ups out of 22 would like to continue their development in France, half of them have registered or are in the process of registering their company in France and seven start-ups raised funds for a total amount



of €2.8 million. For its second edition, twice as many candidates from more than 100 countries were received, bringing their number to 2,700 for 1,220 projects.

Moreover, company support provided by the City of Paris is provided through an active network based on innovation and entrepreneurship in Paris. Many events are organized by the City in partnership with Paris & Co and key accounts, within the framework of an Open Innovation Club, which currently assembles more than 70 members from the largest companies in the CAC 40. The purpose of these events is to promote start-up projects in the “Paris Innovation” network, facilitate encounters between investors and start-ups and promote innovation and the enterprising spirit in Paris. For example, in 2016, the 15th edition of the Grand Prize for Innovation from the City of Paris, based on the theme of “the Living City,” gave awards to 8 companies in categories such as digital technology, healthcare, eco-innovation, social action, cultural and creative industries, individual services, corporate services and the factory of the future. Each winner, chosen among nearly 400 start-up candidates, received a check for 12,000 euros and was given a spot in a City of Paris incubator.

Moreover, Parisian policy for innovation, which aims to make Paris a worldwide hub for start-ups and for innovation in general, was given an award on April 8, 2016 by the European Innovation Capital competition organized by the European Commission. Its strategy, based on open innovation, connectivity, creativity and collective intelligence, was thus recognized at European level as being among the 3 most innovative cities in the EU in 2016.

Lastly, Paris, which hosted the COP21 (2015 Paris Conference on climate change) won the WWF’s 2016 Earth Hour City Challenge, awarded to cities that are inspirational role models in terms of fighting against climate change, for “its ambitious vision and [its] certain ability to integrate and bring about its policy of sustainability to corporations, civil society and other cities.” This holistic approach also involves analysis, led jointly with other European metropolises, on the ways in which public orders are shared, in order to encourage the industrial sector to develop its investments in clean and sustainable technologies that are respectful of the environment.

It is clear that Paris is a city that resolutely projects itself into the future by rising to meet economic challenges and reconciling them with environmental and societal imperatives. In this regard, the most symbolic act that recognizes its transformation might be the selection of Paris, together with Toulouse, to host 2018 “FAB 14,” the 14th annual Fab Lab network conference, which aims to transform cities within the network into “fab cities”, locally self-sufficient and globally connected by 2050.

#### **4. THE ATELIERS DE PARIS**

This structure is answerable to the Department of Attractiveness and Employment and is dedicated to the development of creative companies in the artistic, fashion and design professions. The Ateliers de Paris (or Paris Workshops) organize exhibitions, economic assistance, training, and incubators. It is a true network, providing a complete programme of support for creators, either hosted within its structures or off-site, as well as a dynamic programme of events at the gallery and off-site. With its two incubators and accelerator, it provides daily support to entrepreneurs in the creative professions.

In 2016, the Ateliers de Paris celebrated ten years of leading the industry by organizing numerous events both on- and off-site. Thus, the Paris des Talents exhibition, from November 22nd to December 31st, showcased 70 works created by residents in the Ateliers and received more than 7,000 visitors.

##### **a. Support and promotion:**

The Ateliers’ support involves two principal components. The Consulting Department, with the help of various specialists, informs, receives and supports companies and future entrepreneurs. Collective training programmes discuss company management issues (communications, price management, sales, etc.).

Regarding the Ateliers de Paris’s economic support component, in 2016 there were:

- 34 projects continuously hosted in 2 incubators and one accelerator - these entrepreneurs remained there throughout 2015 and 2016

- 199 individual consultations given by consultants specialized in management, communications, law and accounting - 190 by the Geai Incubator and 105 by the BGE
- 75 training programmes proposed and 185 companies assisted (i.e. approximately 600 beneficiaries)
- more than 10,000 information requests received - these requests were in regards to calls for applications (Grand Prize for Creation, Improvement Award, etc.), finding professional premises, assistance and training, ADP residences, different events such as exhibits and professional presentations.

Regarding the promotion component, the gallery had 7 exhibitions and exhibited work from more than 100 creators in 2016 and received approximately 15,000 visitors. The gallery also hosts events such as pop-up stores, and fabric or designer sales organized by the residents from the Ateliers de Paris or associations.

Each year, the City of Paris awards 6 Grand Prizes in Creation in three different disciplines: fashion, design and the artistic professions. In 2016, the Grand Prizes for Creation were given in recognition of the careers of three emerging designers (active for less than 5 years) and three experienced designers (active for more than 10 years) working in France.

In 2016, 10 Improvement Awards of €10,000 each were awarded by the City of Paris to young adults completing their training, or to people reconverting professionally in the sector of artistic professions. Approximately thirty applications were received and studied by the Jury. These prizes are awarded to young adults, regardless of whether they are graduates, who have a genuine plan for professional integration into one of the 198 artistic professions concerned: leather goods, painting restoration, cabinet-making, etc.

The Ateliers de Paris participated in 8 off-site events: Maker Faire, Design mode d'emploi, Pop-up store à l'Exception, Biennale Emergences, Carrousel du Louvre, Première Classe, Now le Off, Maison et Objet. At some of these events (Maison et Objet, Now le Off), Ateliers de Paris was especially honoured for its ten years of service.

#### **b. Expertise and jury panels**

The Ateliers de Paris' team provides its expertise to numerous partners in the field. It also participates on jury panels for several awards as well as for schools, such as:

- a small business promotion agency for the admission of applicants to incubators (monthly)
- a jury panel for the Voyager programme in order to learn about artistic professions from the Fondation Culture et diversité
- jury panels for diplomas: ESMOD, Mod'art, Duperré, Mod Spé, ENSAAMA, FORMAMOD, CREAPOLE, LISAA, Strate Collège (art, creation, fashion and design schools located in Paris)
- jury panels and commissions: Liliane Bettencourt pour l'Intelligence de la Main Award, Esprit de Paris Competition, Ateliers d'Art de France Competition, Avenir de l'Institut National des Métiers d'Art Award, l'Observateur du design Award, Grand Prize of the Fashion Festival in Dinan, Détournement des matières Award, Rado Award from Paris Design Week, Paris Shop&Design shortlist, Entreprendre dans la Culture Award.

#### **c. Presentations and conferences**

The Ateliers de Paris present their work at school conferences or professional design forums: presentation of the Ateliers de Paris to students from the Ecole Etienne and the ENSAAMA; conferences at the Maison et Objet salon, the Forum de la Mode, the International Chamber of Commerce, the Musée de la Chasse and D'Days, organization of and participation in the Conference on the Contemporary Kyoto project at City Hall.



#### d. Travel and reception

Travel to Saint-Etienne for the Design biennial. Trips to Milan, Kyoto, Brussels and reception of several delegations (companies, journalists, buyers and students).

#### e. The Ateliers de Paris's endowment fund

The Ateliers de Paris's endowment fund for design professions (PARISCREATION endowment fund) once again benefited from the support of several patrons in 2016 (€154,720 for projects carried out or initiated in 2016). Other patrons participated in different projects (the Viaduc des Arts Accelerator, Itinéraires Succès Métiers d'Art, etc.) demonstrating their desire to support, in their own right, design professions: Fondation Bettencourt-Schuller, the Daniel and Nina Carasso Foundation, the Galeries Lafayette department store, Fédération Française du Prêt-à-porter Féminin and MAD Bruxelles, Centre de Mode et du Design, etc.

### C. TOURISM

In Paris, the most visited destination worldwide, tourism represents a major economic resource. Each year, the sector represents nearly 40 billion euros of economic benefits for Île-de-France and generates more than 500,000 salaried jobs.

Paris's attractiveness encourages it to continuously improve the way in which it welcomes visitors, while also enriching their experiences and stimulating the economic impact of their visits by constantly proposing updated and increasingly personalized offers that reflect a modern cosmopolitan and innovative capital city that is open to the world, particularly in the context of Paris's candidacy for the 2024 Olympics.

The year 2016 was essentially dedicated to pursuing the development of the Tourism Development Plan launched in 2015. The Plan defines the tourism strategy for the City of Paris up to 2022. It was created in close collaboration with the Paris destination committee, an institution for dialogue and the co-construction of solutions and projects bringing together all the stakeholders in tourism: public, institutional and community partners, companies (key accounts, transporters, cafés-hotels, restaurants, businesses, etc.), as well as cultural and recreational sites.

The Tourism Development Plan was presented to the Council of Paris in November 2016 and was immediately put into effect. It sets the direction of public tourism projects and represents a transversal mobilization roadmap for both the City's Departments and the industry's different stakeholders in the years to come.

Its goal is to formalize the investments and development of all municipal public policies that contribute to the quality of the tourist's experience, the dynamism of the tourism economy as well as the promotion of Paris as a destination. Additionally, it aims to identify and structure new Parisian tourist areas as well as metropolitan collaborations.

It defines an operational action plan in 59 practical task sheets, focusing on four areas:

- unique experiences
- a caring city
- sustainable tourism
- a destination of excellence.

## 1. AREA 1: UNIQUE EXPERIENCES

23 task sheets commit the City and its partners to:

- strengthening its existing assets (heritage, culture, gastronomy, shopping, and business tourism)
- strengthening emerging sectors (nightlife, LGBT tourism, urban tourism, major events, and river tourism)
- creating new offers (green tourism, remembrance tourism);
- unveiling new areas (new neighbourhoods to discover, and metropolitan collaborations).

## 2. AREA 2: A CARING CITY

Through the implementation of 27 task sheets, this involves:

- improving fluidity (a seamless city) by reducing waiting times, optimizing flow management, and using paperless ticketing
- promoting a welcoming and hospitable city (modernizing information centres, youth civic service volunteers, and innovative solutions for a multilingual reception)
- being considerate to all visitors (disabled access, families, and low budgets)
- proposing support before, during and after the visit (information, signage, assistance, Wi-Fi and satisfaction management)
- ensuring the comfort and safety of tourists at all times (safety plan, cleanliness, and toilets).

## 3. AREA 3: SUSTAINABLE TOURISM

The 10 task sheets for this category aim to promote tourism that is harmonious, collective and respectful of the environment by:

- controlling the development of tourist vacation rentals
- analysing the impact of tourism zones
- supporting the social and solidarity economy in the field of tourism
- developing “participatory tourism” and encounters between Parisians and visitors
- providing sustainable transport solutions (soft modes of transport, collective transportation, and limiting tour buses)
- sustainable development approaches in the hotel trade
- encouraging the ecological management of events.

## 4. AREA 4: A DESTINATION OF EXCELLENCE

The goal of the 9 task sheets in this category is to develop the efficiency and attractiveness of the destination by:

- developing its capacity for hosting visitors in order to deal with the increase in flows (metropolitan hotel plan, and improvement of Paris's connectivity)
- improving governance (supporting the modernization of the Paris Tourism Development Agency, and sharing and strengthening public means for promotion);
- animating professional networks and supporting the sector (Paris destination committee, support for jobs and training, stimulate tourism innovation, international strategy for the City).

## **D. COMMERCE - HANDICRAFTS**

### **1. VITAL QUARTIER PROGRAM**

The “Vital’ Quartier” program, initiated in 2004 in six initial sectors (Vital’Quartier 1/2004-2015) and then extended to five additional sectors (Vital’Quartier 2/2008-2021), is dedicated to supporting or restoring commercial diversity by fighting against monopolies and commercial vacancies.

The Vital Quartier 1 program, started in 2004 and ended on 12/31/2015. The programme made it possible to manage 292 premises, e.g. a total surface area of 35,000 m2 and created 341 jobs.

The Vital Quartier 2 program, which started in 2008, continues until 2021. Throughout 2016, 7 premises were acquired, e.g. a total of 87, which added to the 23 signed protocols making it possible to manage how the premises concerned are to be used. There was a total of 110 managed premises on 12/31/2016. More than fifteen new tenants moved in to these places in 2016, as well as 10 tenants in the Business Tester (Business testers are premises dedicated to testing new business concepts. They make it possible for entrepreneurs or project promoters to test new forms of pioneering, responsible and equitable businesses by renting out these spaces for a period between 15 days and 4 months).

In 2015, a diagnostic study for commercial revitalization was conducted at the Parisian regional level and authorized the launch of a large consultation project in 12 zones in the Parisian region, making it possible to announce the guidelines for a future artisanal and commercial revitalization contract.

### **2. SECONDHAND BOOKSELLERS ALONG THE BANKS OF THE SEINE**

Today, nearly 240 booksellers and their 1,000 “green” boxes are set up on parapets along the quays of the Seine on both the right and left banks in a prestigious location classified as a UNESCO World Heritage site.

Since the creation of an advisory selection committee in 2010 composed of elected officials, booksellers and qualified personalities, the City reallocated more than 100 spots including 11 in 2016. It contributes to rejuvenating and feminizing the profession, while at the same time continuing the very old Parisian profession dedicated to the business of “old and used books, engravings and vintage paper items.”

In the interest of conserving the identity and specificities of the booksellers, visits to the quays are carried out frequently in order to verify the nature of the products sold and that the occupancy of the site is respected. A technical check on the maintenance and safety of all of the boxes was carried out in 2016 on both banks. The City of Paris also carries out repainting of the boxes if they are graffitied.

Lastly, in order to define new ways to improve and galvanize this symbolic activity, all the booksellers were invited to City Hall in 2016, to meet the different municipal services concerned, in order to discuss subjects such as respecting regulations, fighting against anti-social behaviour and vandalism, and the space reserved for booksellers in the context of pedestrianizing the right bank. On this occasion, 4 booksellers received the City of Paris medal in recognition of their professionalism.

The cultural association of Paris's booksellers contributes to the leadership and standing of the profession through its presence for the past several years at the International Trade Show for Rare Books, which gathers the bibliophile world together at the Grand Palais.

## **II. THE CITY OF PARIS'S EMPLOYMENT POLICY**

Through its voluntarist policy, the City of Paris promotes a return to employment. It sets up and manages return to employment programmes in collaboration with the Île-de-France Region, whether it is through professional training programmes, government-subsidized employment, assistance or the solidary economy. More than 80,000 people are directly approached by the City of Paris's Department of Attractiveness and Employment each year.

### **A. EMPLOYMENT AND PROFESSIONAL TRAINING**

#### **1. FORUMS**

In 2016, the City of Paris renewed its financial support of the Carrefours association for employment in the amount of €265,000. Each year, the association organizes large recruitment forums with the goal of introducing people looking for work in Paris to companies with positions to fill.

Three job and training forums were thus proposed: "Paris for youth employment," "Paris of recruiting professions" and "Paris for employment." In total, these events welcomed 73,000 visitors, including 52,000 for the "Paris for employment" forum alone, organized over two days at the Place de la Concorde. In addition, each arrondissement mayor organizes events for employment, sometimes with themes such as the forum in the 14th arrondissement for digital technology professions.

#### **2. TRAINING**

Paris Formations pour l'emploi, means that qualifying long-term training programmes and language courses for employment (which associates refresher programmes in French with professional training) are proposed free of charge to job-seeking Parisians in sectors with the most employment potential, such as individual services, IT, sales-commerce-exports, etc. In addition, since 2016, the City has worked closely with professional branches and the Unemployment Office in order to propose training programmes prior to being hired in professions targeted by the Charters that the City concluded with large private partners. Therefore, 400-hour training programmes were set up in sectors such as safety (before the 2016 Euro Cup), or commerce and large retail (in conjunction with recruitment programmes set up with the Casino group).

In 2016, 50 training programmes welcomed nearly 1,300 interns. 40% of the interns were beneficiaries of active solidarity income, 30% had been unemployed for more than a year and 55% were women. The rate of return to employment is more than 50% following a qualifying training program.

Moreover, Paris's Ecole de la Deuxième Chance or The Second Chance School offers struggling young people between the ages of 18 and 26 living in Urban Policy districts who are determined and motivated the possibility of retaking a training programme and accessing a chosen profession. In 2016, 438 young people were welcomed as interns in the professional training program. At the end of this program, 156 found either a permanent or fixed long-term contract, or a qualifying training program, e.g. a 32% improvement compared to 2015 (116 positive outcomes).

### 3. ASSISTANCE

The Ensemble Paris Emploi Compétences association was created from the merger in 2016 between the PLIE Paris Nord-Est association (Northeastern Paris Local Plan for Integration and Employment) and the Public Interest Group Maison de l'emploi of Paris, which supports the Local Plan for Integration and Employment that assists those who are having the most difficulty finding work. In Paris, this programme was initiated in the 18th and 19th arrondissements in 2005. Its scope of intervention was successively expanded to the 20th arrondissement (2010), the 11th and 12th (2011), followed by the 10th, 13th, 14th and 17th arrondissements last September. Its actions now focus on the 9 eastern arrondissements of Paris, e.g. all of the arrondissements that have an Urban Policy priority district.

A new partnership agreement procedure with the PLIE, established over 5 years from 2016 to 2020, was developed based on an evaluation conducted on the previous agreement. It was also inspired by the audit carried out by the general inspectorate of the City of Paris and published in January 2015. The broadening of its scope will have a consequential impact on how inhabitants in these districts are supported and the assistance provided will affect 50% of the public between now and 2020, e.g. an increase of 15 points compared to the previous Agreement. This new Agreement aims for a 25% increase in the number of beneficiaries over 5 years: with 2,800 in 2016, it should increase to 3,500 by the end of this period. The Agreement refocuses the priorities for assistance on three major public categories: beneficiaries of government-guaranteed minimums with a goal of reaching 50% of beneficiaries, people looking for work over the age of 45 (30%) and workers with disabilities (8%). Lastly, assistance is rationalized through a quality certification procedure established in 2016, which will be audited each year by utilizing, in particular, the feedback from programme participants.

The Mission Locale de Paris, created on February 23, 2011 through the merger of five Parisian local programmes ("PARIS CENTRE," "SOLEIL," "BELLIARD," "PARI d'AVENIR" and "PARIS EST"), receives, informs and assists more than 20,000 young Parisians. A stakeholder in Territorial Employment Public Services, the MLP participates with its institutional and community partners in the definition of a joint and unique local policy for the professional and social integration of youths. In 2016, 9,063 new young people were welcomed for the first time. 19,275 young people were assisted by counsellors and benefited from at least one job over the period. The positive outcomes after the programme amounted to 5,919, including 1,272 permanent contracts, 2,934 fixed long-term contracts and 1,633 admissions to qualifying training programmes.

### 4. EMPLOYMENT INITIATIVE AND REVISION OF MUNICIPAL EMPLOYMENT TOOLS

On November 20, 2014, the Mayor of Paris called for "a general mobilization" so that all Parisians could access employment. The Department of Paris, under the framework of the Initiative Emploi program, plans on using all the channels at its disposal in order to effectively bring together the needs of recruiting companies and those looking for employment. The Department of Attractiveness and Employment (DAE) thus has the task of coordinating all of the stakeholders involved in employment. The first round of jobseekers that the City took care of, in partnership with the Unemployment Office and a certain number of community stakeholders, were appointed to partners that operate Paris Unemployment offices. The City's services are concentrated in two main areas:

Developing corporate partners: with companies offering serious recruitment opportunities and established in Paris. Commitments are formalized through the signature of employment charters that establish the development of joint actions in favour of the recruitment of Parisians. In 2016, 5 corporate charters were concluded and one charter related to commercial planning located on the boulevard MacDonald in the 19th arrondissement resulted in more than 100 direct recruitments.

Mobilizing the local public stakeholder network contributing to employment policies and encouraging local economic development. For example, an innovative support programme for training courses in digital technology professions, entitled ParisCode, made it possible to mobilize 1,300 additional training spots with 16 stakeholders in the region, as well as develop a community of stakeholders and large digital technology companies (IBM, Salesforce, Orange, Apple, SFR, etc.).

The Service Initiative Emploi manages "ParisEmploi" locations. Certified since the beginning of 2016, these sites are committed to receiving anyone dealing with issues related to employment and networking under the authority of the Service Initiative Emploi. These are reception sites managed by or granted to employment partners of

the City of Paris, in particular: Mission locale, the EPEC (Ensemble Paris Emploi Compétences, the new name for the former PLIE Paris Nord Est association), the Ecole de la 2e chance, Mozaïk RH, etc. Other places may be mobilized as part of this certification (arrondissement town halls, Parisian Spaces for Integration (Espaces Parisiens pour l'Insertion: EPI) or community locations in Urban Policy priority districts.

## **B. PROFESSIONAL INTEGRATION FOR ACTIVE SOLIDARITY INCOME RECIPIENTS AND THE DEVELOPMENT OF THE SOCIAL AND SOLIDARITY ECONOMY**

Within the framework of the Departmental Programme for Integration and Employment, the City developed programmes in favour of professional integration for people in difficulty: creation of professional assessments (diagnostics-orientation), individualized guidance in employment, professional training measures in key skills, access services to employment as well as assistance in the creation of companies and help with financing.

The City also supports the development of Social Integration Companies (Entreprises d'Insertion: EI), Temporary Work Integration Companies (Entreprises de Travail Temporaire d'Insertion: ETTI), intermediary associations (associations intermédiaires: AI), Neighbourhood Associations (Régies de Quartiers: RQ) and Integration Workshops (Ateliers Chantiers d'Insertion: ACI), making it possible for the integration sector to continue to grow steadily through economic activity.

In 2016, the City of Paris dedicated a little more than 1,000,000 euros to employment access services.

### **1. ASSISTANCE FOR START-UPS**

#### **a. The Boutiques de Gestion de Paris Association (BGE PaRIF).**

In 2015, the Boutiques de Gestion de Paris Association assisted 511 Parisian active solidarity income beneficiaries, including 153 that had already been accepted in 2014, e.g. 358 new beneficiaries were accepted; 108 entrepreneurs were assisted after registration in order to fortify their start-ups; lastly on December 31, 2015, 91 companies were created (76) or reactivated (16), 78 companies were in the final phase of creation, and 11 entrepreneurs joined an incubator in order to carry out a test on the viability of the targeted business activity.

In total in 2015, the BGE PaRIF's programme made the creation of 99 jobs possible, in addition to eight entrepreneurs who found employment in the commercial sector.

In total, 107 jobs were generated for Parisians within the framework of this program.

#### **b. Seven Parisian business and employment cooperatives**

In 2016, seven business and employment cooperatives (cooperatives d'activités et d'emplois: CAE) were active in Paris. Some CAEs are non-specialized, while others are dedicated to the arts, individual services, new information and communication technologies, or buildings (eco-construction), thereby contributing to integration opportunities with expanded activities.

In 2016, these seven structures received a total of 1,588 people, including 877 Parisians, 62 of whom were active solidarity income recipients.

556 entrepreneurs were individually interviewed, including 224 Parisians, 42 of whom were active solidarity income recipients, and 279 people signed an assistance agreement or a company start-up support contract, including 149 Parisians (19 of whom were active solidarity income recipients).

In total, 260 people benefited from a favourable outcome as a result of support provided to them by the CAEs, including 43 Parisians, seven of whom were active solidarity income recipients:

- 141 permanent contracts were signed within CAEs, 59 with Parisians, including five who were active solidarity income recipients
- 119 people have either created their own company (61) or found a job in the commercial sector (58); 38 of them were Parisian, including two who were active solidarity income recipients.

#### **c. Five incubators supported by Astrolabe Conseil (a Cooperative Production Enterprise), the Projets-19 association, BGE ADIL and BGE PaRIF**

Astrolabe Conseil, a “cooperative production enterprise,” created in 2004 as a CAE, decided in 2009 to assist start-ups as an “incubator,” not wanting to remunerate entrepreneurs within the “cooperative production enterprise,” but preferring to encourage them to set out on their own to create their own company.

The EPICEAS incubator, supported by the Projets-19 association, was created in 2009: it is specialized in hosting projects pertaining to the social and solidarity economy sector.

The BGE ADIL association supports two incubators: the non-specialized “Paris Sud” incubator and an “Intergenerational” incubator that proposes a strengthened assistance programme making it possible to facilitate start-up conditions for entrepreneurs, one of the ultimate means for professional integration, with a high proportion of people under thirty and over 45.

Lastly, the non-specialized “GEAI” incubator is supported by BGE PaRIF.

In 2016, these incubators received 1,639 people at collective information meetings (including 754 Parisians), they supported 446 people, of which 257 were Parisians, and made it possible for 416 people to return to work, of which 222 were Parisians and 32 were active solidarity income recipients.

#### **d. The “CréaJeunes” programme, supported by the Droit à l’initiative Economique Association – ADIE**

The CréaJeunes programme offers young Parisians an intensive assistance program, free of charge, for starting a company. It provides a seed phase for the project to help young entrepreneurs move from the idea stage to a structured project and acquire knowledge regarding company management.

The CréaJeunes programme consists of 5-8 weeks of prior assistance ranging from collective training modules, workshops in small groups, individual coaching with an advising tutor from the academic team and a “milestone” jury in order to practice presenting their project. Individual guidance is provided up until the company is created in order to develop the project in accordance with the jury’s recommendations or validate the technical aspects of the project.

Networking opportunities with professionals from the business sector and/or start-ups are proposed.

54% of young people who were assisted by CréaJeunes created a start-up following the programme and 28% found a salaried job.

In 2016, a group of 109 young Parisians were admitted to the Belleville site in Paris (20th).

## **2. ASSISTANCE FOR START-UP ENTREPRENEURS THROUGH SOLIDARITY FINANCING**

### **a. The Paris Enterprises Initiative (Paris Initiatives Entreprises: PIE)**

Paris Initiatives Entreprises (PIE) was established as an association in 1999. Its goal is to support the creation and recovery of small companies or structures in the social and solidarity economy, particularly by granting interest-free loans and guarantees on bank loans.



The Paris Initiatives Entreprises association provides solidarity associations and companies, particularly Very Small Businesses, with assistance and access to financing.

In 2016, PIE:

- assessed 620 requests for financing, including 241 that were granted. The projects supported are divided up into five “social impact” business sectors:
  - 155 re-energizing commercial projects
  - 32 innovative individual service projects
  - 22 educational and cultural projects
  - 19 urban space and sustainable development projects
  - 13 “living better together” projects;
- granted 225 interest-free loans for an amount of €3,173,000 and 119 bank guarantees (France Active Garantie SA fund) for an amount of €2,732,425.

Therefore, 3,964 jobs were created (929) or consolidated (3,035), i.e. a 20% increase compared to 2015.

**b. The CIGALES association of Paris (Clubs d’Investisseurs pour une Gestion Alternative et Locale de l’Épargne Solidaire – Investor Club for the Alternative and Local Management of Solidarity Savings)**

CIGALES are at the intersection of local, ethical and solidarity savings. It contributes to developing the active citizenship of its members.

These clubs invest the savings collected locally from their members in small companies. In order to be eligible for CIGALES’s solidarity investments, the structures must have a social, cultural, ecological or innovative purpose. In 2016, there were 18 active CIGALES in Paris, making for a total of 230 “cigaliers” (investors) financing the creation and/or development of companies in the Parisian region.

In 2016, the association’s work made it possible for 7 new CIGALES clubs to be created in the Parisian region.

In 2016, 8 companies received financial support from CIGALES, including: an association, two cooperative production enterprises and 5 companies, making it possible to create or save 11 jobs.

The amount of savings collected from its members amounted to €5,261,556 including €21,288 in investments that benefited these 8 structures.

**c. Association for the Right to Economic Initiatives (Association pour le Droit à l’Initiative Économique: ADIE)**

The support that the Department of Paris provides to this association focuses on assistance for entrepreneurs who are Parisian recipients of the active solidarity income base and who have obtained a professional Microloan from the association.

The ADIE also develops its work in favour of women and youths coming from Urban Policy districts. In 2016, the association provided 400 (322 in 2015, e.g. +24%) microloans including 113 for recipients of the Parisian active solidarity income base. It also took out, in addition to its microloans, 238 interest-free loans for Parisian entrepreneurs starting up in Paris, including 73 who were recipients of the active solidarity income base.



### 3. SUPPORT FOR ESTABLISHMENTS PROMOTING PROFESSIONAL INTEGRATION THROUGH ECONOMIC ACTIVITY (STRUCTURES D'INSERTION PAR L'ACTIVITÉ ÉCONOMIQUE: SIAE)

The department's support for Social Integration Companies (EI): in 2015, 22 EIs were financed including 3 EIs outside of Paris that had recruited Parisian recipients of the active solidarity income base. These companies employed 616 people including 148 Parisian recipients of the active solidarity income base.

Support for Temporary Work Integration Companies (ETTI): support for 7 ETIs that employed 986 people in 2015, including 184 who were Parisian recipients of the active solidarity income base.

Support for Intermediary Associations (AI): 16 intermediary associations (including 1 outside of Paris) were in business in 2015. They employed 2,807 people including 665 Parisian recipients of the active solidarity income base.

Support for Neighborhood Associations (RQ): 10 neighbourhood associations are located in the Parisian region. In 2015, they represented 277 employees that had reintegrated the job market professionally, including 114 Parisian recipients of the active solidarity income base.

Departmental support for Integration Workshops (ACI): in 2015, there were 29 organizations that supported 66 integration initiatives (including 39 that ended in 2015 and 27 that started in 2015), one association is capable of supporting several initiatives at once.

The implementation of these 66 integration initiatives gave rise to the recruitment of 1,379 employees, including 771 Parisian recipients of the active solidarity income base.

### 4. THE PREMIÈRES HEURES PROGRAMME

The premières heures program's purpose is to very gradually integrate socially marginalized Parisians into the professional world, in particular, those who are homeless and not able to gain access to professional integration through establishments promoting economic activity (SIAE) or weekly 26-hour contracts. This programme allows this segment of the population to return to a professional activity according to a progressive pace sequenced as followed: from 1 to 4 hours per week or 5 to 16 hours per week.

All employees are homeless or reside in Emergency Housing Centres. They benefit from social supervision in terms of housing, care and access to legal rights through social workers from their reception centre and/or originating institution. The tasks carried out by these employees fall under several domains: clearing spaces, removal services, food services, green spaces, textile, sales, etc.

In 2016, 16 associations were involved in this program: Atoll 75, Emmaüs Défi, The Paris Centre neighbourhood association, Mains Libres, Carton Plein, Les Œuvres de la Mie de Pain, La Chorba, Travail et Vie, Emmaüs Solidarité, Salvation Army, Alternatives Urbaines, RELAIS 75 and the CASVP. 184 people were recruited and 248 employees were supervised. 33,258 work hours were carried out. The outcome rate of people finding sustainable employment was 29.03%.

The City of Paris also participates in financing associations' projects promoting the solidarity economy: The Regional resource centre for the social and solidarity economy / The Atelier / Organisation de la Quinzaine du Commerce équitable, etc.

Since 2009, a call for projects for the development of the social and solidarity economy has made it possible to mobilize 344 entrepreneurs, from which 65 winners were chosen (including 9 in 2016) to receive financial support, communication packages on their initiative and/or assistance in their search for an office.

## C. GOVERNMENT-SUBSIDIZED CONTRACTS, TRAINEESHIPS, INTERNSHIPS

During the summer of 2014, the Service for Traineeships, Internships and Government-Subsidized Contracts, under the authority of the former Department of Economic Development for Employment and Higher Education (now the Department of Attractiveness and Employment), moved to the Department of Human Resources. This reorganization was finalized in January 2016 when the training section for employees in government-subsidized jobs was installed within the Training Office and interns and trainees were annexed to the Office of Recruitment and Competition.

### 1. GOVERNMENT-SUBSIDIZED CONTRACTS

The search for government-subsidized job training programmes is carried out by an association external to the Department of Paris, the Local Solidarity Employment Fund (Fonds Local Emploi Solidarité: FLES) of Paris, created in 2004. The FLES is also in charge of the administrative management of employees (individual public service contracts for training programme access).

The Council of Paris validated the payment of an annual budget to the FLES of Paris. Training organizations directly invoice it for the work carried out. Lastly, the FLES sends in a monthly statement of the work invoiced, ongoing and planned.

#### a. The 2016 FLES balance sheet

The tables hereafter retrace the 2015 and 2016 balance sheets. The available funds for the year correspond to the balance from the previous year to which is added the endowment for the year in question. The breakdown of expenditure was carried out according to the status of the person who underwent training:

Single Inclusion Contract (Contrat Unique d'Insertion: CUI), aimed at people alienated from work, for a period of one year, renewable once. People recognized as workers with disabilities and those under the age of 48 at the beginning of their contracts and who experience specific difficulties that prevent them from sustainable professional integration, may benefit from four contract renewals from one to five years in length. The prefectural decree from October 6, 2015 henceforth authorizes that this can be renewed up through retirement for people under the age of 58 at the end of their contract.

Future Employment (Emploi d'Avenir: EAV), meant for people under the age of 26 or, for people recognized as workers with disabilities under the age of 30. These people benefit from a three-year contract and heightened assistance in finding a job with the Mission Locale of Paris.

Civil servants for the City of Paris, tutors for employees in government-subsidized jobs, who underwent a training programme in mentoring.

#### b. Training expenses

Here are the balance sheet details per category:

	DEBIT	CREDIT			
	CUI	EAV	Tutors	TOTAL	
2014 BALANCE					€196,871
2015 ENDOWMENT					€1,000,000
2015 BILLINGS	€650,611.36	€243,448.74	€27,600	€921,660.1	
2015 MANAGEMENT FEES				€130,300	
2015 BALANCE ON 12/31/2015					€144,910.90
2016 ENDOWMENT					€1,103,000
2016 BILLINGS	€680,450.94	€271,177.45	€26,670	€978,298.39	
2016 MANAGEMENT FEES				€168,838	
2016 BALANCE ON 12/31/2016					€100,774.61

### c. Quantitative balance sheets for training programmes (FLES credits, Training Office and appointed credits)

The number of people trained (CUI, EAV, tutors) increased by 68% between 2015 and 2016. Five times more tutors were trained in 2016 compared to the previous year.

Moreover, the number of training programmes for government-subsidized jobs also experienced a 57% increase between these two years. An employee could therefore benefit from more programmes over the years: 2.7 programmes in 2015 compared to 3.4 in 2016.

	Number of people trained				Number of interns				Number of training hours			
	CUI	EAV	Tutors	TOTAL	CUI	EAV	Tutors	TOTAL	CUI	EAV	Tutors	TOTAL
2015	994	219	74	1,287	2,206	746	74	3,026	55,388	24,333	1,036	80,756
2016	1181	350	370	1,901	3,865	1,274	403	5,542	58,977	26,281	2,821	88,079

The development of training programmes increased the positive outcome rate for employees whose contracts had ended: 19% positive outcomes including 68% recruitments to the City in 2015 and 26% positive outcomes including 68% recruitments to the City in 2016.

	Recruitments without exams			Positive outcomes not related to City hiring			Total outcomes		
	CUI	EAV	TOTAL	CUI	EAV	TOTAL	CUI	EAV	TOTAL
2015	42	32	74	31	4	35	503	67	570
2016	69	57	126	46	14	60	449	263	712

### d. Evolution of training programmes for government-subsidized employment

During the year 2016, a review of the assistance programmes for employment led to the following improvements:

- Intensive development of career orientation assessments: the return to career orientation assessments conducted by an external training organization was validated in 2016. These interviews serve to define the professional plans and training background of the employee at the beginning of their contract. In 2016, 603 people benefited from an externalized career orientation assessment (compared to 173 in 2015), making it possible to help them in their return to employment.
- The format of the Job Search Skills Workshops (Ateliers de Techniques de Recherche d'Emploi: ATRE) was reviewed: starting in 2017, the ATREs will take place over three successive days in order to study all of the programmes that will make it possible to return to a permanent job. The employee is invited to present their professional background in preparation for a presentation to future employers (CV, cover letter and preparation for job interviews).
- Revision of the competitive pitch procedure in partnership with the FLES: the Office of Training Programmes henceforth participates in choosing service providers during their competitive pitch. Specifications are co-written by the BF and the FLES and then sent to service providers in preparation

for negotiations in order to verify that the need is understood and the financial offer is revised. These numerous calls for projects made it possible to reduce training costs for different services (the average hourly rate went from €12.66 in 2015 to €12.48 in 2016, excluding career orientation assessments).

#### e. Innovative programmes:

Training programmes dedicated to government-subsidized employment were diversified over this period:

- Insourcing preparations for recruitments that do not involve competitive exams in 2016 (Athletic Equipment Technician, Childhood Technician, Garbage collector, Technician for the Maintenance of Spaces and School Technician) with the participation of professionals from departments making it possible to focus on the technical aspect of the interview
- Accounting training in March 2016 making it possible to validate certain Professional Skill Certificates (Certificats de Compétences Professionnelles: CCP) for the accounting assistant qualifying degree
- Professional Qualification Certificate in maintenance in April 2016 enabling employees to obtain a qualifying degree in the field of maintenance
- Training in building maintenance (painting, electricity, welding, plumbing) in April 2016 for salaried labourers
- Retirement assistance for employees over 58 years old, set up in June 2016, in order to help employees in their administrative steps for this stage in their life
- Preparation for the regional administrative assistant (April 2016) and regional administrative writer competitive exams (October 2016)
- Gardening technical training for employees in the Department of Green Spaces and the Environment (Direction des Espaces Verts et de l'Environnement: DEVE), set up in June 2016, in order to round out their road-mender assistance program
- Training for the transportation of merchandise or people proposed to several employees already having their category D driver's license, in November 2016.

## 2. TRAINEESHIPS

Paris is the top local authority employer of trainees: since 2000, the City of Paris has recruited more than 4,800 trainees.

We have observed a constant increase in the recruitment of trainees:

Year	Number of recruitments
2014	386
2015	457
2016	566

On 02/02/2017, there were 772 management trainees.

The goal of recruiting 500 new trainees has been met for fall 2017.

In 2016, Paris dedicated €10.4 million to the traineeship program, e.g. €7.9 million for payroll and €2.5 million corresponding to the cost of training programmes with the Trainee Training Centres (Centres de Formation d'Apprentis: CFA). Civil servants working at Paris's City Hall have very diversified skills at different levels, making it possible to train youths from all academic levels, from the vocational qualification level to those with a Master's or engineering degree.

With 47% of trainees in the field of childhood, the HR department respects the Board of Education/CRIF agreement and the goal of directly or indirectly recruiting staff in new community facilities (daycare centres). Emphasis is put on training unskilled young people, making it possible for them to rapidly integrate a job after obtaining a vocational qualification degree, or a professional baccalauréat degree.

In terms of the different fields, the most dominant sector is childhood (47% of the total), followed by the “agricultural” sector (horticulture/tree growing) (16%), the athletic sector (10%), communications (8.5%) and the IT and social sectors (6.5% each).

Lastly, above and beyond “traditional” training programmes in the City’s professions and activities, our local authority has developed new training programmes, particularly in the labouring professions. One of the goals is to offer the possibility to trainees who have completed their training, if they so desire, to apply for permanent positions with the City, which simultaneously helps the trainee immediately find a professional job opening, and assists the administrative employer fill positions in sometimes rather strained sectors.

Contact between trainees and their superior allows for the reciprocal exchange of new skills and expertise with the city’s different services, thereby making it possible to support innovative training programmes.

In order to ensure its visibility as a recruiter, the City of Paris attends several trade shows and forums, either specialized (Porte de Versailles in January, Porte de La Villette in May) or ones that incorporate a “trainee recruitment” aspect (in particular, the Paris trade show for Employment, etc.)

### **3.     INTERNSHIPS**

Since January 2011, internship offers at Paris City Hall can be viewed on [www.paris.fr](http://www.paris.fr) under “finding a job/ internship” section. In 2016, close to 700 offers were published on this platform, which is also able to accept speculative applications or applications for a job in particular.

Moreover, the internship department runs a network of 23 related internships and supports departments that received nearly 5,600 interns for less than two months.

In 2016, the internship department processed 502 internship applications, e.g. a payroll (transportation costs included) of more than €980,000.

It should be noted that the receiving parties henceforth handle the management of rewarded interns.

Incentives for all departments to systematically publish internship offers, including short-term internships of under two months, for more transparency and equal opportunities for candidates will be continued in 2017.

An online offer was set up at the beginning of the 2016 school year making it possible for candidates to sign up directly in relation to introductory internships proposed to students within the framework of a municipal policy that enables students from establishments located in “Priority Education Network” zones (Réseau d’éducation prioritaire: REP), which replaces the former “Priority Education Zones” (Zones d’Education Prioritaire: ZEP) in particular to benefit from such internships.

Over the calendar year, a total of 700 students from nearly 400 “REP” establishments were accepted as interns.

# RESEARCH SUPPORT POLICY

## I. THE EMERGENCE(S) PROGRAM, A SUPPORT SYSTEM FOR RESEARCH

Set up in 2009, the Emergence(s) program's goal is to support the creation or development of young research teams created within the past two years. All disciplines are eligible.

In 2016, the budget dedicated to this programme was €2,648,000, including:

- €458,000 dedicated to year 1 funding for the winning projects from 2016
- €735,000 for year 2 (for winning projects from 2015);
- €808,000 for year 3 (for winning projects from 2014);
- €647,000 for year 4 (for winning projects from 2013).

In 2016, 96 applications were received. 10 new research teams were selected.

## II. THE CITY OF PARIS'S CIFRE PROGRAM

The scheme for Industrial Training Agreements through Research (Conventions Industrielles de Formations par la Recherche: CIFRE), managed by the National Association for Research and Technology (Association Nationale de la Recherche et de la Technologie: ANRT) on behalf of the Higher Education and Research Secretary, is a recruiting assistance programme that enables postdoctoral students to carry out their thesis within a company or local authority.

The scheme promotes the development of a genuine collaboration between postdoctoral students and the City's services that they work in. Within this professional context the postdoctoral students benefit from privileged access to data and information, which can be used as material for their thesis, while the City has access, in their own right, to cutting-edge scientific research in one of its fields of activity.

The City of Paris has welcomed postdoctoral students within the framework of CIFRE agreements since 2009.

Since this date, 31 postdoctoral students have been recruited, including 17 who are currently working for different City services. Their research ranges, for example, from new forms of citizen expression to digital technologies, testing innovative solutions in companies in the Parisian region, delinquency prevention policies and the impact of the Seine flooding on urban services.

## III. THE CREATION OF CHAIR POSITIONS

In 2016, the City supported the creation of three chairs:

- The "Work Chair" supported by the Ecole d'Economie de Paris, a multi-annual research programme dedicated to the field of work, whose dual objective is to galvanize this field of investigation and nourish social debate and public decisions. This Chair was awarded €100,000 in support by the City in 2016.

- The “UNESCO Bernard Maris Economics-Societies Chair,” supported by the Alliance Sciences Société, aims to update training programmes and research in economics, and open it up to major societal issues. This Chair received €10,000 in support from the City in 2016.
- The “Hospital Philosophy” chair created at Hôtel-Dieu, supported by the APHP, Ecole Normale Supérieure and the Université Paris Descartes, is dedicated to circulating knowledge on the subject of public health and the question of care. This Chair received €9,900 in support from the City in 2016.

#### **IV. AWARDS**

The City of Paris supports medical research through two awards:

- The Claude Bernard Prize, that recognizes a researcher for their entire career
- The “Jean Hamburger” Prize recognizing a researcher under the age of 45.

In 2016, these two awards were endowed with €30,000 and €20,000, respectively.

# FINANCIAL RESULTS

## GENERAL PRESENTATION OF THE ADMINISTRATIVE ACCOUNTS (AA) BALANCE FOR 2016

In the rest of this document, the initials PB, SB, AA and MA designate, respectively, provisional budget, supplementary budget, administrative accounts and management accounts.

### I. THE AA GENERAL BALANCE FOR 2016

In 2016, the extra constraints on the operational budget imposed by the reduction in State subsidies and the increase in equalization expenditure accounted for €233 million. The former fell by €197 million and the latter increased by €36 million compared with the previous financial year. The reduction in State subsidies and the increase in equalization costs represented a loss of resources of more than €1 billion compared with their level in 2010.

In this context, the Parisian local authority pursued its strategy of controlling operational expenditure which, excluding equalization expenditure, decreased by 0.1% and, overall, only showed a very small increase (+0.4% in 2016). This control of operational expenditure by the Parisian local authority merits examination in the context of the evolution of expenditure at the national level, both for municipalities (+0.8% in 2016) and departments (+2.2%: Figures produced by the memorandum on the economic situation for local finances in 2016 from the Banque Postale (November 2016).

Furthermore, the mobilization of existing margins for operational revenues and the dynamism of real estate taxation (+25% compared with 2015), opened the way for an increase of 4% in real operational revenue in 2016. This development has been achieved while respecting the commitment to local direct tax stability for Parisians.

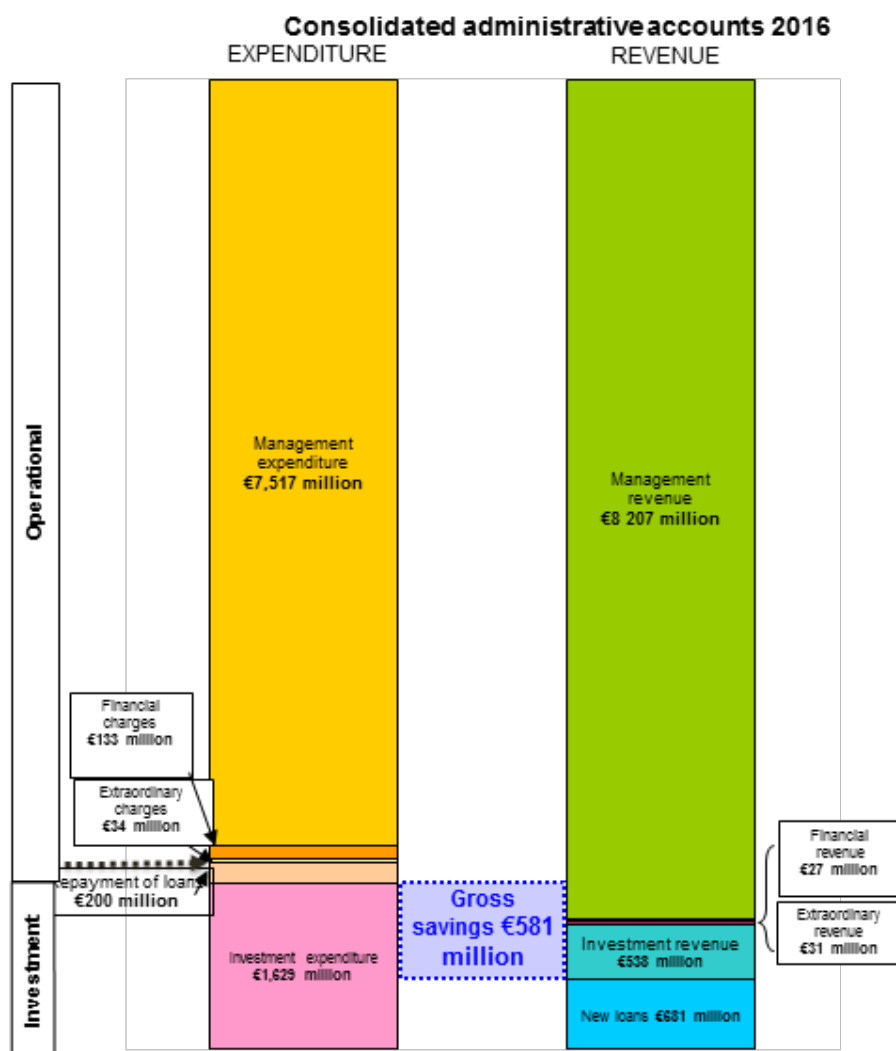
Financial year 2016 showed gross savings of €581 million, a large increase compared with 2015 (+€320 million). This level of gross savings allowed the authority to strengthen the capacity for financing investments, which reached €1,118 million in 2016 (+27% compared with 2015). This growth helps offset the slight reduction in actual investment revenue, at €538 million.

The capacity for investment financing covered 69% of actual investment expenditure, against 63% in the administrative accounts in 2015. Investment expenditure progressed by 17% to reach €1,629 million, in line with the deployment of the Term of Office Investment Programme (PIM).

Loan repayments amounted to €200 million and were stable compared with 2015.

New loans reached a value of €681 million. Outstanding bank and bond debt as of December 31, 2016 represented 62% of the actual operational revenue, which is a greatly reduced ratio compared with the average for French cities with more than 100,000 inhabitants (87%; source: Bulletin of statistical information from the General Directorate for Local Authorities, no. 111, August 2016).





## II. INCREASED SELF-FINANCING

Over two-thirds of the growth in investment expenditure linked to the deployment of the Term of Office Investment Programme was covered by the local authority's financing capacity.

### A. CONTINUATION OF THE TERM OF OFFICE INVESTMENT PROGRAMME (PIM)

2016 was a year which allowed the continuation of the Term of Office Investment Program (PIM): investment expenditure reached €1,629 million, including €1,438 million in the municipal budget and €191 million in the departmental budget. The resulting financing requirements were financed by own-source investment revenue to the tune of €538 million.

Expenditure on facilities was € 1,042 million and represented 64% of actual investment expenditure. It is broken down as follows:

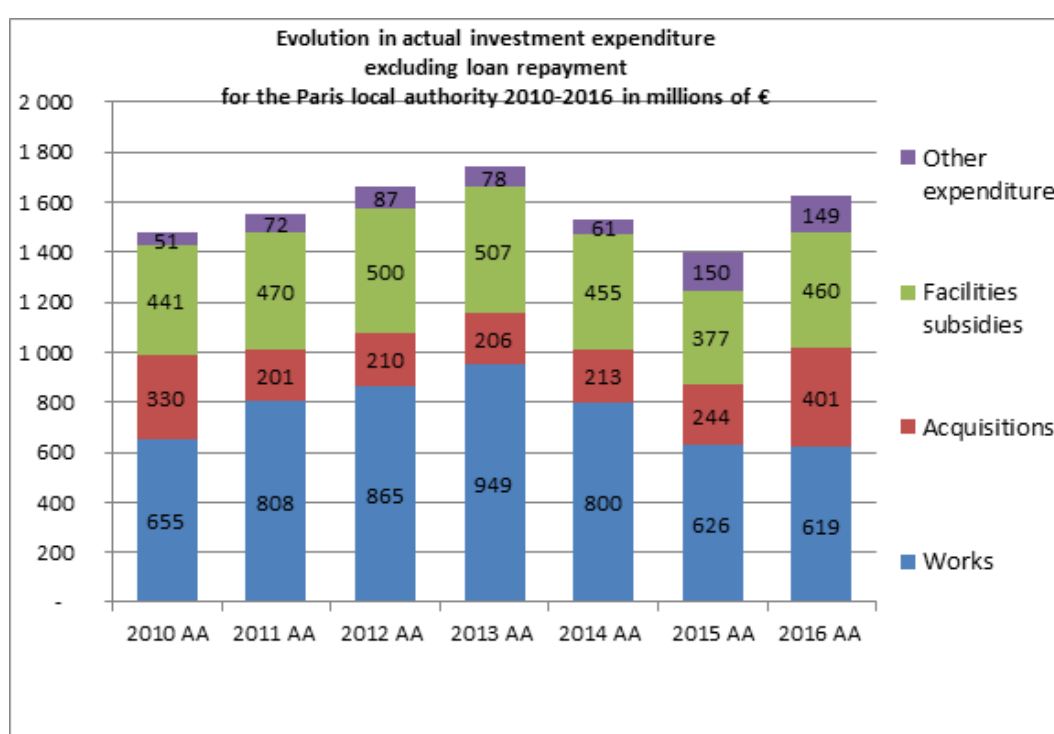
- €619 million for expenditure on public works

- €401 million for expenditure on acquisitions
- €22 million for intangible assets.

Included in this facilities expenditure, was €348 million allocated to land acquisitions (including €180 million for social housing and €47.6 million for relocated central services), €101 million for the redevelopment of Les Halles, €50 million for the extension of metro line 14 and €33 million for the extension of the T3 tramway.

Facilities subsidies represented €460 million, including €241 million for social housing and €103.4 million for development, including €51.3 million for the RATP for the extension of line 14 and €16.1 million for the French rail network in order to develop the surroundings of the Rosa Parks station.

The balance of actual expenditure was €126 million and was made up essentially of financial operations (€110 million, including €31 million for the contribution to financing intensive development areas), as well as expenditure on behalf of third parties (€15 million).



Own-source investment revenue reached €538 million. It fell by €83 million compared with the 2015 AA, mainly due to the extraordinary reception, in 2015, of an advance of €73 million for the compensation fund for VAT (FCTVA).

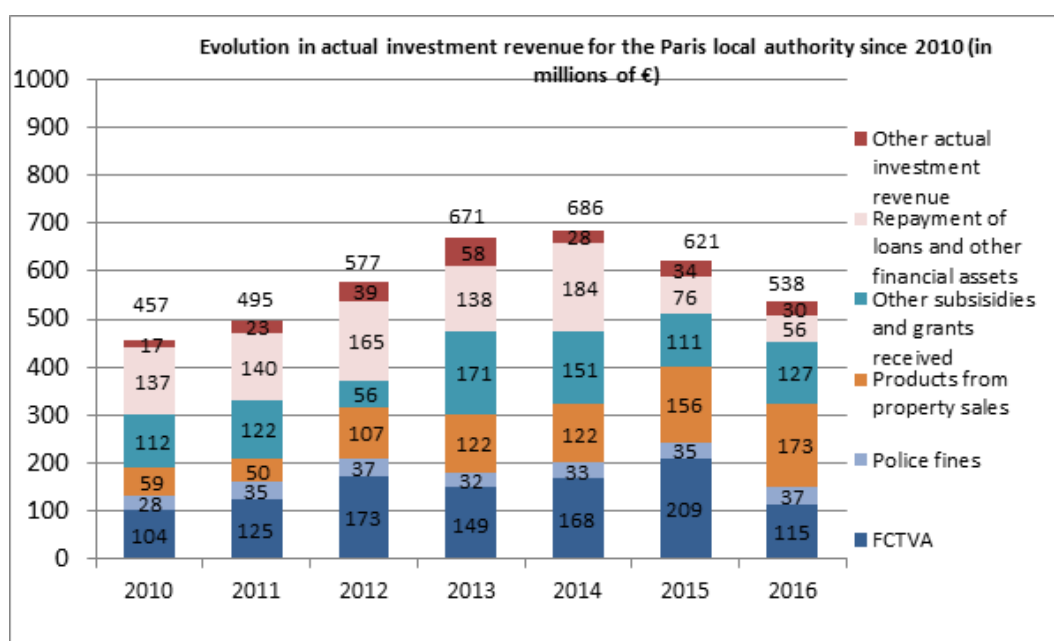
It is broken down as follows:

- subsidies and grants received - €279 million. They included €115 million for the FCTVA, as well as €37 million arising from police fines. Furthermore, €90.9 million were received from the State in the form of assistance for construction and €5.8M for the departmental subsidies for schools. Other facilities subsidies concerned ongoing investment projects: thus: €1.1million were received for IT equipment for schools, €1 million for the Davout-Lagny library (20th arrondissement), €0.97 million for the Amiraux swimming pool (18th arrondissement).
- revenue from real estate transfers which reached €173 million, an increase of €17 million compared with 2015. The main land sales made in 2016 concerned the building at 16-20 Avenue d'Eylau (16th arrondissement) for €40 million; the plot at 31-43 Boulevard Carnot (12th arrondissement) for €15 million; the Bûcherie site (5th arrondissement) for €13.5 million; 112 plots from 92 to 144 Boulevard

Suchet (16th arrondissement) for €13.2 million; the areas for the extension of the interchange station at the Châtelet-les-Halles station (1st arrondissement) for €11.1 million and 195 Avenue Daumesnil (12th arrondissement) for €10.3 million.

- €56 million of loan repayments and advances, including €9 million from the SEMAVIP as part of the development of the Porte Pouchet and €1 million from the SEMAEST as part of Vital'Quartier;
- €30 million of other actual investment revenue, including in particular €9 million of revenue from operations undertaken on behalf of third parties.

Combined with the gross savings made during the financial year (€581 million), this revenue helped cover up to 69% of the investment expenditure, excluding loan repayment.



## B. A SIGNIFICANT INCREASE IN GROSS SAVINGS

Combined with the increase in operational revenue (+4%), the control of operational expenditure (-0.1% excluding equalization expenditure) led to a significant rise in gross savings, which reached €581 million.

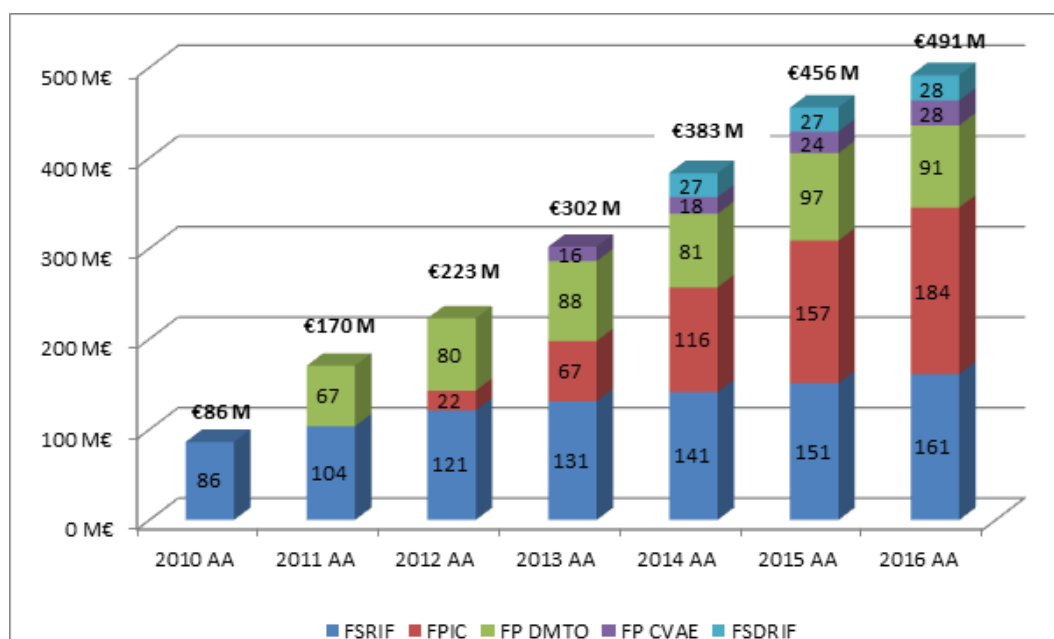
### 1. CONTROLLING OPERATIONAL EXPENDITURE

Actual operational expenditure, at €7,683 million, grew by 0.4% compared with the 2015 AA, with an average growth of 2.6% a year between 2010 and 2015, excluding the effect of the FNGIR (National individual guarantee fund for resources). Excluding equalization expenditure, it reached €7,192 million, a decrease of 0.1% compared with 2015, thanks to consistent efforts to control expenditure.

Equalization covers redistribution mechanisms aimed at reducing the inequalities between different local authorities. For the Parisian local authority, equalization expenditure (excluding FNGIR) reached €491 million, which is an increase of 7.9% compared with the 2015 AA (+ €36 million). Since 2010, the contribution of Paris to national and Île-de-France region solidarity has increased by €405 million.

In 2016, the total equalization at municipality and department levels in France reached more than €2.4 billion. The Parisian local authority is therefore financing more than 20% of the national equalization envelope.

## Evolution of equalization expenditure between 2010 and 2016



This contribution is shared among several funds.

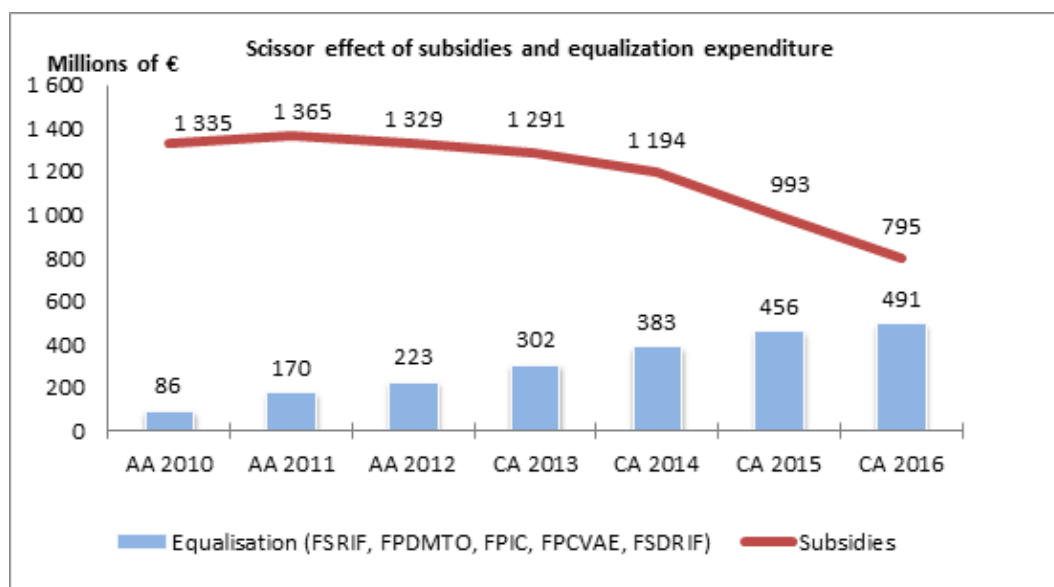
The National fund for equalization of intercommunal and municipal resources (Fonds national de péréquation des ressources intercommunales et communales: FPIC) continued its growth in 2016. The FPIC is a national fund for equalization of tax resources for municipalities and public establishments for intercommunal cooperation (EPCI) with its own tax revenue. Its value was set by legislation at €1 billion in 2016. The contribution of the City of Paris to the FPIC reached €184 million in 2016 (an increase of €27 million compared with 2015). This amount represents 18% of the fund, making Paris the main contributor.

The contribution to the Solidarity fund for municipalities in the Île-de-France region (fonds de solidarité des communes de la région d'Île-de-France: FSRIF) grew by 6.6% compared with the 2015 AA to reach €161 million, representing a contribution equal to 56% of the fund. A mechanism for horizontal equalization unique to Île-de-France, the FSRIF is aimed at ensuring a redistribution of wealth among the municipalities located in the region. Its amount is determined each year by law (€290 million in 2016).

The contribution to the two DMTO (Transfer Rights subject to payment) equalization funds set up in 2011 (historical fund) and in 2014 (solidarity fund), decreased by 6% compared with 2015, falling from €97 million to €91 million due to the reduction in revenue received through the DMTO between 2014 and 2015. Nevertheless, the Parisian contribution represented 12% of the DMTO revenue collected in 2015 and 9% of the amount collected at the national level within the framework of these equalization mechanisms.

The Parisian local authority also participated in the Solidarity fund for Île-de-France departments (Fonds de solidarité des Départements de la région d'Île-de-France: FSDRIF) for an amount of €28 million in 2016, which is an increase in the contribution of 4.5% compared with 2015 and which represents 46% of the total fund. The FSDRIF, which aims to ensure an equalization of resources between the departments and the region, has had its value set by legislation at €60 million since 2014.

Furthermore, the contribution to the Equalization fund for the value-added tax for companies (Cotisation sur la valeur ajoutée des entreprises: CVAE) was €28 million, compared with €24 million in the 2015 AA, representing an increase of 15.7%. Through its contribution, Paris ensured the financing of 33% of the fund in 2016.



Payroll expenditure in the general budget of the Parisian local authority reached €2,252 million in 2016 after having stood at €2,227 million in 2015, which is an increase of 1.1% (or €25 million; the amount of €2,252 million is through the scope of financial analysis, i.e. by neutralizing the cross flows between the City or Municipality and the Department). It represents, just as in 2015, 29% of all actual expenditure for the operational section of the budget.

This moderate growth is the result of fine-tuned management which aims to control expenditure (redeployment of staff, reduction of expenditure on short-term contracts and containment of growth of expenditure on overtime), while financing the necessary recruitment to allow for the opening of new facilities and the reinforcement of priority sectors, as well as the reduction of the impact of exogenous measures.

This growth trend is mainly due to the following factors:

- A moderate increase in salary costs (€25 million) due to national exogenous factors, in particular the revaluation of the index (+0.6% on July 1, 2016) and the first stages of the Professional Experience, Careers and Wages reform (Parcours professionnels, carrières et rémunérations: PPCR) for category A staff in the medical-social sector and category B staff (transfer of bonus/points with beneficial effects for the retirement of staff), as well as the mechanical effect of the wage shift caused by increasing technical competencies and aging of the workforce (GVT);
- The impact of the employment programme with 94 Full-time Equivalent (Equivalents Temps Plein: FTE) extra positions on average in 2016, as well as an increase in the number of government-subsidized jobs (+141 government-subsidized jobs on average in 2016) and apprentices (+82 apprentices on average in 2016) in line with the City of Paris's commitment to increasing employment, in particular among the younger population.

Social expenditure excluding general charges reached €1,611 million, a growth of 2.1% (+€32.9 million). This amount includes the transfer of €39 million from the local authority's general budget to the Centre of Social Action for the City of Paris (CASVP) budget, as part of the New Paris Solidarity (Nouveau Paris Solidaire: NPS) reform. Social expenditure is distributed as follows:

- Expenditure on Active Solidarity Income (RSA) benefits reached €362 million, an increase of €7 million compared with 2015. This increase is €3 million lower than the estimate in the 2016 provisional budget, due to the reduction in the number of beneficiaries, which fell from an average of 66,700 in 2015 to around 65,000 in 2016. This effect limited the impact of the 2% annual increase of the benefit, applied within the framework of the government plan for the fight against poverty (increase of 10% in 5 years from September 2014).

- Expenditure on child benefit, excluding general costs, continued to decline to stand at €290 million, (compared to €301 million in 2015, and €307 million in 2014). This change reflects the reduction in the number of young people in care following the promulgation of the law regarding the protection of children in March 2016 (Law no. 2016-297 of March 14, 2016 regarding the protection of children), which re-established a fair national level apportionment of care for unaccompanied foreign children.
- Expenditure on senior citizens, excluding general costs, reached €273 million (a reduction of 5% compared with the 2015 financial year). This reduction is mainly explained by the transfer of liquid assets caused by the renewal of local authority control over the payment of the Personal Autonomy Allowance (Allocation Personnalisée d'Autonomie: APA) to residential homes, within the context of the stagnation of the number of beneficiaries of home-based APA. At the same time, accommodation costs for elderly persons are declining due to the consistent reduction in the number of people eligible for social assistance.
- Social assistance for people with disabilities increased by 7% to reach €241 million compared with €225 million in 2015. This trend is explained by the increase in housing costs (+€8 million) linked to the revaluation of the day costs in existing establishments, and by the opening of new establishments as well as the increase in expenditure on the disability compensation benefit (+€7.2 million) due to the increase in the number of beneficiaries (4,230 beneficiaries in December 2016 compared with 4,050 in December 2015).
- The contribution to the Centre of Social Action for the City of Paris (CASVP), which reached €344 million in the 2016 AA, grew by €32 million in one year (+10%). This increase was due mainly to the transfer of 490 FTEs from the Department for Social Services, Children and Health (DASES) to the CASVP, within the framework of the NPS reform. This transfer required a first wave of budgetary transfers which increased the contribution to the CASVP by €39 million. If the effect of the NPS reform is excluded, the contribution to the CASVP would show a reduction of €7.6 million, which is explained mainly by the impact of the transport card reform (NAM cards) over a full year.

General costs for the Paris local authority fell to €776 million, compared with €815 million in the 2015 AA, a reduction of €39 million. This reduction arose partly from the transfer of credits to the CASVP amounting to €22 million, within the framework of the NPS, and the reform on construction on behalf of third parties transferred to the investment section (€10 million). With these two effects removed, general costs fell by €7 million (-0.86%). Since 2011 general costs have fallen by €76 million, down from €858 million in the 2011 AA, to €782 million in the 2016 AA (-8.9%).

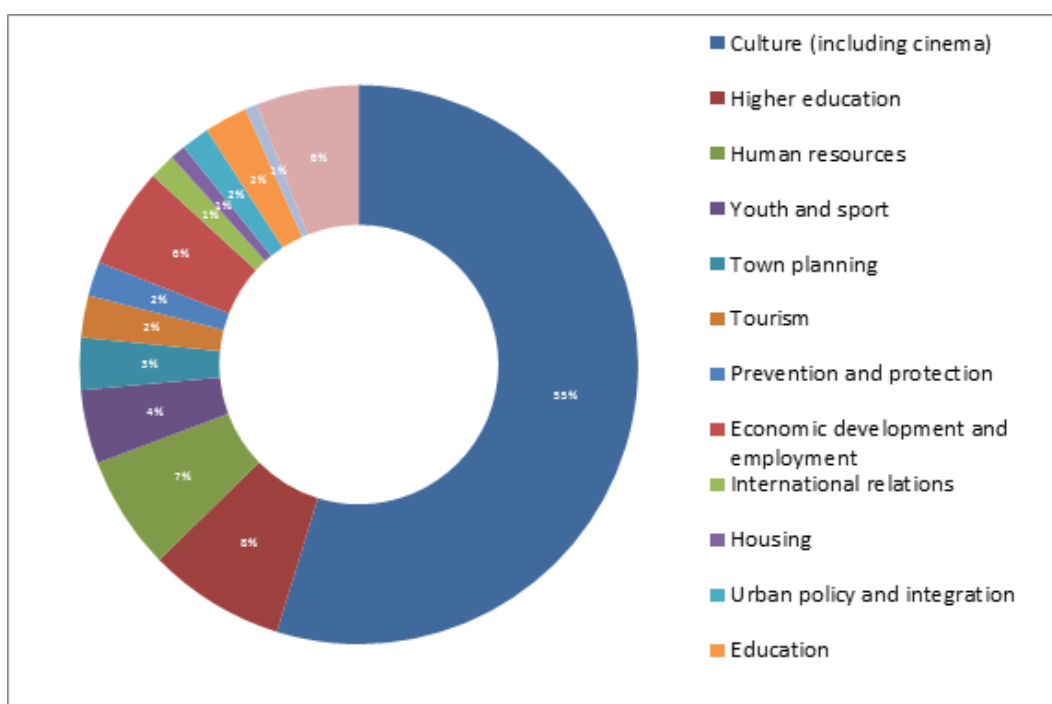
Contributions from the Paris local authority reached €773 million in the 2016 AA, a reduction of €9 million compared with the 2015 financial year. This reduction was mainly due to the following developments:

- the contribution to Île-de-France-Mobilités (formerly the Île-de-France transportation federation: STIF) reached €382 million, an increase of €3.8 million compared with 2015
- the contribution to the Police force, which includes payroll expenditure, fell by €1.4 million to reach €284 million following the transfer of 110 Paris security officers (ASP) to the Paris local authority within the context of the reform of the fight against anti-social behaviour
- the contribution paid to the Intercommunal association for the treatment of household waste (Syndicat intercommunal de traitement des ordures ménagères: SYCTOM) dropped by €11 million to €107 million mainly due to the effect of the pricing revision which was implemented on January 1, 2016.

The total amount of operational subsidies and contributions excluding social subsidies was €538 million, a reduction of €14 million compared with 2015 and of €4 million once the exceptional subsidy of €10 million paid in 2015 for Paris's bid to host the Olympic Games in 2014 was removed. Furthermore, €3.6 million were used for the programme adopted in the 2016 provisional budget for post-terrorist attack measures.

Operational subsidies excluding the financing of the education office accounted for €303 million and were broken down as follows:

Distribution of subsidies paid in 2016 excluding those paid to education offices, daycare centres and schools



#### Peaceful coexistence and increased security in the Paris region

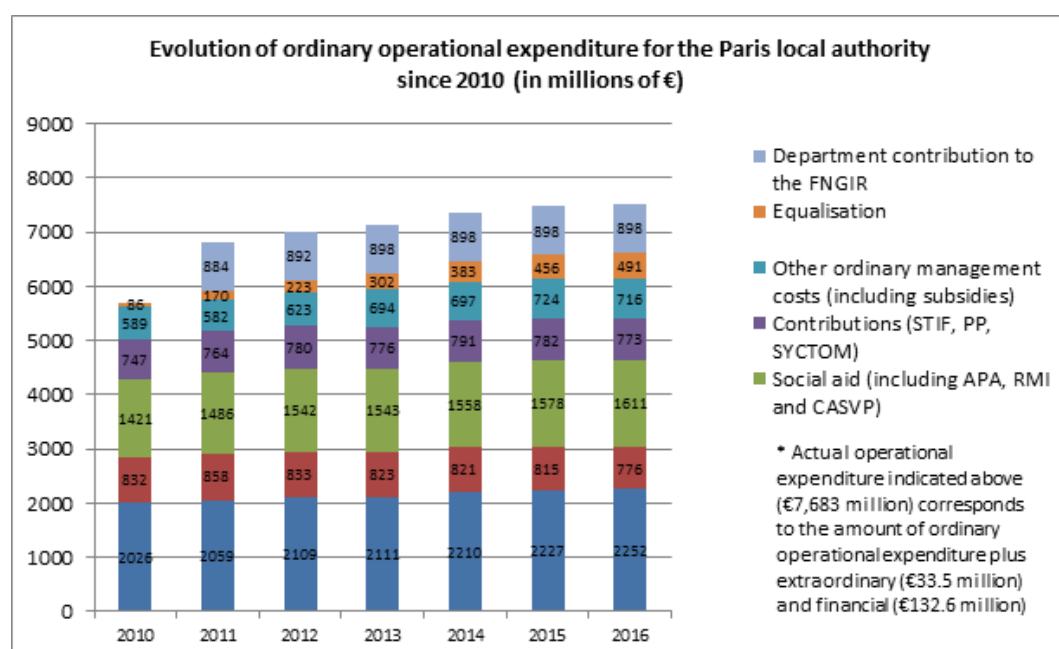
As a continuation of the actions undertaken in 2015 following the terrorist attacks on January 11th and November 13th, and in accordance with the wishes of the Paris Council adopted on February 15-17, 2016 regarding post-terrorist attack measures, the 2016 AA included €5 million in operational credits and €18.3 million in provisional investment spending programmes (Programme autorisations) which contributed to strengthening social cohesion in Paris and ensuring improved protection of its citizens.

In operational costs, €5 million financed risk prevention initiatives for attacks (security for cultural facilities and entertainment venues, measures to assist young people, promotion of peaceful coexistence and prevention of radicalization). These credits also contributed to the launch of the first aid training plan for Parisians and council employees, including the first edition of “Paris saves” on Saturday March 26, 2016.

In investment, a total AP (available budget ceiling) of €18.3 million allowed the City to reinforce the security plans for facilities (€10.5 million) and public buildings (€2 million), and to continue the deployment of alarms and door blocking systems in primary and middle schools (€5.8 million).

Extraordinary costs reached €34 million, a reduction of €16 million compared with the 2015 AA, the year in which the payment of €14 million in grants to provisions for depreciation on the department budget's took place, an operation which was not repeated in 2016.

Finally, financial costs reached €133 million, compared with €124 million in 2015.



\* The actual operational expenditure indicated previously (€7,683 million) corresponds to the amount of ordinary operational expenditure plus extraordinary (€33.5 million) and financial (€132.6 million) costs.

## 2. THE CURRENT STATE OF ACTUAL OPERATIONAL REVENUE

Actual operational revenue reached €8,264 million, an increase of 4.4% compared with the 2015 AA (+€350 million). This growth is explained by the injection of new revenue (in particular the removal of the cap on DMTOs) and the healthy state of the property market.



### The creation of the Greater Paris Metropolis (MGP)

Since January 1, 2016, the MGP has been receiving part of the economic taxation instead of its constituent municipalities and will take on an increasing number of responsibilities between now and 2020.

So as not to destabilize the municipal budgets, the law requires the MGP to make compensation payments to its constituent municipalities and public territorial establishments. These payments are calculated from the difference between the resources and the charges transferred.

The revenues transferred by Paris are as follows:

- the city's share of the value-added tax for companies (with compensation payments): €502.45 million
- flat-rate taxation of network businesses: €8.66 million
- additional land tax for undeveloped land: €0.25 million
- tax on commercial premises: €15.78 million

share of the "salary share compensation" of the flat-rate subsidy from the City: €453.1 million

The responsibilities transferred to the Metropolis are initially and essentially in the field of strategy and planning. The City of Paris has not yet allocated any budget and has therefore not transferred expenditure in 2016. The amount of the compensation payment paid by the MGP in the 2016 AA therefore amounts to €980,242,392 for Paris (2015 amount of the entire amount of resources transferred without deduction of costs).on).

At a constant taxation rate, direct contributions experienced growth of €24 million compared with the 2015 AA to reach €3,560 million. This amount includes the repayment made by the Greater Paris Metropolis (MGP) of €527 million as indicated above.

The increase in direct contributions received in 2016 can be explained mainly by the spontaneous increase in revenue from corporate property tax (+€5.7 million, of which €3.1 million was linked to the nominal revaluation and €2.6 million linked to the physical variation of the bases) and by the increase in the CVAE (+€3.4 million).

The €9.8 million increase in the City and Department property tax (Developed and non-developed land, including the additional tax on non-developed land transferred to the MGP in 2016) came from the +€9.9 million nominal revaluation of 1%, plus €0.1 million of the physical variation in bases, and minus €0.2 million for the transfer of the additional tax on non-developed land (taxe additionnel sur le foncier non bâti: TAFNB) to the MGP (which is also found in the compensation payment). This increase was less than anticipated by the provisional budget for 2016, due to the direct local tax exemption measures for elderly persons living in modest conditions which were enacted at the end of 2015 by the State, and the application of the QPV (urban policy priority neighbourhoods) instead of the ZUS (Sensitive Urban Area) regarding the application of the 30% rebate for social housing located in these areas.

Revenue from housing taxes increased by €1.12 million (0.1%) including +€7.4 million linked to the nominal revaluation of bases, minus €6.6 million linked to the physical variation of bases, and plus €0.3 million for the increase in the contribution to the housing tax for vacation homes, which was adopted in 2015 to incite owners to remarket under-occupied accommodations. This semi-stability of housing tax income is explained by the long-term return of the exemption for elderly persons living in modest conditions, which is more significant for the housing tax than for the property tax.

## Change in local authority tax revenues (in millions of euros)

	2015 AA	2016 AA	balance	Change %
Property taxes	990.69	1,000.48	9.79	1.0%
Housing tax	759.06	760.18	1.12	0.1%
Including increase in housing tax	20.9	21.2	0.3	1.7%
Corporate property tax	311.69	317.41	5.72	1.8 %
Supplementary taxes levied	22.78	23.59	0.81	3.5%
Additional taxes levied	2.16	6.10	3.94	182.8%
Value-added tax for companies	1,422.14	922.07	-500.07	-35.2%
Flat-rate tax on network businesses:	11.58	2.60	-8.98	-77.5%
Tax on commercial premises:	15.78	-	-15.78	-100%
Repayment of tax made by the Greater Paris Metropolis	-	527.14	+527.14	+100%
Total direct contributions, including repayment tax	3,535.86	3,559.56	23.70	0.7%

Taxation - Comparison of Parisian rates with national rates for cities with more than 100,000 inhabitants and departments				
		Parisian rate 2016	average rate	
			cities > 100,000	
			inhabitants	
housing tax		13.38%	25.47%	
property tax		13.50%	30.39%	
non-built property tax		16.67%	34.27%	
CFE		16.52%	27.06%	
TEOM		6.21%	9.29%	

\* Source: Observatoire SFL - 2016 Forum on taxation in large local authority

\*\* 2015 National average rate, (source: General Directorate for Local Authorities (DGCL), local authorities for figures, data from the General Department for Public Finances, Tax Census, DGCL calculations)

Revenue from the street sweeping tax and the tax for removal of household waste was €571 million compared with €562 million in 2015. The increase of +1.6%, or +€9 million, was due to the spontaneous growth in the tax on removal of household waste.

Indirect tax revenue reached €1,532 million compared with €1,272 million in 2015, which is an increase of 20%, due to the increase in revenue from the property tax.

Property tax revenue reached €1,274 million compared with €1,016 million in 2015, which is an increase of 25% (+€258 million). €132 million of the increase was due to the increase of the departmental tax rate (+0.7%) on January 1, 2016 while €126 million was thanks to the healthy Parisian property market which experienced an increase in the number of transactions, which went from 42,399 in 2015 to 46,357 in 2016.

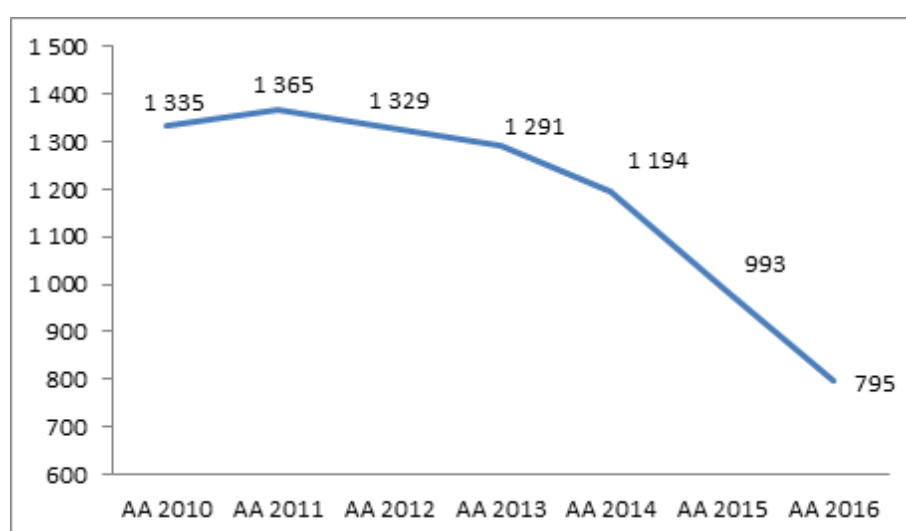
Revenue derived from parking fees reached €109 million in 2016, which is stable compared with 2015. During the 2015 financial year, the implementation of the reform on residential, alternating and tourist bus parking regulations led to an increase in revenue of €46 million.

Revenue from local taxes on total consumption of electricity reached €69 million, a slight increase compared with 2015 (€68 million).

Other taxes reached €81 million and increased by 3.2%, mainly due to the €3 million increase on the tourist tax, which rose from €66 million in 2015 to €69 million in 2016. Given the national context and, particularly, the decrease in tourism linked to the terrorist attacks, the application of what has been termed a “real-rate” tourist tax was limited. Nevertheless, revenue from the tourist tax is increasing due to the contribution from the internet reservation site Airbnb which has been collecting tourist tax since October 1, 2015 and which paid, in 2016, €6.47 million to the Parisian local authority (€1.17 million for the second half of 2015 and €5.3 million for 2016).

State subsidies continued to decline rapidly. On the same basis, i.e. if one includes the former portion “salary share compensation” paid since 2016 by the Greater Paris Metropolis through the compensation payment, the subsidies declined by €197 million in 2016 (€795 million compared with €993 million in 2015), mainly due to the change in the general operational subsidy (dotation globale de fonctionnement: DGF), which supports Parisian contributions in terms of recovering public finances. Besides the compensation payment paid by the Metropolis, the DGF paid by the State stood at €283 million compared with €477 million in 2015.

**Evolution in subsidies received by the Parisian local authority between 2010 and 2016 in millions of €  
(MPG compensation payment included)**



Revenue recovered for compensation for the transfer of responsibilities increased by 2.6%, to reach €362 million in 2016, compared to €353 million in 2015, particularly due to the €10 million increase in the subsidy from the national solidarity fund for autonomy, within the framework of the implementation of the law for the adaptation of society to an aging population.

Revenue from user contributions remained stable at €175 million.

Usage taxes fell by €5.7 million because usage taxes for energy contractors fell due to the decline in energy use (-€2.3 million, due mainly to favourable climatic conditions). Revenues from local authority concessions were stable, and included more than €25 million linked to large sports facilities, nearly €29 million for telecommunications contracts, and nearly €19 million for advertising rights.

Revenue from contributions and subsidies reached €265 million, a reduction of €23 million compared with 2015, but greater than €10 million in the 2016 provisional budget. In particular, a reduction of €16 million in contributions from the family allowances fund (CAF) was observed, linked to a scope effect; 2015 being the first year in which it became linked to revenue from the single service contract for child-care. The difference between the payment of the subsidy for the persons with disabilities integration fund (-€4.7 million) and the reduction in revenue from the European social fund (-€4.9 million) related to the delay in the implementation of new programming also explain this decrease.

Revenue received for ZAC surplus (surpluses from operations on joint development zones or Zones de Démenagement Concerté: ZACs) fell by €10 million to stand at €2 million in 2016. The level of this revenue depends on the completion schedule for development operations and fluctuates over time.

Revenue from rents reached €480 million, an increase of €308 million compared with 2015, due to the increase in capitalized rent revenue linked to the Paris local authority's ambitious contracting policy.

Thus, in 2016, contracting allowed the City to transfer 3,527 homes from the private landlord stock to the social housing sector, including 2,342 for Paris Habitat and 1,185 for Elogie-SIEMP. These operations allow social housing owners to concentrate their activities on their primary mission of supporting social housing. They contribute to achieving the objective of 25% of social housing set by the "Solidarity and Urban Renewal" law by increasing the number of homes in the social housing stock.

The surplus in the 2016 investment section (€354 million) arising from this contracting policy was taken up by the operational section, in accordance with the derogation granted by the Ministry for Economy and Finance and the Ministry for Planning, Rural Areas and Local Authorities, based on the provisions of decree no. 2015-1546 from November 27, 2015. As defined with the State's departments, the accounting mechanism is as follows:

- capitalized rents received within the framework of long leases may be recorded in the investment section and progressively transferred to the operational section, for an amount equal to the corresponding fraction of annual rent
- at the same time, the investment revenue released by this method of accounting may be subject, under certain conditions, and exceptionally, to a complete transfer to the operational section
- the transfer may be permitted under exceptional circumstances, through the joint authorization of the ministry in charge of the budget and the ministry in charge of local authorities.

The transfers are distributed as follows:

Operational section				Investment section				
Expenditure		Revenue		Expenditure	Revenue			
	Actual	752 Building income	6,481	Actual			687 Other debts	354,747
	Internal	778 Other extraordinary income	354,747	Internal	1068 capitalized operational surplus	354,747		
Total		Total	361,228		Total	354,747	Total	354,747

- The annual share of revenue is recorded in actual operational revenue: €6.5 million
- The capitalized share is recorded in actual investment revenue: €354.8 million

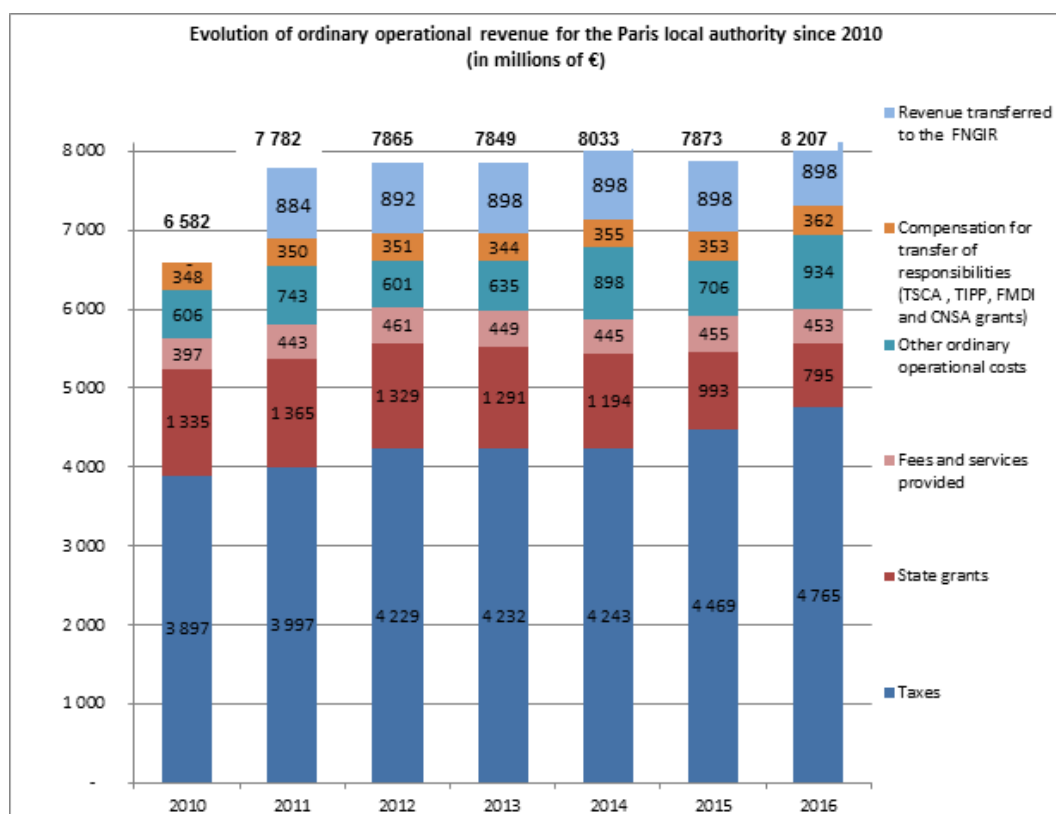
Through internal movements (chapter 042-040), the investment revenue is transferred entirely into the operational section. Overall, €361.2 million of operational revenue was received in 2016.

At the same time, ordinary rental revenue recovered from landlords decreased by €46 million.

Other ordinary operational revenue amounted to €187 million, a reduction of €49 million compared with 2015. This reduction is explained mainly by the reform of third-party accounts, which are being progressively transferred to the investment section, thus generating a reduction in expenditure and revenue. Collection from beneficiaries reached €81 million, which is a reduction of €8 million compared with 2015, due to the effect of the downward trend in the number of elderly persons benefiting from social assistance. At the same time, extraordinary revenue of €7 million was collected for the purpose of returning the general surplus from the secondary budget from departmental establishments for children's welfare to the general budget.

Extraordinary revenue, amounting to €31 million, was higher by €16 million compared with the 2015 AA, mainly due to the recovery of a €9-million VAT credit on the local authority's operational expenditure for the 2012-2014 financial years and €7 million in penalties for unavailable bicycles under the Velib' contract for the years 2012 to 2015.

Lastly, financial revenue grew by €1.5 million to reach €27 million.

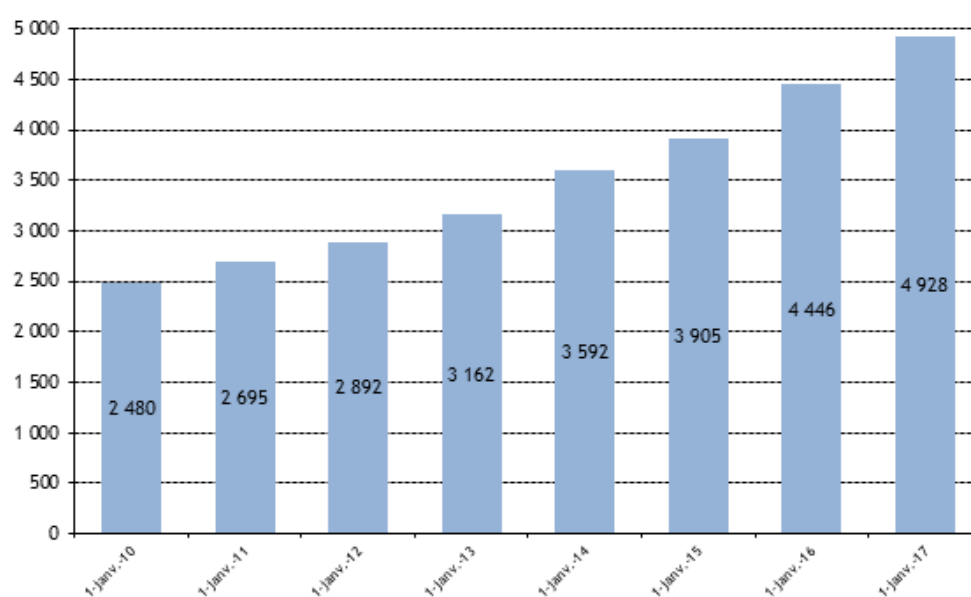
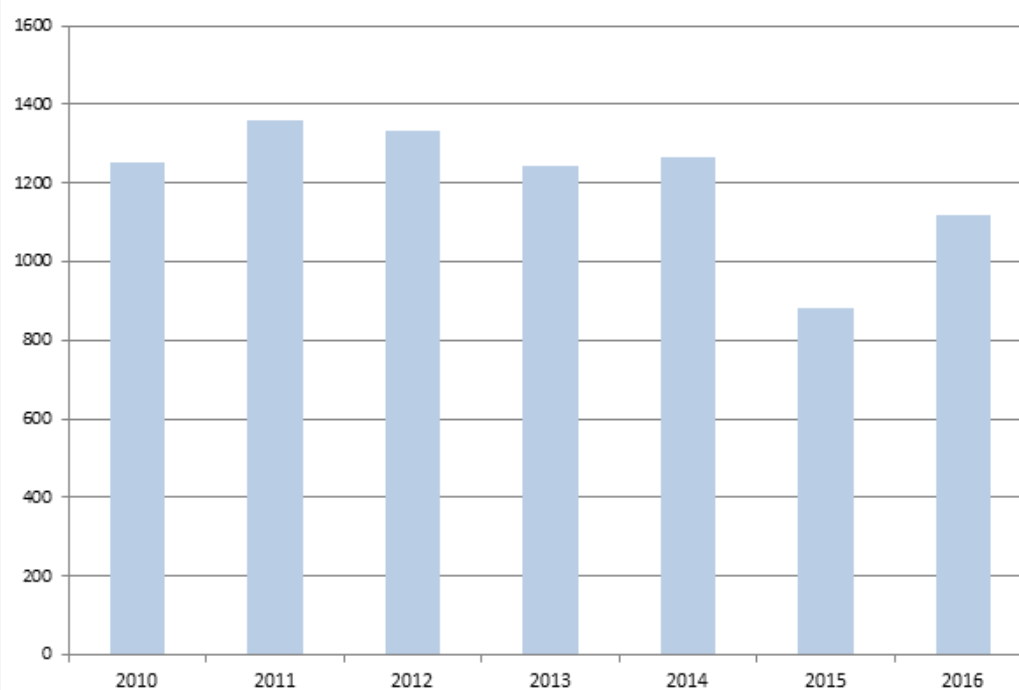


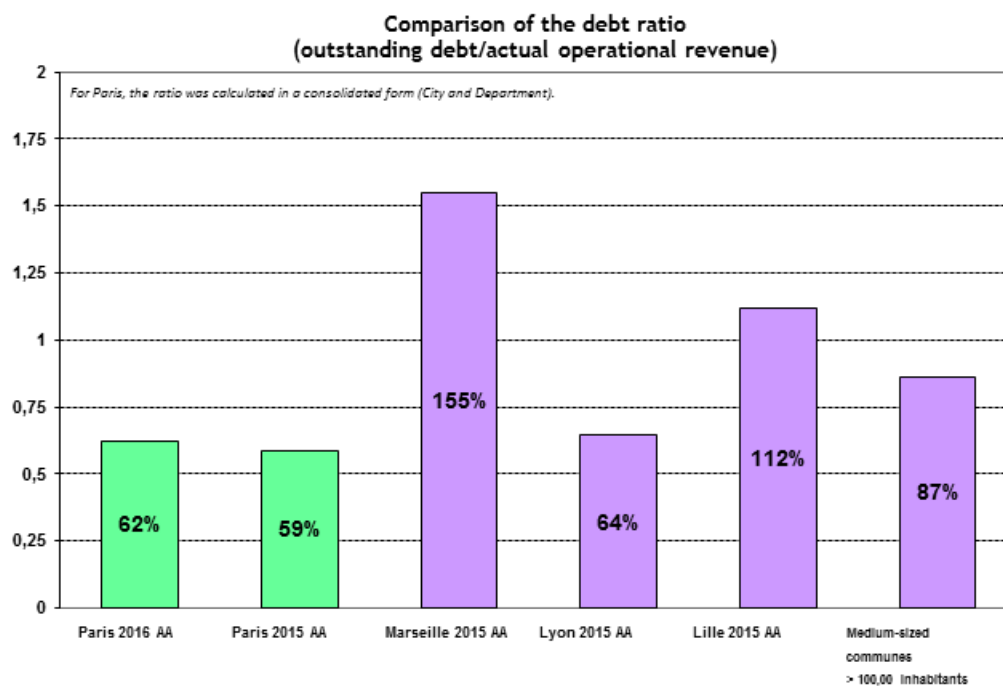
### 3. LIMITED DEBT

Bank and bond debt stood at €4,928 million on December 31, 2016, to which were added “other debts” worth €230.5 million. The latter covers debts contracted during the course of development operations, debts linked to public private partnerships and the repayment scheme for the loan for the Philharmonie de Paris concert hall and music complex.

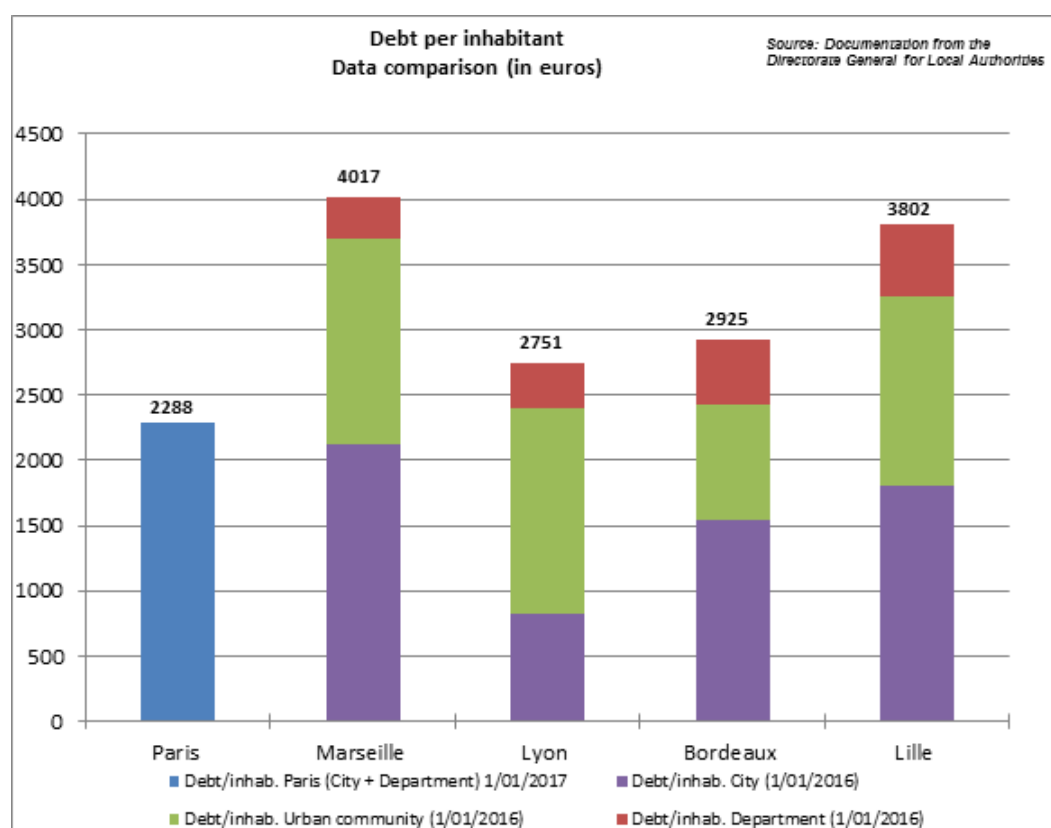
The non-linear increase in debt since 2010 shows a voluntarist investment policy, excluding any structural scissor effect (decrease in endowments from the State and increase of adjustments), over the past years.

Evolution of outstanding banking debts and debentures (in millions of €)

Investment financing capacity of the Paris local authority since 2010  
in millions of € and in % of the amount of investment made



Source : DGCLS/Minefi database



# 2011-2016 CONSOLIDATED ADMINISTRATIVE ACCOUNTS FOR THE PARIS LOCAL AUTHORITY

City (Municipality) and Department of Paris						
CONSOLIDATED FINANCIAL ANALYSIS						
in MILLIONS of €	2011 AA	2012 AA	2013 AA	2014 AA	2015 AA	2016 AA
Direct contributions	3,103	3,207	3,456	3,293	3,533	3,559
Tax payment to the Greater Paris Metropolis - transferred tax share						527
Tax on removal of household waste	426	434	446	451	458	467
Street sweeping	70	104	104	104	104	104
Parking fees	63	59	63	64	110	109
Electricity tax (City and Department)	72	69	74	70	68	69
Property tax (DMTO+TADE)	1,078	1,177	918	1,089	1,016	1,274
Other taxes	68	71	69	69	78	81
Taxes	4,881	5,121	5,130	5,141	5,367	5,663
APA compensation (CNSA)	13	12	12	10	7	18
RSA compensation (TIPP + FMDI)	261	266	260	259	259	259
Other compensations (including TSCE)	76	74	72	86	86	85
Compensations for transfer of responsibilities	350	351	344	355	353	362
Tax payment to the Greater Paris Metropolis - transferred DGF share						453
Overall operational subsidy (DGF)	1,290	1,259	1,227	1,134	930	283
Compensation subsidies (DCTP, DCTH, DCTF)	60	54	48	44	47	43
Other subsidies (DGD, DSI)	16	16	16	16	16	16
State subsidies	1,365	1,329	1,291	1,194	993	795
Subsidies and contributions: (State, Department, Region, ESF, Social Security, undue collections, etc.)	201	214	213	238	288	265
of which CAF income	136	141	141	160	199	183
Fees paid by farmers and agents	226	226	213	204	202	196
of which DF	93	103	98	111	118	118
of which DVD	79	76	76	76	72	69
Fees and usage revenue for public areas (including fees for setting up outside seating on the sidewalk)	60	66	67	74	78	81
Contributions from Parisian users	157	169	168	167	175	175
Usage revenue	443	461	449	445	455	453
ZAC surplus	132	0	0	213	12	2



City and Department of Paris						
CONSOLIDATED FINANCIAL ANALYSIS						
in MILLIONS of €	2011 AA	2012 AA	2013 AA	2014 AA	2015 AA	2016 AA

Revenue from rent (buildings)	184	171	189	197	170	479
of which DLH	161	148	158	164	135	90
of which long leases						354
Levies on beneficiaries	86	82	86	89	90	81
Works on behalf of third parties	35	36	45	61	42	11
ESA repayment	30	32	36	32	28	25
Reimbursement of staff fees made available, decrease in charges and various collections	74	66	67	68	77	70
Total other ordinary operational revenue	410	387	422	447	406	666
Ordinary operational revenue	7,782	7,865	7,849	8,033	7,873	8,206
Staff costs	2,059	2,109	2,111	2,209	2,227	2,252
General costs	858	833	823	821	815	776
Welfare, including:	812	853	848	845	855	850
Child welfare	303	336	324	307	301	290
Disability benefits (PCH, ACTP)	54	61	65	70	72	79
Housing assistance for disabled persons	122	129	142	146	154	162
Personalized autonomy benefit (APA)	138	141	133	135	140	128
Housing assistance for the elderly	153	149	146	149	148	144
FSL	22	20	20	20	20	23
RSA, «future contracts» and PPIE	359	366	381	399	411	416
including RSA benefits	297	301	318	337	355	362
Contribution to CASVP	315	323	314	313	312	344
Total welfare	1,486	1,541	1,543	1,558	1,578	1,611
Subsidies to education offices	54	75	77	75	81	80
Subsidies to community daycare centres	38	42	46	48	49	50
Endowments and educational policy contributions (schools, private education)	62	64	65	67	69	68
City operational subsidy	204	207	273	273	279	279
Miscellaneous (including sub dpt, CNRACL, add'l sanitation budget, IIBRBS, inter-departmental parks)	69	69	37	35	42	36
Subsidies and contributions	428	454	527	526	551	538
Police force	280	287	290	292	285	284
Contribution to Île-de-France-Mobilités (STIF)	353	360	367	374	378	382
Contribution to SYCTOM	131	133	119	126	119	107
Contributions	764	780	776	791	782	773

City and Department of Paris						
CONSOLIDATED FINANCIAL ANALYSIS						
in MILLIONS of €	2011 AA	2012 AA	2013 AA	2014 AA	2015 AA	2016 AA
FSRIF	104	121	131	141	151	161
DMTO equalization fund	67	80	88	81	97	91
Municipal equalization fund (FPIC)	0	22	67	116	157	184
CVAE equalization fund			16	18	24	28
IDF FSDIF Departmental solidarity fund				27	27	28
Equalization expenditure	170	223	302	383	456	491
FNGIR	884	892	898	898	898	898
Other ordinary management costs	155	170	167	171	172	178
Ordinary management costs	6,804	7,002	7,146	7,358	7,479	7,517
Management savings	978	863	703	676	394	689
Financial revenue	24	21	19	31	25	27
Financial costs	91	100	112	128	124	133
Financial balance	-66	-79	-93	-97	-99	-106
Extraordinary revenue	10	9	29	43	15	31
Extraordinary costs	56	36	67	41	50	34
Extraordinary balance	-46	-27	-38	2	-34	-3
Total actual operational revenue	7,816	7,895	7,897	8,107	7,914	8,264
Total actual operational expenditure	6,950	7,138	7,325	7,527	7,653	7,683
Gross savings	866	757	573	581	261	581
Subsidies and grants received	282	266	352	352	356	279
of which investment subsidies received	116	49	156	143	102	127
of which police fines	35	37	32	33	35	37
of which FCTVA	125	173	149	168	209	115
Revenue from fixed asset sales	50	107	122	122	156	173
Operations on behalf of third parties	5	18	24	22	27	9
Repayment of loans	20	32	72	15	19	13
Other financial assets	120	134	66	168	57	43
Other actual investment revenue	17	21	34	6	7	21
Actual investment revenue	495	577	671	686	621	538
Intangible assets	19	18	13	10	11	22
Facility subsidies	470	500	507	455	377	460
Acquisitions	201	210	206	213	244	401
Construction	808	865	949	800	626	619
Operations on behalf of third parties	16	24	23	20	4	15
Loans approved	0	6	0		6	-
Other actual investment expenditure	36	39	41	31	129	111

City and Department of Paris						
CONSOLIDATED FINANCIAL ANALYSIS						
in MILLIONS of €	2011 AA	2012 AA	2013 AA	2014 AA	2015 AA	2016 AA
Actual investment expenditure	1,551	1,662	1,740	1,529	1,397	1,629
Financing capacity for investments (gross savings + investment income)	1,360	1,334	1,243	1,266	882	1,118
Repayment of loans	184	200	200	197	200	200
Financing requirements (actual investment expenditure + loan repayment - investment financing capacity)	375	528	697	460	715	710
New loans	381	470	630	510	741	681
Including new loans					735	680
Including corrections on share premiums					5	1
Working capital on January 1st	285	288	230	163	213	233
Variation in working capital	6	-58	-67	50	20	-30
Working capital on December 31st	291	230	163	213	233	202
Outstanding debt on January 1st	2,696	2,892	3,219	3,655	4,120	4,640
Outstanding debt on December 31st	2,893	3,219	3,655	4,120	4,640	5,159
Variation in outstanding debt	197	327	436	466	520	518
Financing capacity	87.7%	80.3%	71.4%	82.8%	63.1%	68.7%

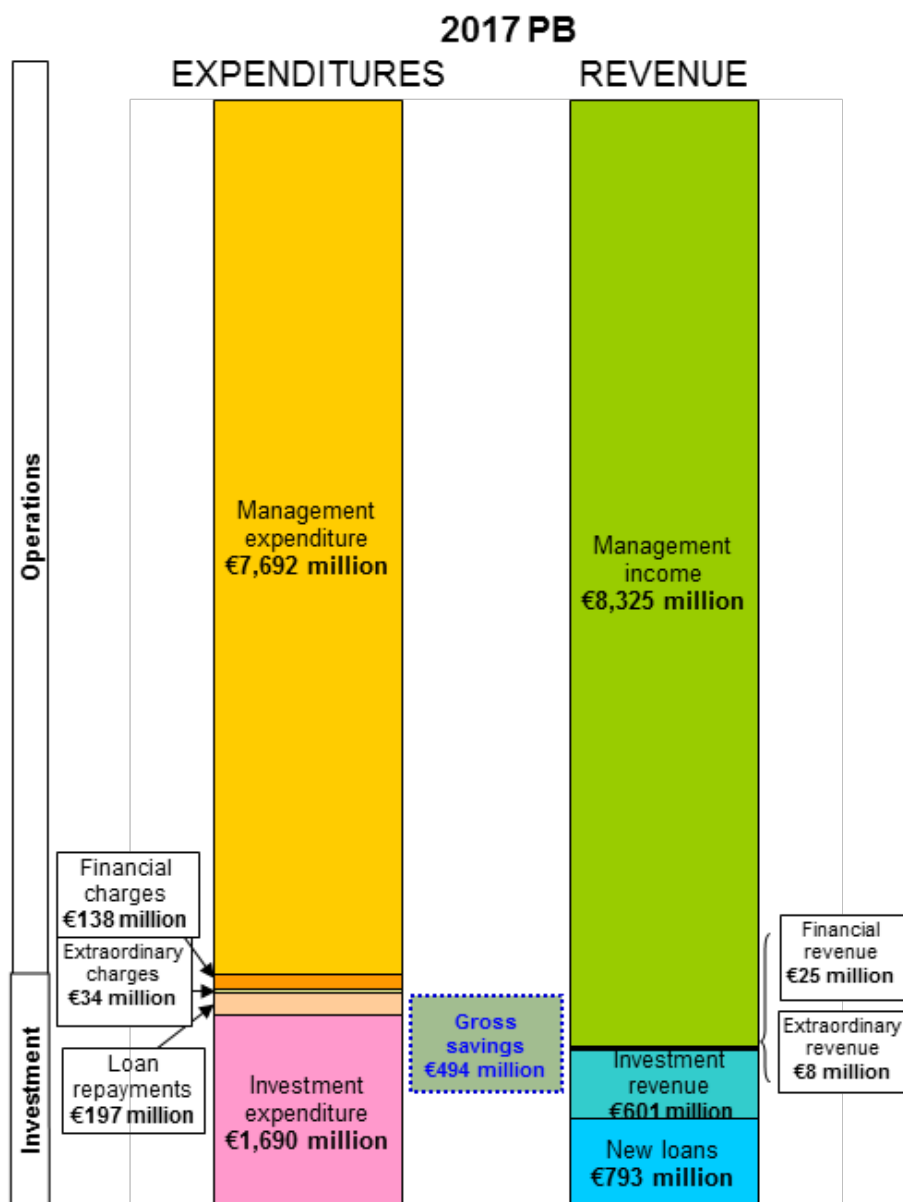
2011-2016 Consolidated financial balances							
City and Department of Paris							
from the 2010 AA to the 2016 AA							
in millions of euros	AA	AA	AA	AA	AA	AA	Variation
	2011	2012	2013	2014	2015	2016	2015/2016
Ongoing operational revenue	7,782	7,865	7,849	8,033	7,873	8,206	4%
Ongoing management costs	6,804	7,002	7,146	7,358	7,479	7,517	1%
Management savings	978	863	703	676	394	689	75%
Financial balance	-66	-79	-93	-97	-99	-106	7%
Extraordinary balance	-46	-27	-38	2	-34	-3	-93%
Total actual operational revenue	7,816	7,895	7,897	8,107	7,914	8,264	4%
Total actual operational expenditure	6,950	7,138	7,325	7,527	7,653	7,683	0%
Gross savings	866	757	573	581	261	581	123%
Loan reimbursements (with revolving credit)	184	200	200	197	200	200	0%
Net savings	682	557	373	384	61	381	527%
Actual investment revenue	495	577	671	686	621	538	-13%
Capacity to finance investments	1,360	1,334	1,243	1,266	882	1,118	27%
Actual investment expenditure	1,551	1,662	1,740	1,529	1,397	1,629	17%
Financing requirement	375	528	697	460	715	710	-1%
New loans	381	470	630	510	741	681	-8%
Working capital on 01/01	285	288	230	163	212	233	
Variation in working capital	6	-58	-67	50	20	-30	
Working capital on 12/31	291	230	163	212	233	202	
Outstanding debt on 01/01	2,696	2,892	3,219	3,655	4,120	4,640	
Outstanding debt on 12/31	2,893	3,219	3,655	4,120	4,640	5,159	
Variation in outstanding debt	197	327	436	466	520	518	
Capacity for financing	87.7%	80.3%	71.4%	82.8%	63.1%	68.7%	

Main financial ratios for the Paris local authority						
(City and Department)						
	AA	AA	AA	AA	AA	AA
	2011	2012	2013	2014	2015	2016
1. Net savings rate						
Net savings / Actual operational revenue	8.7%	7.1%	4.7%	4.7%	0.8%	4.6%
measures the capacity of the municipality to create a positive net saving.						
2. Debt indicators						
Outstanding debt in capital/Actual operational revenue	40.8%	46.3%	50.8%	58.6%	62.4%	
Outstanding debt in capital/Gross savings	3.3	4.3	6.4	6.3	15.8	8.9
number of years required for the reimbursement of the debt capital						
Outstanding debt /Population (in euros)	1,295	1,426	1,611	1,811	2,040	2,288
3. Indicator of rigidity of structural charges						
Personnel costs/Actual operational revenue	26,3%	26,7%	26,7%	27,2%	28,1%	27,3%
measures the room for manoeuvre in terms of expenditure reduction						
4. Coefficient of potential tax mobilization (City only)						
			*			
Income from direct contributions from 4 taxes (Housing tax, Property tax, undeveloped land tax, Corporate tax)/Fiscal potential of 4 taxes	61.1%	53.6%	53.1%	53.3%	52.4%	53.8%
measures the room for manoeuvre for taxes						
(possibility to increase rates and therefore the product)						
5. Tax effort (City only)						
Income from direct contributions from 3 taxes (housing tax, developed land tax, undeveloped land tax)/Fiscal potential of 3 taxes	52.0%	45.2%	45.0%	44.9%	44.8%	44.8%
measures the room for manoeuvre on household taxes						
(possibility to increase rates and therefore revenue)						

# GENERAL PRESENTATION OF THE 2017 PROVISIONAL BUDGET (PB) BALANCE

## I. GENERAL BALANCE OF THE 2017 PB

The 2017 PB is characterized by maintaining investment expenditures at an elevated level (€1,690 million compared to €1,687 million in the 2016 PB) in accordance with the Term of Office Investment Programme (PIM). Nearly one-third of these expenses are financed through gross savings in operations of €494 million. To this figure for gross savings €601 million in investment revenue is added, bringing the financing capacity for investments up to €1,095 million in total, which corresponds to 65% of investment expenses before debt amortization. Borrowing authorization is set at €793 million.



## II. DESCRIPTION OF MAJOR EXPENDITURE AND REVENUE APPOINTMENTS

### A. EXPENDITURE

Continuing the rollout of the Term of Office Investment Program, investment expenditure is set at €1,690 million in the 2017 PB, the resulting financing need is financed up to €601 million through investment income.

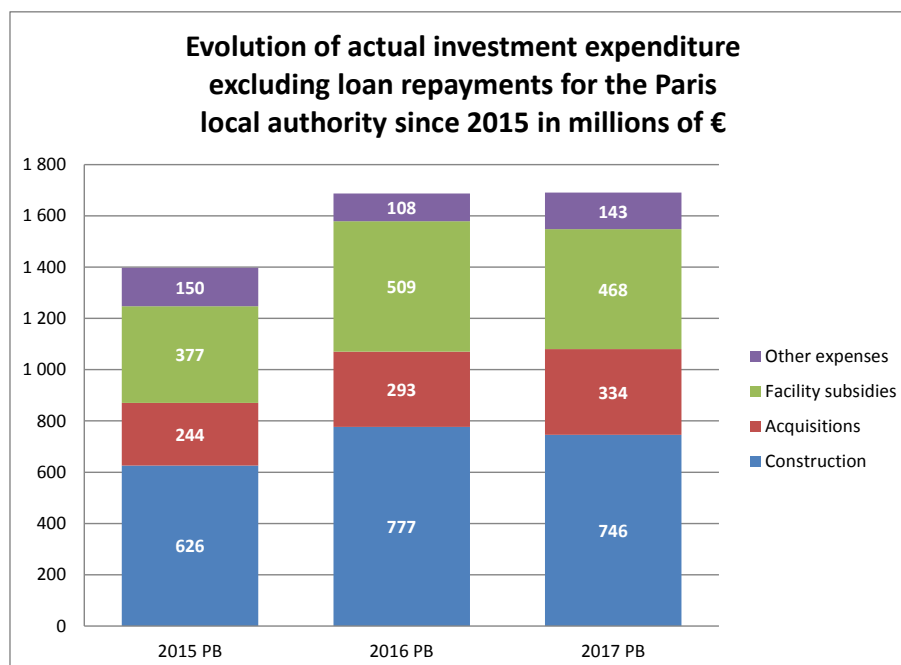
Facility expenditure, established at €1,106 million, represents 65.4% of the actual investment expenditure. It is broken down into:

- €746 million for construction expenses (-€31 million compared to the 2016 PB, related to the completion of the Les Halles project)
- €334 million for acquisitions (+€41 million compared to the 2016 PB)
- €26 million for fixed assets (+€5 million compared to the 2016 PB).

Among these facility expenditures, €247 million was dedicated to real estate acquisitions (including the amount destined for social housing of €180 million), €192 million for roads and transportation, €125 million for education, €58 million for sports and youth and €47 million for early childhood.

The facility subsidies represent €468 million, mainly in two domains: lodging and housing (€276 million, including €263 million for social housing) and urban planning and transportation (€63 million).

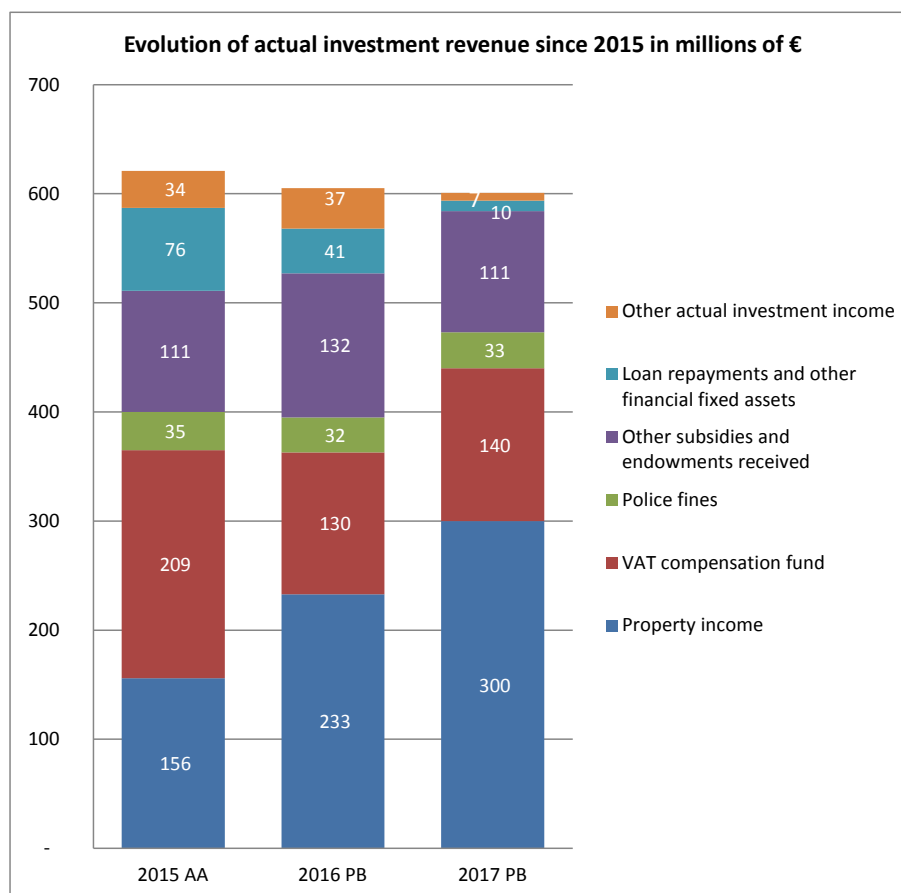
The balance of actual investment expenditure is mainly composed of third-party expenditure (€23 million) and financial transactions (agreed share and advances) of €82 million as well as €12 million for other miscellaneous expenditure.



Investment revenue reached €601 million, practically the same compared to 2016 (€605 million).

Investment revenue is mainly composed of:

- subsidies and endowments collected, up to €248 million. This includes €140 million for the Value-Added Tax Compensation Fund (Fonds de compensation pour la taxe sur la valeur ajoutée: FCTVA), as well as €33 million planned from revenue from police fines
- income related to property transfers, estimated at €300 million for 2017, including €132 million for the transfer of the Morland building, carried out under the framework of the “Reinventing Paris” call for projects.



#### €100.5 MILLION FOR THE PARTICIPATORY BUDGET IN THE 2017 PB

Paris's Participatory Budget makes it possible for Parisians to propose projects for their city on which they can vote. The selected projects are then carried out by the City of Paris's services.

A budget corresponding to 5% of the investment budget, e.g. nearly €500 million over the 2015-2020 period, is planned in the PIM. The 2017 PB continues to ramp up the program: after €17.7 million in the 2015 PB (for 9 projects selected) and €67.7 million in the 2016 PB (for 188 projects selected), the participatory budget represents €100.5 million in the 2017 PB (for 11 Parisian projects and 208 arrondissement projects selected at the end of the 2016 campaign).

Innovations were brought to this edition of the participatory budget, such as a participatory budget dedicated to schools (€6.5 million in the 2017 PB) and a portion of the participatory budget dedicated to working-class neighbourhoods (€15 million at the city level for 17 projects and €20.6 million in the arrondissements for 51 projects)

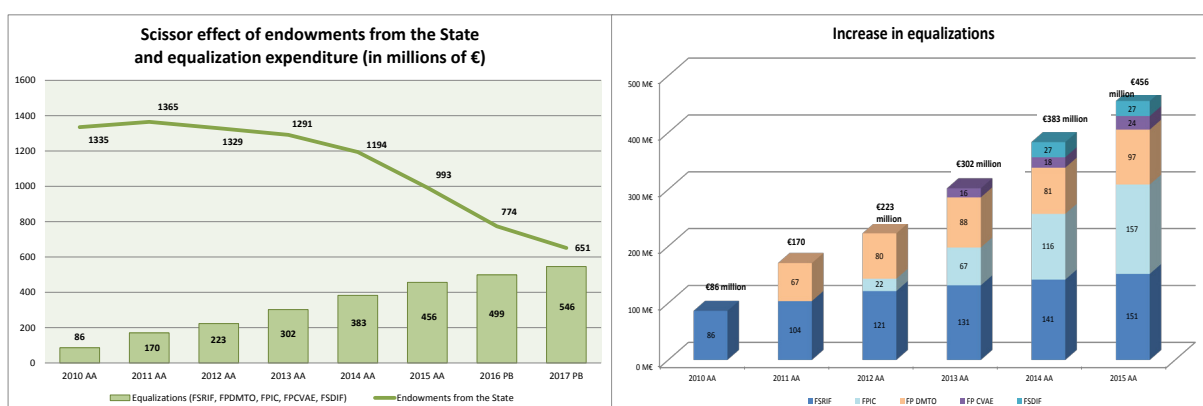


## B. INCREASED GROSS SAVINGS (€494 MILLION IN THE 2017 PB) DESPITE THE IMPACT OF EQUALIZATIONS AND DECREASES IN STATE ENDOWMENTS

### 1. EXPENDITURE

Actual operational expenditure, in the amount of €7,864 million, increased by 1.2% compared to the 2016 PB. Excluding equalization expenditure, it stood at €7,318 million, an increase of 0.5% compared to 2016 and below the 2017 inflation projection (1.1%). This very moderate increase attests to the supervisory and optimization expenditure measures that were rolled out, particularly in a context marked by an automatic increase in the pay-roll, mainly as a result of the change in the index for civil services and the implementation of the “Professional Experience, Careers and Wages” reform (PPCR).

Equalization expenditure reached €546 million, e.g. an increase of 9.4% compared to the 2016 PB (+€47 million), cancelling out for Paris the profit from the slight decrease in endowments announced by the President of the Republic at the Mayoral Convention. Depending on the calculation conditions for the 2017 equalization fund, voted within the framework of the 2017 financial draft bill, the amounts planned in the 2017 PB are likely to be adjusted at a later time.



Paris's contribution to the National equalization fund for intercommunal and municipal resources (FPIC) should amount to €201 million in 2017, e.g. an increase of €20 million compared to the 2016 PB. Indeed, the National Assembly decided, during the first reading of the 2017 financial draft bill, to increase from 13% to 14% the measures capping the amount of contributions to the national and regional equalizations for revenue from local authorities. While the amount of the fund at the national level remains stable in 2017 at €1 billion, the Parisian local authority will be required to pay a contribution of €25.5 million more than it would have paid if the legislation had remained the same (€176 million). Between 2016 and 2017, Paris's contribution, as the highest contributor, went from 18.1% to 20.1% of the fund's total amount.

The contribution to the Solidarity fund for municipalities in the Île-de-France region (Fonds de solidarité des communes de la région d'Île-de-France: FRSIF) increased by +€10 million compared to 2016 to stand at €171 million. Paris thus contributes 55.3% of the FRSIF's resources.

In terms of equalizations between departments, the Department of Paris made a contribution to the Solidarity fund for departments in the Île-de-France region (FSDRIF) of an amount of €27.7 million in 2017, i.e. an increase of €1.2 million compared to 2016, it also contributes the same amount (€27.7 million) to the Equalization fund for the value-added tax for companies (CVAE) a figure that remains almost stable compared to 2016.

Moreover, the contribution to the two Equalization funds for the DMTO (Transfer Rights subject to payment), set up in 2011 and 2014 respectively, increased by 15.3% compared to the 2016 PB, totalling nearly €118 million. This increase results from the rise in real estate tax income noted in 2016.

In order to maintain the Local Authority's financial and social balances, while still developing local public services, personnel expenditure from the general budget of the Parisian Local Authority amounted to €2,335.1 million (excluding the neutralization of cross flows between the City and the Department related to the repayment

of the departmental bonus, the 2017 PB amounts to €2,337.6 million), e.g. an increase of 2.9% (+€66 million) compared to the 2016 provisional budget.

External measures have had a very strong influence this year, explaining the approximately 1.6-point increase in personnel expenditure. We have distinguished three main factors that explain this phenomenon: the revaluation of the index (+0.6% on 07/01/2016 and +0.6% on 02/01/2017), the application of the national reform on professional experience, careers and wages (PPCR) and the wage shift caused by increasing technical skills and the aging of the workforce.

This change incorporates an automatic increase of nearly €3 million originating from the scope effects of fighting against anti-social behaviour (provisional assignment of police officers from the Police Prefecture and crossing guards), the New Paris Solidarity reform (full-year effect of the transfer of agents from the Department of Paris to the Social Action Centre for the City of Paris) and resuming the management of medical centres, City Health Workshops, the Paris Nutrition Health programme and Paris Habitat nursery schools. If the scope remains constant, the payroll would increase by less than 2.8% compared to the 2016 PB. This budget does not incorporate movements from the upcoming reform of the status of Paris.

In addition, the 2017 budget represents the choices made by the local authority in terms of developing more public services for Parisians. The 2017 PB thus envisages a responsible and balanced action plan with the creation of 253 positions for an equivalent number of redeployments. The priorities of this term of office have been reasserted, with 80 new positions in the sanitation sector and 68 positions in new facilities. The cost of the action plan is estimated at €8.2 million in 2017.

#### Detailed presentation of payroll

In terms of the City, personnel expenses increased by 3% compared to the 2016 PB and stand at €2,106 million (€2,074 million in the 2016 PB). This increase results, in particular, from the action plans involving strengthening local public services, increasing the brigade against anti-social behaviour, the impact of the wage shift caused by the increasing of technical competencies and aging of the workforce, as well as major external measures (increase of the index point value, the Professional Experience, Careers and Wages reform - PPCR).

In terms of the Department, personnel expenses increased by 1.6% compared to the 2016 PB and amount to €201 million (€198 million in the 2016 PB). This increase of +€3 million is mainly explained by the impact of the change in scope connected to the payroll transfer from the DASES to the CASVP (-€6 million) for agents working for the New Paris Solidarity program. Excluding any changes in scope, expenses increased by €9 million (+4.7%). This increase mainly corresponds to the impact of the wage shift caused by the increasing of technical competencies and aging of the workforce and major external measures (increase of the index point value, PPCR).

The tables below retrace in an aggregated and consolidated way (City and Department) the budgetary provisions for the different personnel expense categories, incorporating the evolution factors described above:

- Payroll expenses:

	2016 PB	2017 PB	Progr. %
Staff payroll	€1,609,396,077	€1,647,583,900	2.4%
Of which government-subsidized contracts	€30,900,000	€30,900,000	0.0%
Taxes and contributions	€38,567,900	€41,245,000	6.9%
Social security and retirement expenses	€551,174,800	€579,847,600	5.2%
Other charges	€37,875,816	€36,076,500	-4.8%
Wages for elected official collaborators	€3,397,410	€3,441,150	1.3%
<b>TOTAL</b>	<b>€2,240,412,003</b>	<b>€2,308,194,150</b>	<b>3.0%</b>

- Other personnel charges:

	2016 PB	2017 PB	Progr. %
Offloading of classes for school directors	€20,206,794	€18,706,800	-7.4%
Paris-Habitats and CAF nursery schools André Masson nursery school	€1,333,590	€1,333,590	0.0%
“BOUR Marcel Paul” verdict and distinct benefits from the SUDAC 2	€3,000,000	€2,800,000	-6.7%
Medical fees and occupational medicine	€2,680,000	€2,306,589	-13.9%
Work accident income and invalidity pension	€1,345,000	€1,407,000	4.6%
Miscellaneous expenses	€329,500	€331,000	0.5%
<b>TOTAL</b>	<b>€28,894,884</b>	<b>€26,884,979</b>	<b>-7.0%</b>
The arbitration verdict called “BOUR-MARCEL PAUL” handed down on March 28, 1937 is in regards to the payment of pension supplements to former employees of SITA and VEOLIA Environnement companies, and their beneficiaries, allowing them to collect the same retirement benefits as City of Paris agents and their beneficiaries. A comparable programme benefits former employees of the Société Urbaine de distribution d’Air Comprimé (SUDAC), which provided the City of Paris with compressed air until 1994.			

Other personnel expenses are indicated for the local authority in the amount of €26.9 million, a decrease of 7% compared to the 2016 PB, particularly due to the decrease of pensions paid to personnel from “the verdict” and the SUDAC (related to the decrease of the affected population).

The main proportion of expenses is linked to the offloading of classes for school directors in the City of Paris (70% of the “other personnel charges” entry). The Paris local authority bears the additional cost of the dispensatory system that early childhood education and primary school directors benefit from in Paris. Thus, the salary for schoolteachers sent to Paris in order to replace the discharged directors is the subject of a reimbursement to the State on the basis of an agreement made with the Minister of National Education. The amount planned in the 2017 PB is €18.7 million.

Social charges excluding general charges were subject to a decrease of 0.7% compared to the 2016 PB and reached €1,636.6 million in the 2017 PB.

The Active Solidarity Income amount has been set at €360 million for the allowance share, a decrease of €8.5 million compared to the PB, but corresponding to the 2016 execution forecast, in a context where the economic situation is improving at the national level. This forecast is explained through the supposition that the number of beneficiaries will decrease from 67,000 anticipated in the 2016 PB to 64,500 beneficiaries on average in 2017, to which is added the impact of inflation and the annual 2% re-evaluation related to the governmental plan to fight against poverty, set up in September 2014.

Welfare for people with disabilities increases by €9 million, taking it to €243 million; this change is explained by the increase in housing costs, related to the 0.5% re-evaluation of the daily price of existing structures as well as the opening of new establishments under the framework of the departmental plan for the autonomy and citizenship of Parisians with disabilities. In parallel, disability compensation services (prestation de compensation du handicap: PCH), which is being progressively replaced by the compensatory allowance for third parties (allocation compensatrice pour tierce personne: ACTP), is planned for an amount equivalent to that of the 2016 PB (€75 million). Lastly, Paris’s contribution to the budget of the Departmental Home for Disabled People will be increased by €0.6 million (e.g. an overall contribution of €3.52 million, an increase of 19% compared to the PB 2016).

The amount of childhood welfare (aide sociale à l’enfance: ASE) (excluding charges allocated in Chapter 011 (interim fees), decreased from €289 million to €285 million in the 2016 PB. This slight decrease is explained, in particular, by the decrease in the number of young people after re-establishing the distribution of unaccompanied foreign children (mineurs isolés étrangers: MIE) throughout the territory following the enactment of the law regarding the protection of children, starting in March 2016. The number of minors is estimated at 4,800 in 2017, e.g. 125 less than in 2016. This effect is partially offset by the increase in rates for reception facilities and the impact of creating new spots, particularly for young people suffering from psychological disorders.

Expenditure earmarked for elderly people reached €298 million, e.g. a decrease of nearly €10 million compared to the 2016 PB. The budget for Personal Autonomy Allowance (APA) went from €152 million in the 2016 PB to €148 million in the 2017 PB, but remains higher than the level of planned expenses to be executed in 2016. In parallel, housing fees for elderly people eligible for social assistance in housing and reception establishments decreased by €5 million. The downward trend in the number of beneficiaries (5,983 at the end of 2008, 5,100 at

the end of 2015, e.g. a decrease of more than 2% per year) offsets the +0.5% yearly increase in the daily price of establishments.

The contribution to the Social Action Centre of the City of Paris (CASVP) is set at €353 million, an increase of €9 million compared to 2016, due to the continuation of the New Paris Solidarity reform (+€7 million), which caused an increase in payroll through the transfer of the workforce. Once this effect is neutralized, the contribution to the CASVP shows an increase of €1.9 million, which is partially explained by the decrease in its own income.

The amount of general charges decreased by €5 million to stand at €781 million. This change resulted from the adoption of measures aiming to rationalize the discretionary programmes from the regional authority and control maintenance and operational charges for facilities and services.

The amounts forecasted for civil contracts for the City and Department's services are detailed in the table below.

	2016 BP	2017 BP	%/2016 BP
Sanitation	113.7	113.7	0.0%
Roads	60.5	58.9	-2.7%
Social programmes	23.3	24.8	6.6%
Early childhood	27.7	34.8	25.3%
Sports and youth	22.6	15.7	-30.2%
Culture	12.7	12.5	-2.5%
Education	2.6	2.4	-6.7%
Housing	6.0	6.1	2.3%
Green spaces	4.3	4.3	-1.2%
IT and telecommunications	3.7	5.1	39.9%
Communication and Information	2.1	2.4	14.2%
Legal access	1.9	1.9	0.0%
Logistics	0.9	1.3	53.6%
Other fields	21.2	8.3	-60.9%
<b>TOTAL</b>	<b>303.0</b>	<b>292.2</b>	<b>-3.6%</b>

Contributions from the Parisian local authority are generally stable compared to the 2016 PB and amount to €773 million in the 2017 PB:

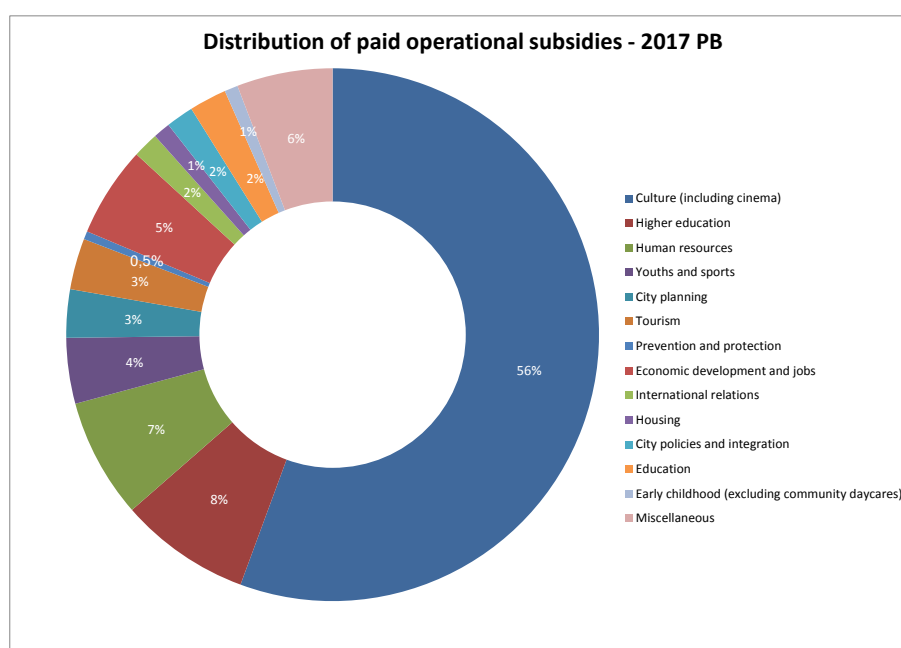
- The contribution to Île-de-France-Mobilités (formerly the Île-de-France transportation federation) is set at €382 million, remaining stable compared to the amount paid in 2016.
- The contribution to the Police prefecture increased by 1.1% to stand at €289 million (+€3.2 million). This controlled change involves measures taken regarding ongoing operational expenses, but makes it possible to engage in the recruitment of 50 additional firefighters as of January 2017 as well as to bear the external effects on payroll (increase of the index, the Civil Servant Compensation Regime - Régime Indemnitare des Fonctionnaires de l'Etat (RIFSEEP) and the Professional Experience, Careers and Wages - PPCR- reforms).
- The contribution to the Intercommunal association for the treatment of household waste (SYCTOM) decreased by €7.2 million to stand at €103 million due to the decrease in tonnage, the implementation of a savings and readjustment plan for the contribution in regards to the workforce expenditure level, in accordance with the recommendations from the Regional chamber of accounts.

The total amount of operational subsidies and contributions excluding social subsidies is €530 million, a decrease of €10 million compared to the 2016 PB. The 2017 PB is based on the following evolutions:

- €288 million were dedicated to operational subsidies from the City and Department, e.g. a decrease of €9.3 million compared to the 2016 PB.
- Moreover, €2.2 million in additional expenditure is proposed for community daycare centre subsidies, in order to finance the opening of 292 new places, and the full-year impact of open places in 2016, for a 2017 amount of €57 million.
- €69 million in subsidies is planned for renewed educational policies compared to the 2016 PB.
- Lastly, the amount planned for subsidies allocated to caisse des écoles which works to ensure attendance in schools remains the same as its 2016 amount, e.g. €80 million.

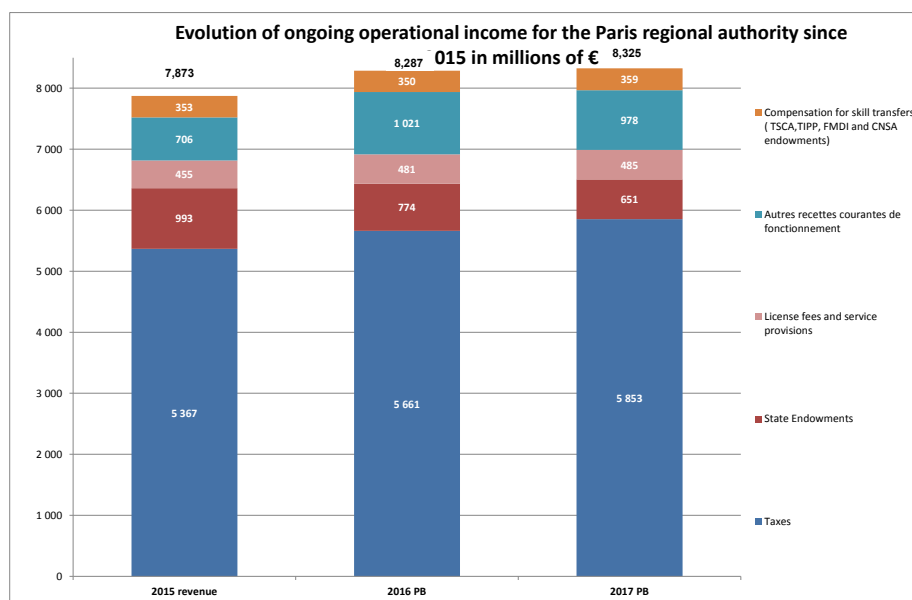
Operational subsidies, excluding financing for education offices, schools and community daycare centres are apportioned in accordance with the table below.

	2016 BP	2017 BP	%/2016 BP
Culture (including cinema)	163.2	160.4	-1.7%
Higher education	23.9	22.9	-4.2%
Human Resources	20.0	20.9	4.4%
Youth and Sports	11.4	11.5	1.3%
City planning	9.4	8.4	-9.8%
Tourism	7.3	9.0	22.8%
Prevention and protection	5.4	1.4	-73.5%
Economic development and jobs	15.5	15.8	2.4%
International relations	4.5	4.5	0.0%
Housing	4.0	3.0	-25.0%
City policies and integration	4.6	4.8	4.8%
Education	7.9	6.5	-17.0%
Early childhood (excluding community daycare centres)	2.4	2.3	-2.5%
Miscellaneous	18.0	16.8	-6.8%
<b>TOTAL</b>	<b>297.4</b>	<b>288.4</b>	<b>-3.0%</b>



Extraordinary charges stand at €34 million, a decrease of €5 million compared to 2016.

Taking into consideration the provisional variation of the outstanding debt, financial fees are estimated at €138 million, a €2-million decrease, due to the fall in rates and negative short-term variable rates. These good management practices are also the result of an active coverage and supervisory strategy that makes it possible to make optimal choices while still respecting prudent ratios.



#### Living together and increased safety for the Parisian region

Continuing the work conducted in 2015 following the terrorist attacks from January 11th and November 13th, and in accordance with the wishes of the executive adopted by the Council of Paris on February 15-17, 2016 regarding post-terrorist attack measures, the 2017 PB incorporated a budget of €13.5 million dedicated to increasing the cohesiveness of Parisian society and ensuring the better protection of Parisians.

As such, €4.2 million will be specifically earmarked for the financing of terrorist attack risk prevention programmes. Thus €1.2 million are dedicated to securing cultural facilities and performance halls, €1.2 million are dedicated to assisting young people and promoting the idea of living together, with, in particular, the financing of a plan to fight against young people dropping out of school of an amount of €0.4 million. In addition, first-aid training will be renewed in 2017 with a budget of €0.9 million dedicated to training Parisians and civil servants. A loan budget will also be allocated for work in favour of social cohesion and the prevention of radicalization, up to €0.5 million and €0.4 million, respectively.

In investments, €9.3 million are planned in the 2017 PB, including €5.8 million for protecting educational establishments, with, in particular, the installation of terrorist anti-intrusion alarms and door fortification systems as well as €2 million for protecting public buildings. Moreover, €1.5 million will be dedicated to rolling out the first defibrillators in the capital, with the aim of installing 1,000. In response to the context, an entry was created in the 2017 PB in order to help victims of terrorist attacks and to prevent radicalization.

## 2. REVENUE

Actual operating revenue in the 2017 PB is set at €8,358 million, an increase of 0.5% compared to the 2016 PB (€8,316 million).

Direct contributions decreased by 12.8% compared to the 2016 PB, at constant taxation rates, to stand at €2,633 million.

This change is mainly due to the planned 25-point transfer to the Île-de-France region of the 48.5% Value-Added Tax for Companies (CVAE), currently collected by the department. This income transfer will be offset with an amount equal to the CVAE revenue transferred in 2016, e.g. €475.3 million and will not change in the future. The Paris local authority's finances will thus lose the advantage of this economic taxation starting in the 2017 fiscal year (in the amount of €11.8 million as of 2017).

Moreover, the compensation paid by the Greater Paris Metropolis (MGP) for the transfer of the municipal CVAE as of 2016, in an amount of €527 million, has increased slightly due to the definitive revenue from 2015.

Direct taxation revenue, reprocessed with collected compensations, improved by 2.5% (e.g. +€88.3 million), reaching €3,635 million.

Regarding local direct tax revenue, the following hypotheses were retained for 2017:

- A nominal re-evaluation of the taxation bases at +0.4%. This measure does not have any effect on the CVAE's income dynamic, but impacts other local direct tax revenue.
- The physical growth of taxation bases, for each tax:
  - +0.1% for the residence tax (taxe d'habitation: TH)
  - +0.4% for property taxes on developed properties in the city (taxe foncière sur les propriétés bâties: TFPB)
  - +0.5% for the departmental TFPB (the temporary exemption programme is different than the one applied to the city TFPB)
  - -6.3% for property tax on non-developed properties (taxe foncière sur les propriétés non bâties: TFPNB)
  - +0.6% for corporate property tax (cotisation foncière des entreprises: CFE).
- Provisional departmental CVAE revenue in the amount of €457.9 million for 2017 (excluding compensation) corresponding to the latest forecast transmitted by the Regional Department of Public Finances in November 2016.
- The possibility of increasing the residence tax for secondary residences by 60%, given to municipalities located in tense zones (provision finally adopted in article 97 #2016-1917 of December 29, 2016 for 2017 finances, modifying article 1407 ter of the General Tax Code), encourages certain owners to put their home back on the market, in accordance with the City's housing policy. A decision in this regard was voted on by the Council of Paris at the beginning of 2017.

Amount of non-allocated local direct tax revenue from PB to PB:

(in millions of €)	2016 PB	2017 PB	16 PB/17 PB variation
Value-added tax for companies (CVAE)	908.6	457.9	-49.61%
Property taxes (TFPB city and department, TFPNB)	1,004.2	1,008.9	0.47%
Residence tax (TH)	762.9	817.4	7.14%
Corporate property tax (CFE)	316.4	320.5	1.31%
Flat-fee taxation on network companies (IFER)	2.9	2.6	-9.95%
Additional contributions	25.3	25.3	0.00%
<b>Total direct taxes (excluding MGP compensation)</b>	<b>3,020.2</b>	<b>2 633</b>	<b>-12.84%</b>
Compensation from the MGP tax transfer	526.5	527.1	0.12%
Compensation for the 25-point transfer from the CVAE to the RIF	-	475.3	
<b>Total direct taxes (including MGP compensation)</b>	<b>3,546.7</b>	<b>3,635.0</b>	<b>2.49%</b>

The rates practiced by the local authority are distinctly lower than the national average as well as other large French cities, as the two tables below indicate:

The taxation rate for the Paris local authority

	2016 Rates	2017 Rates	2015 average national rate
Residence tax (TH)	<b>13.38%</b>	<b>13.38%</b>	<b>24.19%</b>
Property tax on developed properties (TFPB)	<b>13.50%</b>	<b>13.50%</b>	<b>35.96%</b>
- for the city	8.37%	8.37%	20.52%
- for the department	5.13%	5.13%	15.44%
Property tax on undeveloped properties (TFPNB)	<b>16.67%</b>	<b>16.67%</b>	<b>49.15%</b>
Corporate property tax (CFE)	<b>16.52%</b>	<b>16.52%</b>	<b>25.95%</b>
Waste removal tax (TEOM)	<b>6.21%</b>	<b>6.21%</b>	<b>9.29%</b>

Comparison with other local authorities

2016 Rates	Bordeaux	Lyon	Marseille	Paris
Residence tax (TH)	<b>32.35%</b>	<b>29.76%</b>	<b>40.25%</b>	<b>13.38%</b>
Property tax on developed properties (TFPB)	46.97%	<b>29.81%</b>	<b>41.66%</b>	<b>13.50%</b>
- for the city	29.51%	29.81%	26.61%	8.37%
- for the department	17.46%	0%*	15.05%	5.13%
Property tax on undeveloped properties (TFPNB)	<b>94.15%</b>	<b>21.88%</b>	<b>27.77%</b>	<b>16.67%</b>
Corporate property tax (CFE)	35.06%	<b>28.62%</b>	<b>32.63%</b>	<b>16.52%</b>
Waste removal tax (TEOM)	<b>9.31%</b>	<b>6.79%</b>	<b>18.10%</b>	<b>6.21%</b>
* The department's share was transferred to the Greater Lyon Metropolis in 2015, the former rate has thus been merged				
** Rates other than the departmental TFPB rates are those for the municipalities + the intercommunalities (structures grouping municipalities together) to which they belong				
***For Marseille, the TH and TFPB rates have slightly fallen compared to 2015. This decrease is attributable to the creation of the Metropolis on January 1, 2016 and the calculation of the rates at the regional level.				

Indirect tax revenue increased by 4.9% compared to the 2016 PB, standing at €2.217 million.

Income from the waste removal tax (taxe d'enlèvement des ordures ménagères: TEOM) and the street sweeping tax amounted to €574.9 million, compared to €567.9 million in the 2016 PB (+1.2%).

This increase is related to the change in TEOM revenue, which went from €464 million to €471 million. This tax is established according to the same taxation basis as the property tax for developed properties. Nevertheless, temporary property tax exemptions, even over the long term, are not applied to the TEOM, to the extent that



the increase in physical bases for this tax generally experienced more significant growth. The hypotheses for 2017 are the following:

- Nominal re-evaluation of the taxation bases at +0.4% taking into the consideration the actual situation of the 2017 financial draft bill
- A +0.6% growth hypothesis for physical bases.

Amount of revenue from the TEOM and street sweeping tax

<i>(in millions of euros)</i>	2016 PB	2017 PB	16 PB/17 PB evol.
TEOM - general contribution	463.4	470.3	1.5%
TEOM - additional contribution	0.5	0.6	20.0%
<b>TEOM -total</b>	<b>463.9</b>	<b>470.9</b>	<b>1.5%</b>
<b>Street sweeping tax</b>	<b>104.0</b>	<b>104.0</b>	<b>0.0%</b>
<b>TOTAL</b>	<b>567.9</b>	<b>574.9</b>	<b>1.2%</b>

The amount of real estate tax revenue amounts to €1,350 million. Transfer rights have increased by €120 million compared to the 2016 PB. This amount takes account of the momentum of the real estate market in 2016 and the full-year effect of the increase in the departmental rate voted on by the Council of Paris in November 2015.

The amount of parking fees is proposed to be renewed in the same amount as in the 2016 PB, i.e. an amount of €130 million.

The amount of the tax on total electricity consumption is established at €70 million, stable in comparison to the 2016 PB.

Other taxes amounted to €92 million, a decrease of €24 million compared to the 2016 PB. This decrease mainly results from updates to the expected revenue from the tourist tax (€80 million in the 2017 PB, i.e. €15 million less compared to the 2016 PB), given that the revenue effectively collected in 2015 was less than anticipated due to the decrease in tourism connected to terrorist attacks.

State endowments amounted to €198 million, compared to €320 million in the 2016 PB, i.e. a decrease of €122 million (-38.2%). By incorporating, for purposes of comparison with the fiscal years prior to 2016, the “salary share compensation” portion (CPS) from the City’s general operational endowment (DGF) paid by the Metropolis (e.g. €453 million), they amount to €651 million, compared to €774 million in the 2016 PB.

The decrease in endowments is mainly due to the DGF (-€142 million), which went from €271 million to €129 million (or from €724 million to €582 million when incorporating the CPS portion, i.e. a decrease of €142 million, which is due to the following movements:

- -€130.6 million for the public finance adjustment tax
- -€22.7 million of additional capping in order to finance the increase of equalization endowments following the modification of the capping calculation terms decided on by the National Assembly during the first reading of the 2017 financial draft bill
- -€0.9 million due to the decrease in the surveyed population
- +€11.9 million of adjustments after notification of the 2016 DGF.

At the same time, compensation endowments for tax exemptions present an overall increase of €1.7 million, due to the twofold effect of the increase in compensations for exemptions granted in 2016 to people with modest means and the decrease in endowments serving as adjustment variables. It is important to remember that, since 2016, the loss of the entertainment tax has been the subject of compensation.

The Parisian local authority will also operationally collect an allocation of €9 million following the extension of the FCTVA by the 2016 finance law in order to cover expenses for building and road maintenance.

The revenue collected for the compensation for the transfer of responsibilities amounts to €359 million compared to €350 million in the 2016 PB, e.g. an increase of 2.4% mainly due to the additional support financing the second half of the Personal Autonomy Allowance, established by the law in order to better adapt society to population aging.

Operating and license-fee revenue increased by €4 million in order to reach €485 million in the 2017 PB. €205 million was expected from license fees paid by farmers and agents, a decrease of €6 million, which is explained, in particular, through the ending of an extraordinary license fee on the concession of the Eiffel Tower not wholly offset by increases in license fees for conceded urban spaces and the Exhibition centre in accordance with the contractual provisions in effect. €193 million was planned for user contributions, a 3.7% increase compared to 2016, particularly due to the opening of new daycare spots generating an increase in hours billed. Revenue from usage in this field reached €87 million.

State, regional and third-party subsidies and contributions reached €280 million, an increase of €24 million, due to the increase in revenue paid by the family allowance fund in the context of an increase in daycare centres (opening of new places and the effect of children and youth contracts).

Surplus from joint development zones (surplus from the operation of joint development zones - ZAC) was recorded at €103 million, taking into consideration completed development projects, and those remaining to be completed.

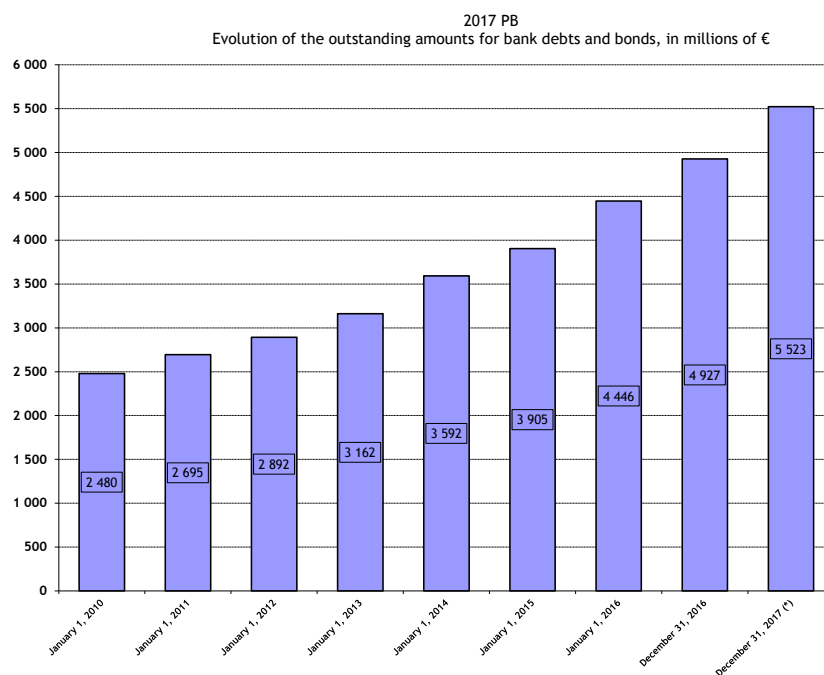
Rental revenue stood at €404 million, a decrease of €74 million compared to 2016. The revenue for capitalized rent, coming from, in particular, the public service contract for available social housing, reached €292.3 million in 2017 compared to €360.9 million in 2016, e.g. a decrease of €68.6 million corresponding to the change in the number of public service contracts. A specific decision is to support the operational recovery of the 2017 investment surplus from the public service contract policy of turning existing housing from the private landlord stock into social housing stock, thus making it possible for landlords to concentrate their activity on their primary responsibility of supporting social housing. Once official, housing is thereby sustainably anchored in the regulations applicable to social housing. This process contributed to the achievement of the 25% objective for social housing set by the “Urban renewal and solidarity” law. Moreover, this operation makes it possible for landlords to carry out construction projects aiming to improve these properties. The Housing page in this report is specifically dedicated to this policy.

Other ongoing operating revenue stood at €191 million.

Extraordinary revenue is renewed at €8 million in the 2017 PB.

Lastly, financial revenue amounts to €25 million, an increase of €4 million compared to 2016 due to the increase in expected dividends from the City of Paris Property Management Division (Régie Immobilière de la Ville de Paris: RIVP), which is explained by the increase in net revenue from the company over this period.

Bank debt and bonds were established on December 31, 2016 in the amount of €4,928 million, to which is added other debt contracted within the framework of development operations (€93.7 million) and the loan repayment schedule for the Philharmonie concert and music complex (€136.8 million), in the amount of €230.5 million.



\*Provisional outstanding amounts for bank debts and bonds assuming that the borrowing capacity for 2017 is reached.

# 2016-2017 PROVISIONAL BUDGETS

City and Department of Paris						
2016 PB - 2017 PB						
in millions of €	2016 PB	Post-amending decision 2 appropriations	2017 PB	Post- supplementary budget appropriations	PB to PB evolution	
Direct taxes	3,020	3,034	2,633	2,633	-388	-12.84%
Transferred direct taxes	527	527	1,002	1,002	476	90.39%
TEOM	464	464	471	471	7	1.52%
Street sweeping tax	104	104	104	104		0.00%
Parking fees	130	130	130	130		0.04%
Tax on electricity (City + Department)	70	70	70	70		0.50%
Real Estate tax (DMTO+TADE)	1,230	1,230	1,350	1,350	120	9.76%
Other taxes	117	108	92	92	-24	-20.94%
Taxes	5,661	5,666	5,853	5,853	191	3.38%
APA compensation (CNSA)	10	10	17	17	7	71.13%
RSA compensation (TIPP + FMDI)	258	258	259	259		0.05%
Other compensation (including TSCA)	82	82	83	83	1	1.54%
Compensation for the transfer of responsibilities	350	350	359	359	9	2.43%
Greater Paris Metropolis affectation (DGF transfer)	453	453	453	453		0.00%
Overall operational endowment (DGF)	271	283	129	124	-142	-52.44%
Compensation endowments (DCTP, DCTH, DCTF)	33	42	53	47	20	60.35%
Other endowments (DGD, DSI)	16	16	16	16		-0.26%
of which operational FCTVA			9	9	9	
Endowments	774	795	651	640	-122	-15.83%
Subsidies and contributions: (State, Department, Region, FSE, Social security, undue collections, etc.)	256	263	280	283	24	9.41%
Of which CAF revenue	177	177	198	198	21	11.58%
License fees paid by farmers and agents	212	212	205	210	-6	-3.00%
of which DF	126	126	124	124	-2	-1.71%
of which DVD	71	71	70	74	-1	-1.42%
License fees and domain usage revenue (including fees for setting up outside seating on the sidewalk)	84	84	87	87	3	3.70%
Contributions from Parisian users	185	185	193	193	8	4.05%
Operational revenue	481	481	485	489	4	0.88%
ZAC surplus	78	78	103	103	25	32.41%

City and Department of Paris						
2016 PB - 2017 PB						
in millions of €	2016 PB	Post-amending decision 2 appropriations	2017 PB	Post- supplementary budget appropriations	PB to PB evolution	
Rental income (Building revenue)	478	478	404	404	-74	-15.44%
of which DLH	89	89	80	80	-9	-10.62%
of which long leases	354	354	288	288	-67	-18.83%
Levies from beneficiaries	87	87	88	88	1	1.24%
Construction on the behalf of third parties	13	13	12	12	-1	-10.41%
ESA reimbursement	31	27	31	28	1	1.81%
Reimbursement of personnel fees made available, reduction in charges and miscellaneous collections	79	77	60	60	-19	-24.21%
Total of other ongoing operational revenue	688	682	595	592	-93	-13.46%
Ongoing operational revenue	8,287	8,315	8,325	8,319	38	0.46%
Personnel charges	2,269	2,273	2,335	2,335	66	2.90%
General charges	787	840	781	817	-6	-0.70%
Welfare, of which:	879	883	871	872	-9	-1.00%
Child welfare	289	291	285	285	-4	-1.43%
Welfare for disabled people (PCH, ACTP)	75	79	75	75		-0.27%
Housing assistance for disabled people	159	164	168	168	9	5.64%
Personal Autonomy Allowance (APA)	152	152	148	149	-4	-2.71%
Housing assistance for elderly people	156	148	151	151	-6	-3.52%
FSL	23	23	20	20	-4	-14.99%
RSA, future contracts and PPIE	425	426	413	414	-12	-2.78%
including share of RSA benefit	369	364	360	360	-9	-2.31%
Contribution to the CASVP	344	344	353	353	9	2.58%
Total welfare	1,648	1,653	1,637	1,639	-12	-0.71%
Subsidies to education offices	80	80	80	80		0.00%
Subsidies to community daycare centres	55	55	57	57	2	4.08%
Endowments and contributions to the education policy (schools, private education)	69	69	69	69		0.31%
City and Department operational subsidy	297	306	288	295	-9	-3.04%
Miscellaneous (including CNRACL, additional sani- tation budget, IIBRBS, inter-departmental parks)	38	39	35	35	-3	-8.23%
Subsidies and contributions	540	549	530	537	-10	-1.80%
Police prefecture	285	284	289	287	3	1.12%
Contribution to the STIF	378	382	382	385	4	1.00%
Contribution to SYCTOM	110	107	103	103	-7	-6.55%
Contributions	773	773	773	775		-0.03%

City and Department of Paris						
2016 PB - 2017 PB						
in millions of €	2016 PB	Post-amending decision 2 appropriations	2017 PB	Post- supplementary budget appropriations	PB to PB evolution	
FSRIF	161	161	171	171	10	6.20%
DMTO equalization fund	102	91	118	118	16	15.34%
Municipal equalization fund (FPIC)	181	184	201	174	20	11.08%
CVAE Equalization fund	28	28	28	28		0.26%
IDF FSDIF Departmental solidarity fund	27	28	28	28	1	4.48%
Equalization expenses	499	491	546	520	47	9.42%
FNGIR	898	898	898	898		0.00%
Other ongoing management charges	190	188	191	213	1	0.61%
Ongoing management charges	7,605	7,666	7,692	7,734	87	1.14%
Management savings	682	649	634	585	-49	-7.11%
Financial revenue	21	21	25	25	4	19.65%
Financial charges	140	140	138	138	-2	-1.11%
Financial balance	-119	-119	-113	-113	6	-4.75%
Extraordinary revenue	8	23	8	18		-4.93%
Extraordinary charges	39	41	34	46	-4	-11.55%
Extraordinary balance	-30	-18	-26	-27	4	-13.34%
Total actual operational revenue	8,316	8,359	8,358	8,362	42	0.50%
Total actual operational expenses	7,783	7,846	7,864	7,918	81	1.04%
Gross savings	533	513	494	444	-39	-7.28%
Subsidies and endowments received	294	286	284	288	-10	-3.41%
- of which investment subsidies received	126	128	111	115	-15	-12.04%
- of which police fines	32	32	33	33	1	3.13%
- of which FCTVA	130	120	140	140	10	7.69%
Revenue from the transfer of fixed assets	233	233	300	191	67	28.78%
Transactions for third parties	16	17	7	7	-9	-58.75%
Loan repayments	10	10	9	10		-2.18%
Other financial fixed assets	31	31			-31	-99.33%
Other actual investment revenue	21	21			-21	-97.71%
Actual investment revenue	605	598	601	495	-4	-0.73%
Financing capacity for investments (gross savings + investment revenue)	1 138	1 111	1 095	940	-43	-3.80%
Intangible assets	21	32	26	29	5	25.64%
Facility subsidies	509	527	468	485	-41	-8.10%
Acquisitions	293	425	334	335	41	14.07%
Construction	777	736	746	732	-31	-4.03%
Operations on behalf of third parties	16	26	23	20	7	46.38%
Loans granted	3		10	10	7	207.69%
Other actual investment expenses	69	130	84	127	16	22.65%

City and Department of Paris						
2016 PB - 2017 PB						
in millions of €	2016 PB	Post-amending decision 2 appropriations	2017 PB	Post- supplementary budget appropriations	PB to PB evolution	

Actual investment expenses	1,687	1,876	1,690	1,738	4	0.21%
Loan repayments	200	200	197	197		
Financing needs	749	965	793	995		
New loans	749	749	793	793		
Working capital on 1/1	230	230	202	202		
Outstanding amounts for bank debts and bonds on 01/01	4,446,350,984	4,446,350,984	4,928,033,826	4,928,033,826		
Outstanding debts on 1/1	4,640,380,895	4,640,380,895	5,158,509,963	5,158,509,963		

	Abbreviation glossary (in order of appearance in the table)
TEOM	Waste removal tax
DMTO	Transfer rights subject to payment
TADE	Additional municipal tax
APA	Personal Autonomy Allowance
CNSA	Independent-living support fund
RSA	Active solidarity income
TIPP	Domestic tax on oil revenue
FMDI	Departmental mobilization fund for professional integration
TSCA	Special tax on insurance contracts
DGF	Overall operational endowment
FCTVA	VAT compensation fund
CAF	Family allowance office
PCH	Disability compensation allowance
ACTP	Compensation allowance for third parties
FSI	Disability special fund
PPIE	Paris plan for professional integration through employment
CNRACL	National retirement office for local regional government employees
IIBRBS	Inter-departmental institution for the Seine's Dams-reservoirs
STIF	Île-de-France transportation federation (now Île-de-France Mobilités)
SYCTOM	Garbage treatment and collection federation
FSRIF	Solidarity fund for municipalities in the Île-de-France region
FNGIR	National individual guarantee fund for resources (municipal)
CVAE	Value-added tax for companies

# DEBT

## OUTSTANDING FINANCIAL DEBT ON JANUARY 1, 2017

### CITY

Outstanding amounts on 01-01-2016	€4,446,079,445
2016 amortization	-€200,009,713
New borrowing in 2016	€681,000,000
SIPS loan transfer on 12-30-2016*	€964,095
Outstanding amounts on 01-01-2017	€4,928,033,826
*Debt from the Departmental Federation of Paris and Hauts-de-Seine regarding the management of the athletic complexes in Puteaux and Antony (SIPS) was transferred on 12/30/2016 to the City of Paris in the amount of €964,094.81.	

In virtue of articles L.2512-1 et seq. of the General code for territorial regional authorities, including, in particular, article L.2512-9, which makes it possible for the department of Paris and the municipality of Paris to conclude agreements in which one of the parties promises to make its services and resources available to the other in order to facilitate the latter in exercising its responsibilities, the services and resources of the Financial Management Department of the city of Paris are made available to the department of Paris, so that the Department of Paris does not bear any debt. Consequently, the following developments are exclusively focused on the City of Paris's debt. This situation will end on January 1, 2019 with the creation of the City of Paris, a local authority with a specific status, uniting the former department and municipality, and which will take over the City of Paris's current debt.



## PARIS'S DEBT

On January 1, 2017, the outstanding debt for the Paris local authority amounted to €4,928 million, i.e. a 10.8% increase compared to that of January 1, 2016 (€4,446 million), and a +10.59% annual increase between January 1, 2003 and January 1, 2017. This increase is in accordance with projections and related to the evolution of investment expenses.

Slightly over a quarter of outstanding debt is made up of bank loans or similar (at 27%). Outstanding debt is distributed between 8 moneylenders and 12 lead managers (including 7 foreign banks among the lead managers).

The year 2016 was marked by two new Schuldschein loans, which henceforth amount to a total of €360 million ranking Helaba second among our moneylenders, behind BEI. The City also took advantage of an amount provided by 2 CDC loans with advantageous conditions: €30 million over 25 years at the fixed rate of 1.48% and €50 million at zero interest over 20 years. Bond issue debt was the subject of 6 new loans, for a total of €511 million. In the end, the debt on 12/31/2016 was distributed as follows:

	Outstanding debt on December 31, 2016	Total of the outstanding debt in %
Bank loans	1,316,028,461	27%
of which classic bank loans	1,280,967,849	26%
of which revolving credit	35,000,000	1%
Bond issues	3,612,005,365	73%
of which issues in euros	3,267,500,000	66%
of which issues in currencies	344,505,365	7%
<b>TOTAL OUTSTANDING DEBT</b>	<b>4,928,033,826</b>	<b>100%</b>

This table only sets out the amount of debt related to borrowing. The total outstanding amount for other debt amounted to €230 million on 01/01/2017: the other debt comes from the repayment schedules contracted by the City under the framework of development operations (€63 million), the loan repayment schedule for the Cité de la Musique - Philharmonie de Paris concert and music complex (€136.8 million), and public-private partnerships (€30.7 million).

It is also important to note that the loans taken out by the Departmental Federation of Paris and Hauts-de-Seine for the management of the athletic complexes in Puteaux and Antony (SIPS) were transferred on 12/30/2016 to the City of Paris for a total amount of €964,094.81.

The banking establishments and lead managers' respective shares in the total outstanding debt are set out hereafter:

## BANK DEBT

RANKED BY MONEYLENDER

DEBT ON 01-01-2017

LENDER	Initial Capital	Outstanding amount	Interest	Amortizations	Share of total bank debt	Share of total debt
BEI	640,000,000	640,000,000	13,320,900	-	48.63%	12.99%
Helaba	360,000,000	360,000,000	5,428,849	-	27.36%	7.31%
BNP Paribas	135,000,000	135,000,000	40,889	-	10.26%	2.74%
CREDIT FONCIER	40,000,000	40,000,000	-	-	3.04%	0.81%
DEXIA CREDIT LOCAL	100,000,000	35,000,000	-	-	2.66%	0.71%
SOCIETE GENERALE	25,000,000	25,000,000	-	-	1.90%	0.51%
C.D.C.	80,040,672	80,003,754	98	1,152	6.08%	1.62%
CA-IdF (SIPS)	992,956	964,095	8,985	28,861	0.07%	0.02%
S.I.A.A.P.	85,615	60,612	-	8,562	0.00%	0.00%
<b>General total</b>	<b>1,381,119,243</b>	<b>1,316,028,461</b>	<b>18,799,721</b>	<b>38,574</b>	<b>100.00%</b>	<b>26.70%</b>

## BOND ISSUE DEBT

RANKED BY ARRANGER

DEBT ON 01-01-2017

ARRANGER	Initial Capital	Outstanding amount	Interest	Amortizations	Share of total bond issue debt	Share of total debt
HSBC	697,151,230	697,151,230	16,579,333	-	19.30%	14.15%
SocGen (arrangeur)	420,000,000	420,000,000	11,252,900	-	11.63%	8.52%
HSBC-Natixis	360,000,000	160,000,000	15,450,000	200,000,000	4.43%	3.25%
Natixis	321,000,000	321,000,000	3,741,976	-	8.89%	6.51%
HSBC-SG-CA	300,000,000	300,000,000	2,711,067	-	8.31%	6.09%
HSBC-Natixis-Citi	300,000,000	300,000,000	-	-	8.31%	6.09%
HSBC-Natixis-Société Générale	295,000,000	295,000,000	12,787,500	-	8.17%	5.99%
Goldmann Sachs	260,000,000	260,000,000	6,474,600	-	7.20%	5.28%
HSBC-Natixis-Banca IMI	200,000,000	200,000,000	9,250,000	-	5.54%	4.06%
Crédit Agricole	140,000,000	140,000,000	3,726,200	-	3.88%	2.84%
Citi	110,000,000	110,000,000	1,800,000	-	3.05%	2.23%
Deutsche Bank	100,000,000	100,000,000	4,000,000	-	2.77%	2.03%
Crédit Suisse	98,525,250	98,525,250	- 53,876	-	2.73%	2.00%
Crédit Suisse-BNPP	95,328,885	95,328,885	- 128,871	-	2.64%	1.93%
BRED	50,000,000	50,000,000	1,140,000	-	1.38%	1.01%
Natixis-BNP	40,000,000	40,000,000	198,987	-	1.11%	0.81%
Barclays	25,000,000	25,000,000	105,051	-	0.69%	0.51%
<b>General total</b>	<b>3,812,005,365</b>	<b>3,612,005,365</b>	<b>89,034,866</b>	<b>200,000,000</b>	<b>100.00%</b>	<b>73.30%</b>

Revolving loans on January 1, 2017 represented only 0.71% of the overall outstanding debt. On January 1, 2017, this amounted to €35 million.

After swaps on January 1, 2017, the debt (excluding revolving) was made up of 88.6% of fixed-rate loans and 11.4% of adjustable-rate loans.

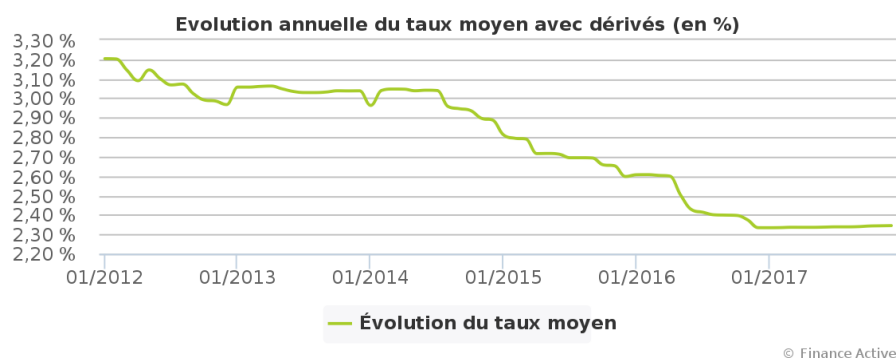
On January 1, 2017, the average lifespan for the debt was 10.35 years, an increase compared to January 1, 2016 (9.68 years), due to the long maturities for a large share of the new loans.

For the year 2016, the weighted average rate for the debt was established at 2.33%, compared to 2.45% in 2015. This evolution reflects the change in long-term rates on the market.

The table and graph below shows the evolution of the weighted average rate after swaps since 2013:

Year	Weighted Average Rate (%)
2013	2.97
2014	2.82
2015	2.61
2016	2.33

Annual evolution of the average interest rates with derivatives (in %)



Evolution of the average rate

The distribution and structure of the debt before and after interest rate hedging are presented in the section “Active management of debt through rate derivative revenue.”

## BANK LOANS

Loan	Lending establishment and contract year	Remaining capital due (in millions of EUR)	Rate	Lenght	Mobilization date	Last payment
0532	BEI	100	3.45%	13 years	21/07/2010	21/07/2023
0536	BEI	50	3.37%	14 years	19/12/2012	19/12/2026
0537	BEI	50	3.36%	13 years	19/12/2012	19/12/2025
0539	BEI	100	3.78%	13 years	19/12/2012	19/12/2025
0554	Helaba	25	2.81%	15 years	13/06/2013	13/06/2028
0562	Helaba	25	2.10%	9 years	10/04/2014	21/03/2023
0563	Helaba	25	2.84%	15 years	10/04/2014	21/03/2029
0564	Helaba	50	2.57%	20 years	11/06/2014	11/07/2034
0567	BEI	130	1.45%	9 years	31/07/2014	31/07/2023
0568	BEI	70	0.77%	7 years	07/10/2014	07/10/2021
0569	Helaba	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	BEI	60	0.49%	7 years	22/12/2015	22/12/2022
0584	Helaba	50	1.499%	28 years	24/06/2016	24/09/2043
0586	Helaba	40	1.278%	25 years	19/10/2016	18/10/2041
0589	CDC	30	1.48%	25 years	30/11/2016	18/02/2042
0590	CDC	50	0.00%	20 years	30/11/2016	11/10/2036
0591	CA IdF (SIPS)	0,85	3,57%	10 years	30/12/2016	03/03/2026
0592	CA IdF (SIPS)	0,11	3,99%	3 years	30/12/2016	16/09/2019
<b>TOTAL FIXED-RATE LOANS</b>		<b>1 000</b>				
0510	BNP-PARIBAS	110	Euribor 1, 3, 6, or 12M without margin Eonia +0,04% T4M +0,04%	15 years	27/12/2002	27/12/2017
0512	Crédit Foncier	40	Euribor 1, 3, 6 or 12 M+0,03% TAM and TAG 3, 6, or 12 M+0,07%	15 years	22/12/2003	22/12/2018
0518	Société Générale	25	Euribor 1, 3, 6 or 12 M+0,015% TAG 3, 6, or 12 M+0,025% Eonia +0,025%	14 years	28/12/2005	28/12/2019
0528	BEI	80	Euribor 3 M +0,088%	11 years	25/11/2008	25/11/2019
0531	BNP-PARIBAS	25	Euribor 3 M +0,40%	12 years	29/12/2009	29/12/2021
<b>TOTAL ADJUSTABLE-RATE LOANS</b>		<b>280</b>				

## FIXED-RATE BOND ISSUE LOANS

Loan	Arranger	Type of debt	remaining capital due	Rate *	Lenght	Mobilization date	Last payment
0523	HSBC - Natixis	Public Bond Issue	160	Fixed 4.50 %	13 y.	04/12/2007	04/12/2020
0527	HSBC - Natixis - SocGen	Public Bond Issue	155	Fixed 4.75 %	13 y.	30/10/2008	29/10/2021
0529	HSBC - Natixis - Banca IMI	Public Bond Issue	200	Fixed 4.625 %	13 y.	29/06/2009	29/06/2022
0533	HSBC	Private placement	100	Fixed 3.50%	14 y.	02/12/2010	02/12/2024
0534	HSBC-Natixis-SocGen	Public Bond Issue	140	Fixed 3.875 %	15 y.	29/12/2010	29/12/2025
0535	SocGen	Private placement	60	Fixed 4.12 %	15 y.	13/07/2011	13/07/2026
0540	HSBC	Private placement	21	Fixed 4 %	15 y.s	29/12/2011	29/12/2026
0538	Goldman Sachs	Public Bond Issue	100	Fixed 3.875 %	14 y. 1 m.	25/11/2011	29/12/2025
0541	Deutsche Bank	Private placement	100	Fixed 4 %	15 y.	02/04/2012	02/04/2027
0542	HSBC	Private placement (tap sur 0541 HSBC)	50	Fixed 4 %	15 y.	02/04/2012	02/04/2027
0543	HSBC	Private placement	50	Fixed 3.50 %	20 y.	20/07/2012	20/07/2032
0544	Crédit Agricole	Private placement	100	Fixed 2.909 %	14 y. 4 m.	20/09/2012	20/01/2026
0545	HSBC	Private placement	30	Fixed 2.60 %	11 y.	02/10/2012	02/10/2023
0546	HSBC	Private placement (tap sur 0544 Crédit Agricole)	30	Fixed 2.909 %	13 y. 3 m	26/10/2012	20/01/2026
0547	Goldmann Sachs	Private placement	70	Fixed 3.02 %	17 y.	25/10/2012	25/10/2029
0549	HSBC	Private placement	75	Fixed 2.886 %	15 y.	21/06/2013	21/06/2028
0553	Société Générale	Private placement	50	Fixed 2.43 %	15 y.	22/05/2013	22/05/2028
0555	Société Générale	Private placement	125	Fixed 3.155 %	14 y.	01/10/2013	01/10/2027
0556	Société Générale	Private placement	75	Fixed 3.049 %	13 y.	01/10/2013	01/10/2026
0557	Natixis	Private placement	50	Fixed 2.886 %	15 y.	17/10/2013	21/06/2028
0558	Natixis	Private placement	50	Fixed 3.15 %	15 y.	17/10/2013	17/10/2028
0559	Citi	Private placement	60	Fixed 3.00 %	15,1 y.	11/12/2013	15/01/2029
0560	Natixis	Private placement	20	Fixed 3.24 %	20 y.	12/12/2013	12/12/2033
0561	HSBC	Private placement	50	Fixed 2.85 %	16 y.	21/03/2014	14/12/2029
0565	HSBC	Private placement	70	Fixed 2.51 %	17 y.	17/07/2014	17/07/2031
0566	BRED	Private placement	50	Fixed 2.28 %	14,4 y.	15/07/2014	15/12/2028
0571	SocGen (arrangeur)	Private placement	110	Fixed 1.214 %	16 y.	16/03/2015	25/05/2030
0573	HSBC	Private placement	50	Fixed 1.724 %	15 y.	16/09/2015	16/09/2030
0574	Goldman Sachs	Private placement	40	Fixed 1.214 %	15 y.	01/10/2015	25/05/2030
0576	Crédit Agricole	Private placement	20	Fixed 2.006 %	20y .	29/09/2015	29/09/2035
0577	Crédit Agricole	Private placement	20	Fixed 2.08 %	22 y.	29/09/2015	29/09/2037
0578	HSBC	Private placement	36	Fixed 2.10 %	30 y.	23/10/2015	23/10/2045
0579	HSBC-SG-CA	Emission obligataire publique «climatique»	300	Fixed 1.75 %	16 y.	18/11/2015	25/05/2031
0581	HSBC-Natixis-Citi	Emission obligataire publique	300	Fixed 1.25 %	16 y.	30/03/2016	12/01/2032
0582	HSBC	Private placement	35	Fixed 1.512 %	22 y.	17/04/2016	19/04/2038
0585	Goldman Sachs	Private placement	50	Fixed 1.214 %	14 y.	01/07/2016	25/05/2030
0587	Citi	Private placement	50	Fixed 1.16 %	20 y.	14/10/2016	27/10/2036
0588	HSBC	Private placement	50	Fixed 1.30 %	20 y.	09/11/2016	18/11/2036
TOTAL FIXED-RATE BOND ISSUES			3,101,50				

## EMPRUNTS OBLIGATAIRES - EMISSIONS A TAUX REVISABLE

Loan	Arranger	Type of debt	remaining capital due	Rate *	Lenght	Mobilization Date	Last payment
0516	HSBC	Private placement 7 Milliards JPY	50.7	Euribor 3 M -0,03%	13 years	09/11/2005	09/11/2018
0520	Natixis	Private placement 824 MNOK	100	Euribor 3 M -0,05%	13 years	28/11/2006	28/11/2019
0524	Credit Suisse	Private placement 40 MCHF	24.4	Euribor 3 M -0,05%	9 years 1 mois	14/12/2007	13/01/2017
0525	Credit Suisse	Private placement 40 MCHF	24.4	Euribor 3 M -0,05%	9 years 2 mois	14/12/2007	14/02/2017
0526	Credit Suisse - BNP-PARIBAS	Public Bond Issue 150 MCHF	95.3	Euribor 3M +0,064%	10 years	05/11/2008	05/11/2018
0530	Credit Suisse	Private placement 75 MCHF	49.7	Euribor 3M +0,315%	10 years 1 mois	10/12/2009	10/01/2020
0548	Natixis - BNP	Private placement	40	Euribor 3M +0,725%	10 years	19/12/2012	19/12/2022
0550	Barclays	Private placement	25	Euribor 3M +0,725%	18 years	18/07/2013	18/04/2031
0551	Natixis	Private placement	15	Euribor 3M +0,725%	19 years	30/07/2013	30/04/2032
0552	Natixis	Private placement	60	Euribor 3M +0,725%	16 years	30/07/2013	30/04/2029
0583	Natixis	Private placement	26	Euribor 3M - 0,0525%	13	14/04/2016	30/04/2029
TOTAL ADJUSTABLE-RATE BOND ISSUES			510.51				

# PROVISIONAL AMORTIZATION TABLE FOR THE CITY OF PARIS'S DEBT

## I. STATUS ON JANUARY 1<sup>ST</sup>, 2017

### Amortization of debt

YEAR	REMAINING CAPITAL DUE ON 01/01	AMORTIZATION
2017	4,928,033,826	197,187,053
2018	4,730,846,774	189,623,951
2019	4,541,222,823	208,652,784
2020	4,332,570,039	213,353,656
2021	4,119,216,383	253,657,107
2022	3,865,559,276	303,673,434
2023	3,561,885,842	288,692,740
2024	3,273,193,102	293,712,404
2025	2,979,480,698	293,726,501
2026	2,685,754,197	289,664,604
2027	2,396,089,593	278,654,492
2028	2,117,435,101	303,671,578
2029	1,813,763,523	294,688,917
2030	1,519,074,606	253,706,513
2031	1,265,368,092	398,724,370
2032	866,643,723	368,742,490
2033	497,901,232	23,760,879
2034	474,140,353	53,779,540
2035	420,360,813	23,798,477
2036	396,562,335	103,817,695
2037	292,744,641	21,337,197
2038	271,407,444	51,356,987
2039	220,050,457	41,377,071
2040	178,673,386	51,397,451
2041	127,275,934	41,418,134
2042	85,857,801	357,801
2043	85,500,000	50,000,000
2044	35,500,000	0
2045	35,500,000	35,500,000
<b>GENERAL TOTAL</b>		<b>4,928,033,826</b>

As a reminder, on 12/30/2016, the transfer of debt from the Departmental Federation of Paris and Hauts-de-Seine (SIPS) to the City brought the outstanding debt to €4,928,033,826.

## II. AMORTIZABLE DEBT IN THE 4<sup>TH</sup> QUARTER OF 2017

DESCRIPTION	PAYMENT DATE	AMORTIZATION
CA-IdF ex-SIPS loan €0.7 Million	12/16/2017	9,843.76
CA-IdF ex-SIPS loan €3.1 Million	12/3/2017	20,101.14
CDC 25-year fixed-rate loan	12/1/2017	250,561.99
CDC 20-year zero-interest loan	12/1/2017	2,500,000.00
Dexia Crédit Local Revolving Credit EUR 100 million 2017	12/31/2017	35,000,000.00
BNPP loan EUR 110 Million	12/27/2017	110,000,000.00
<b>GENERAL TOTAL</b>		<b>147,780,506.89</b>

Note: the amortizable bullet loans appear in bold (€145 million in total remains to be amortized in December 2017).

## III. AMORTIZABLE DEBT IN 2018

DESCRIPTION	PAYMENT DATE	AMORT
CDC 25-year fixed-rate loan	03/01/2018	251,483.97
CA-IdF ex-SIPS loan €3.1 Million	03/03/2018	20,280.55
CA-IdF ex-SIPS loan €0.7 Million	03/16/2018	9,949.52
Housing r. Fantin Latour 16th	03/31/2018	126.55
Housing r. Fantin Latour 16th	03/31/2018	152.91
Housing r. Fantin Latour 16th	03/31/2018	918.86
CDC 25-year fixed-rate loan	06/01/2018	252,409.34
CA-IdF ex-SIPS loan €3.1 Million	06/03/2018	20,461.55
Housing Achères	06/15/2018	2,626.70
Housing Achères	06/15/2018	5,934.84
CA-IdF ex-SIPS loan €0.7 Million	06/16/2018	10,033.90
CDC 25-year fixed-rate loan	09/01/2018	253,338.11
CA-IdF ex-SIPS loan €3.1 Million	09/03/2018	20,644.17
CA-IdF ex-SIPS loan €0.7 Million	09/16/2018	10,134.81
CEB loan EUR 75 Million	10/04/2018	5,769,230.77
<b>Bond issue CHF 150 Million (EUR 95.3 Million)</b>	<b>11/05/2018</b>	<b>95,328,884.65</b>
<b>Private placement JPY 7 Billion (EUR 50.6 Million)</b>	<b>11/09/2018</b>	<b>50,651,230.10</b>
CDC 25-year fixed-rate loan	12/01/2018	254,270.30
CDC 20-year zero-interest loan	12/01/2018	2,500,000.00
CA-IdF ex-SIPS loan €3.1 Million	12/03/2018	20,828.42
CA-IdF ex-SIPS loan €0.7 Million	12/16/2018	10,241.28
Crédit Foncier loan EUR 40 Million	12/22/2018	40,000,000.00
<b>GENERAL TOTAL</b>		<b>195,393,181.30</b>

Note: the amortizable bullet loans appear in bold (€185.4 million in 2018).



# BORROWING TRANSACTIONS CARRIED OUT IN 2016

Negotiation date	Lender/Arranger	Borrowed amount (Millions in EUR)	Value date	Payment date	Length in years	Interest rate (%)	Spread / Fungible treasury bond (pb) (1)
30/03/16	Citibank/HSBC/Natixis	300	06/04/16	12/01/32	15.77	1.313	38
08/04/16	HSBC	35	19/04/16	19/04/38	22.00	1.512	34
14/04/16	Natixis	26	29/04/16	30/04/29	13.00	1.030	31
21/06/16	Helaba (7)	50	24/06/16	24/09/43	27.25	1.499	29.5
22/06/16	Goldman Sachs (2)	50	05/07/16	25/05/30	13.89	0.951	29
14/10/16	Helaba	40	18/10/16	18/10/41	25.00	1.278	26.5
14/10/16	Citibank/HSBC/Natixis	50	27/10/16	27/10/36	20.00	1.160	25
09/11/16	HSBC	50	18/11/16	18/11/36	20.00	1.300	25
25/11/16	CDC (2)	30	30/11/16	18/02/42	25.00	1.480	NS
25/11/16	CDC (3)	50	30/11/16	11/10/36	20.00	0.00	NS
<b>Total</b>		<b>681</b>	<b>2016 Weighed average per entry</b>		<b>17.28</b>	<b>1.20</b>	<b>27.43</b>

(1) Yield spread compared to Fungible treasury bonds

(2) Quarterly amortization loan (constant payments)

(3) Annual linear amortization loan

In 2016, the City of Paris was able to continue financing itself under particularly interesting conditions, simultaneously benefiting from a weak-rate environment and appeal for its signature symbolized through a tight yield spread compared to fungible treasury bonds (27 base points on average).

Once again, the City had recourse to Schuldschein financing for €90 million. This type of financing, tested for the first time in 2013, has the benefit of offering the City a diversification of its financing sources, in addition to its attractive financial conditions.

The City also used two financing amounts proposed by the Bank for Official Deposits (Caisse des Dépôts et Consignations: CDC) for a selection of public interest or social projects (€30.1 million at 1.48% over 25 years and €50 million over 20 years with no interest). Unlike almost all of the bullet loans taken out by the City, these two contracts are the subject of constant payments (amortization + interest).

The other fundraising carried out in 2016 occurred through bond issues within the framework of the City's EMTN programme. In particular, the City undertook a new significant bond issue (€300 million) with HSBC, Natixis and Citibank arrangers. The goal of smoothing out the amortization burden manifests itself through longer maturities and lengthening the average lifespan of the debt, which went from 9.68 to 10.35 years. Except for €26 million of private placements through Natixis in flat Euribors, which were immediately covered with a 1.03% fixed-rate payer swap over the duration of the bond issue with the same bank, these loans were all taken out with fixed rates, in order to take advantage of the low-rate environment.

Low rates throughout the fiscal year made it possible to regularly raise funds in March, April, June, October and November.

# BORROWING TRANSACTIONS CARRIED OUT IN 2017

The remaining capital due on debt (capital restant dû de la dette: CRD) on January 1, 2017 was €4,928 million, only a €300 million bond issue and a €26 million private placement were concluded during the 2017 fiscal year:

Negotiation date	Lender/Arranger	Borrowed amount (in millions of EUR)	Value date	Payment date	Length in years	Interest rate (%)	Spread / Fungible treasury bond (pb) (1)
25/01/17	HSBC/CACIB/Société Générale	300	02/02/17	02/02/33	16.0	1.705	26
24/08/17	HSBC	26	04/09/17	04/09/37	20	1.579	20
<b>Total</b>		<b>326</b>	<b>2017 Weighed average per entry</b>		<b>16.3</b>	<b>1.69</b>	<b>25.5</b>

(1) Yield spread compared to Fungible treasury bonds

Two private placements made with Crédit Suisse in 2007, in an amount of CHF 40 million each, were amortized on January 14th and February 14th (2 x €24,405,125.08).

# ACTIVE MANAGEMENT OF DEBT THROUGH INTEREST RATE DERIVATIVE REVENUE

## I. HEDGING INTEREST RATE RISK: A NECESSITY FOR EFFECTIVE FINANCIAL MANAGEMENT FOR THE CITY OF PARIS

In its borrowing recourse policy, the City of Paris tries to distribute the indexing of its overall debt between fixed interest rates and adjustable interest rates so that the structure of its debt does not generate any significant additional financial charges in case of a significant increase in interest rates (under the assumption of strong indexing for unhedged adjustable interest rates) or in case of a significant decrease in interest rates (under the assumption of majority indexing for fixed interest rates).

So as to not remain inactive faced with the volatility of financial markets, the City has recourse to certain financial instruments in order to reduce the impact of an evolution in interest rates, which would be to its disadvantage.

The City of Paris only sets up hedging instruments that seem useful in regards to its expectations about the evolution of interest rates, given the structure of its existing and upcoming debt.

The City thus contracts interest rate swaps on its debt in order to hedge against variations in interest rates. It also secures gains by resolving certain operations when the opportunity presents itself.

The City finalizes each interest rate derivative after a competitive pitch from three to five banks in real time. Moreover, the City has tools that give it access to:

- A financial information system indicating swap pricing and option tools in real time
- An efficient analysis tool of the market before any decisions are made
- Price verification tools during the conclusion of transactions
- A tool that monitors positions after their conclusion (Mark to Market monitoring).

The City expects to actively pursue this type of management policy for its debt, and use interest rate derivatives when it considers their utilization necessary.

## II. ASSESSMENT OF HEDGING TRANSACTIONS COVERING INTEREST RATE RISK FINALIZED IN 2016.

In terms of active management of its debt, the City has set itself the goal of distributing, on average, 70% of its debt with fixed rates “versus” 30% with adjustable rates, spread over the subsequent 10 years (with a possible distribution of between 50% and 75% over one year). The City has somewhat distanced itself from this 70/30 goal since 2008 in order to take full advantage of the significant decrease in short-term interest rates.

The year 2016 was marked by interest rates remaining at extremely low levels, the result of massive interventions on the part of central banks. In this context and to the extent that the City’s debt had largely been secured in advance, it only carried out one single new hedging transaction on its debt.

A €26-million private placement was concluded with Natixis on 04/14/2016 (receipt on 04/29/2016, final payment on 04/30/2029) on the basis of 3-month flat Euribor interest payments. In order to secure the low rates in effect when the loan was taken out for its entire duration, a fixed-rate payer swap (1.03% compared to a 3-month Euribor) was signed with the same bank for the duration of this loan.

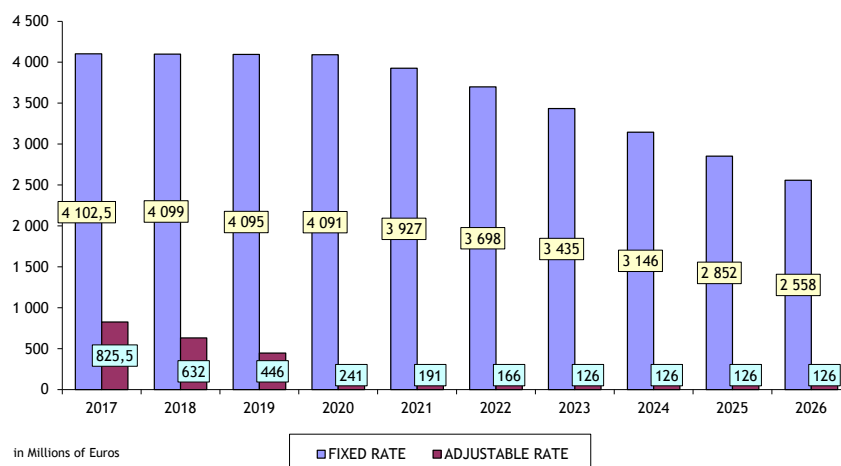
A hedging transaction was also concluded with HSBC, effective on 12/04/2017 on the €100-million private placement (12/02/2010 to 12/02/2024) at the fixed rate of 3.5%, already hedged at the outset through the adjustable-rate 3-month Euribor +44bp payer swap 2010029 concluded with the same bank.

At the end of this new transaction, the fixed rate paid on this private placement will be 0.953%.

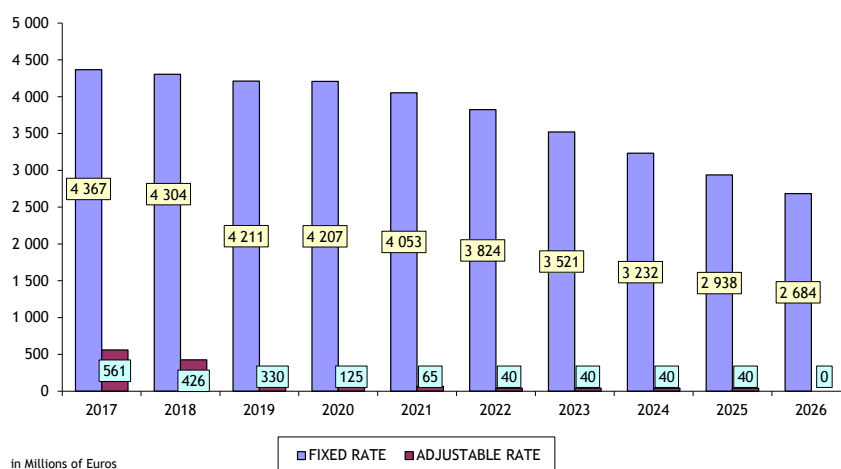
On December 31, 2016, the City's debt was distributed as follows:

- Before swaps: 83.2% in fixed interest rates and 16.8% in adjustable interest rates compared to 82.7% in fixed interest rates and 17.3% in adjustable interest rates on January 1, 2016.
- After swaps: 88.6% in fixed interest rates and 11.4% in adjustable interest rates compared to 88.1% in fixed interest rates and 11.9% in adjustable interest rates on January 1, 2016.

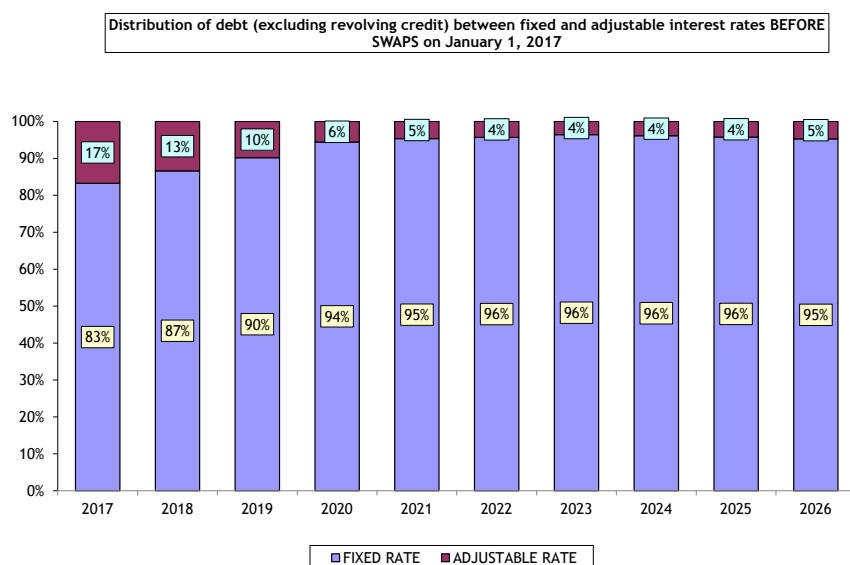
Distribution of debt (excluding revolving credit) between fixed and adjustable interest rates BEFORE SWAPS on January 1, 2017



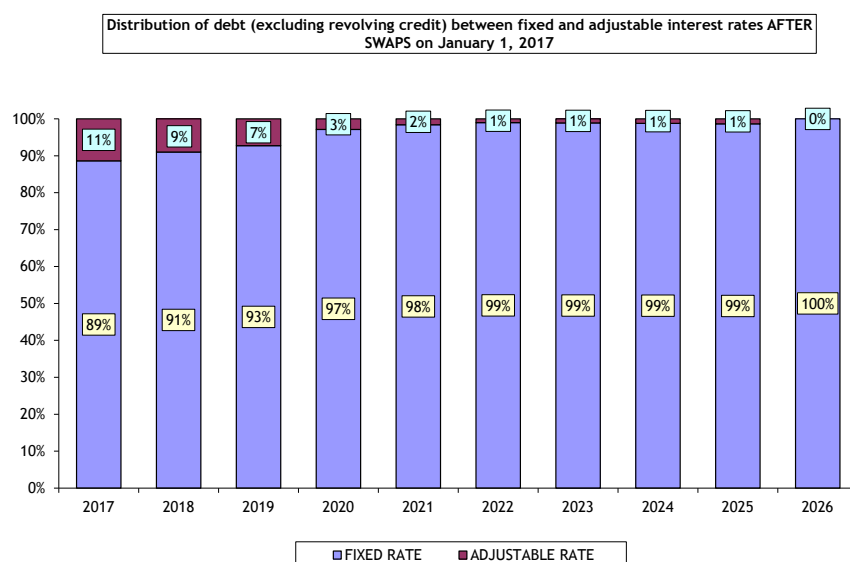
Distribution of debt (excluding revolving credit) between fixed and adjustable interest rates AFTER SWAPS on January 1, 2017



Expressed as percentages, on December 31, 2016 the debt's structure appeared in the following manner:



After these hedging transactions, the debt was distributed as follows:



Recap of ongoing swaps on January 1, 2017:

Contracting establishment	Related loan	Amount swapped in millions of €	Swap conclusion date	Start of the Swap	End of the Swap	Direction of the Swap	Paid rate (in %)	Paid margin (en bp)	Rate received (in %)	Margin received (in bp)
Natixis	0512	40	13/01/2004	22/01/2004	22/12/2018	V=>V	EUR03M	- 1.75	TAG12M	7.0
BNP-Paribas	0510	25	14/03/2006	29/12/2008	27/12/2017	V=>F	4.00%	-	EUR03M	-
Calyon	0510	15	14/03/2006	27/12/2010	27/12/2017	V=>F	4.10%	-	EUR03M	-
Natixis	0510	20	14/03/2006	29/03/2010	27/12/2017	V=>F	4.06%	-	EUR03M	-
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	-
Société Générale	0523	60	30/04/2008	04/09/2008	04/12/2020	F=>V	EUR03M	-	4.5400%	-
HSBC	0516	50	25/02/2010	01/03/2010	01/03/2018	V=>F	2.96%	-	EUR03M	-
Natixis	0512	40	18/05/2010	20/05/2010	22/12/2018	V=>F	2.69%	-	EUR03M	-1.8
HSBC	0530	50	18/05/2010	25/05/2010	10/01/2020	V=>F	3.03%	-	EUR03M	31.5
Crédit Suisse	0524	24	25/05/2010	27/05/2010	14/01/2017	V=>F	2.17%	-	EUR03M	-5.0
BNP-Paribas	0525	24	02/09/2010	06/09/2010	14/02/2017	V=>F	1.83%	-	EUR03M	-5.0
HSBC	0533	100	23/11/2010	02/12/2010	02/12/2024	F=>V	EUR03M	44.00	3.5000%	-
Natixis	0534	140	02/12/2010	29/12/2010	29/12/2025	F=>V	EUR03M	46.70	3.8750%	-
Natixis	0510	110	17/12/2010	27/12/2010	27/12/2017	V=>V	EUR03M	-	T4M	4.0
HSBC	0534	100	12/07/2011	14/07/2011	29/12/2025	V=>F	3.78%	-	EUR03M	46.7
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	0550	25	09/04/2013	18/04/2013	18/04/2031	V=>F	2.69%	-	EUR03M	60.0
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	64.0
Natixis	0583	26	14/04/2016	29/04/2016	30/04/2029	V=>F	1.03%	-	EUR03M	-5.3
HSBC	0533	100	19/12/2016	04/12/2017	02/12/2024	V=>F	0.95%	-	EUR03M	44.0

### III. TYPE OF DEBT

The City's entire debt (loans and hedging transactions) is categorized as A-1 in the Gissler Charter.

## HOW OUTSTANDING DEBT IS DISTRIBUTED (1)

Related indexes  Structures	(1) Euro zone indexes	(2) French or euro zone inflation indexes or spread between these indexes	(3) Euro zone index spread	(4) Non-euro zone indexes and index spreads with at least one non-euro zone index	(5) Non-euro zone index spreads	(6) Other indexes	
(A) Simple fixed rate. Simple variable rate. Fixed-rate exchange with variable rates or the inverse. Structured rate exchange with variable rates or fixed rates (one direction). Simple fixed rate (cap or tunnel)	Number of products	93 products	-	-	-	-	-
	% of debt	100% of the debt	-	-	-	-	-
	Amount in euros	€4,928,033,826	-	-	-	-	-
(B) Loan with single barrier reference index value. No leverage	Number of products	-	-	-	-	-	-
	% of debt	-	-	-	-	-	-
	Amount in euros	-	-	-	-	-	-
(C) Exchange option (swaption)	Number of products	-	-	-	-	-	-
	% of debt	-	-	-	-	-	-
	Amount in euros	-	-	-	-	-	-
(D) Multiplier up to 3; capped multiplier up to 5	Number of products	-	-	-	-	-	-
	% of debt	-	-	-	-	-	-
	Amount in euros	-	-	-	-	-	-
(E) Multiplier up to 5	Number of products	-	-	-	-	-	-
	% of debt	-	-	-	-	-	-
	Amount in euros	-	-	-	-	-	-
(F) Other structure types	Number of products	-	-	-	-	-	-
	% of debt	-	-	-	-	-	-
	Amount in euros	-	-	-	-	-	-

(1) This table indicates the type of debt on 12/30 after any eventual hedging transactions.

# CASH FLOW MANAGEMENT

Cash flow management for the Paris local authority currently attempts to minimize its non-remunerated float in the Treasury and respect its cash flow limitations (negative position limited by the outstanding amount of its credit lines, e.g. -€400 million).

For its cash flow management, the City of Paris has relied on:

- €35 million in revolving credit, there is always at least one active contract among those concluded by the local authority in 2007 for which the financial conditions remain advantageous (EONIA +0.08%);
- an €800 million commercial paper programme, in place since March 2011;
- four lines of credit taken out:
  - including two that ended in July 2017 and not renewed:
    - with SOCIETE GENERALE in the amount of €100 million
    - with BNP PARIBAS in the amount of €100 million
  - and two running until December 2017
    - with THE BANQUE POSTALE in the amount of €150 million
    - with SOCIETE GENERALE in the amount of €50 million

Consequently, the City of Paris has a significant short-term ability to mobilize funds (€1,235 million in 2016 and 2017), which ensures suitable cash flow.

The investment possibilities within the limits of the 2004 finance law were not used in 2016 or 2017 due to negative remuneration.

## I. UTILIZATION OF REVOLVING CREDIT, COMMERCIAL PAPER PROGRAMME AND CREDIT LINES

### A. REVOLVING CREDIT (€35 MILLION IN 2016 AND 2017)

The Paris local authority still has revolving credit resulting from consultations held prior to 2008. In the amount of €35 million and benefiting from advantageous conditions (see above), this revolving credit was constantly mobilized throughout the year. It is planned to expire at the end of 2017.

In support of commercial paper issues, and when it is available, this revolving credit is preferred over credit lines for cash flow adjustments, due to its more advantageous financial conditions.



## B. CREDIT LINES

The first “backup” credit line contract was concluded with BNP PARIBAS in July 2016 in the amount of €100 million, for the period between July 25, 2016 and July 25, 2017. The disbursements are all indexed to EURIBOR 3M and increased by a margin of 0.20%.

A second “backup” credit line contract was concluded with SOCIETE GENERALE in July 2016 in the amount of €100 million, for the period between August 2, 2016 and July 31, 2017. The disbursements are indexed to EURIBOR 1M and increased by a margin of 0.55%.

We have decided not to renew these lines upon their expiration.

A third “backup” credit line contract was concluded with THE BANQUE POSTALE in December 2016 in the amount of €150 million, for the period between December 16, 2016 and December 15, 2017. The disbursements are indexed to EONIA and increased by a margin of 0.38%.

A fourth “backup” credit line contract was concluded with SOCIETE GENERALE in December 2016 in the amount of €50 million, for the period between December 21, 2016 and December 20, 2017. The disbursements are indexed to EURIBOR 1M and increased by a margin of 0.40%.

There were no disbursements in either 2016 or 2017.

## C. THE COMMERCIAL PAPER ISSUE PROGRAMME

Since 2011, in order to diversify and round out its financing sources (impending expiration of revolving credit), the City of Paris has had a commercial paper programme, for which the maximum amount is €800 million.

For this programme, the domiciliary agent is SOCIETE GENERALE. The placing agents are: SOCIETE GENERALE, CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK and NATIXIS. The issues may take place either with fixed rates or variable ones, and they normally reach maturity between one week and one month.

For cost reasons, this financing method is prioritized as soon as the need is significant and is only planned for a specific length of time.

Two issues were carried out:

- €100 million at -0.38 from 01/17/2017 to 02/16/2017
- €100 million at -0.40 from 08/03/2017 to 09/04/2017

## II. INVESTING A PORTION OF RESOURCES FROM THE PARIS LOCAL AUTHORITY

### A. TERMS AND CONDITIONS OF THE INVESTMENT

Article 116 from the 2004 finance law authorizes regional authorities to invest in certain funds, without the prior accord of the Regional Department of Public Finances (Direction Régionale des Finances Publiques: DRFiP).

This pertains to the following:

- revenue coming from the transfer of property from Parisian property (in this instance, sales from the private real estate sector)

- insurance compensation collected within the framework of insurance contracts for the payment of damages endured by the regional government
- debts collected by the regional government following an enforceable ruling.
- Eligible investments are made by the Paris local authority in short-term State securities through a monetary Fonds Commun de Placement or Money Market Fund. The resale must be able to take place on the same day in case of cash flow needs, ideally with a mobilization of revolving credit or a credit line.

The potentially investable amount increases throughout the year, in particular, according to how many transfers are made from the private real estate sector.

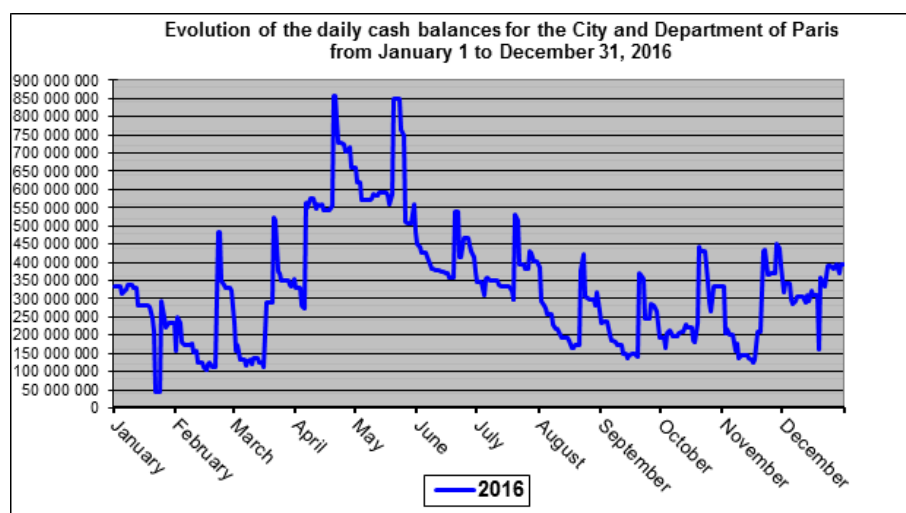
## B. NO INVESTMENTS IN 2016

Due to a constant decrease in the monetary assets in which the City is authorized to invest, no investments were carried out.

## III. CASH BALANCES

In 2016, the average annual cash balance for the City and Department was €335 million, e.g. a level higher than that from the previous fiscal year (€194 million in 2015).

The graph below shows the evolution of this balance.



Temporary spikes in cash flow are to be noted around the 20th of each month, due to the interval between the collection date of one-twelfth of taxes and the overall operational endowment (the 20th of the month), and the withdrawal of salaries (the 24th of the month).

The following tables set out the monthly cash flows for expenses and income for the City and Department of Paris between January and December 2016 (excluding any flows related to the utilization of revolving credit and commercial paper issues).

## MONTHLY CASH FLOWS IN EUROS FOR THE CITY OF PARIS BETWEEN JANUARY AND DECEMBER 2016

Period	EXPENSES (including provisions to the Department)	Income	Cash flow balance
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
April 2016	468,671,756.57	770,381,194.84	301,709,438.27
May 2016	635,205,837.47	456,377,269.46	-178,828,568.01
June 2016	498,116,992.50	412,389,542.00	-85,727,450.50
July 2016	461,145,505.36	435,786,334.80	-25,359,170.56
August 2016	523,156,521.27	403,828,522.95	-119,327,998.32
September 2016	391,154,494.00	353,555,794.34	-37,598,699.66
October 2016	484,319,012.17	614,261,320.27	129,942,308.10
November 2016	819,265,917.20	875,047,364.60	55,781,447.40
December 2016	680,546,028.44	655,880,162.57	-24,665,865.87
2016 TOTAL	6,531,145,574.58	6,653,033,769.58	121,888,195.00

## MONTHLY CASH FLOWS IN EUROS FOR THE CITY OF PARIS BETWEEN JANUARY AND JULY 2017

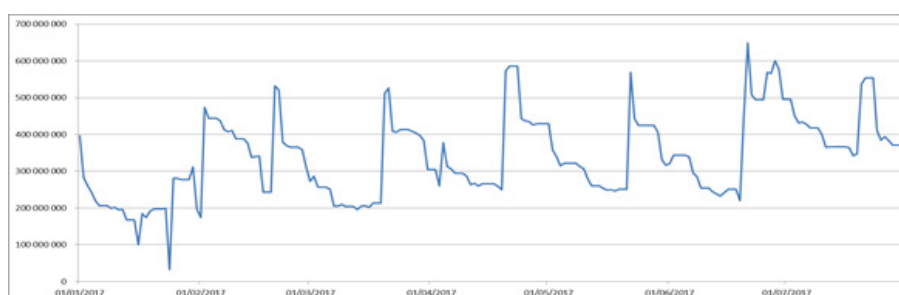
Periode	EXPENSES	INCOME	Cash flow balance
January 2017	762,721,546.18	808,462,930.29	45,741,384.11
February 2017	557,564,842.13	474,311,640.62	-83,253,201.51
March 2017	453,053,784.67	436,497,226.31	-16,556,558.36
April 2017	387,176,044.51	507,916,380.11	120,740,335.60
May 2017	514,667,156.84	425,362,713.72	-89,304,443.12
June 2017	511,705,519.98	426,675,948.23	-85,029,571.75
July 2017	398,099,319.92	307,608,498.55	-90,490,821.37
2017 TOTAL			-198,152,876.40

MONTHLY CASH FLOWS IN EUROS FOR THE DEPARTMENT OF PARIS  
BETWEEN JANUARY AND DECEMBER 2016

Period	EXPENSES	Income (including provisions from the City)	Cash flow balance
January 2016	222,146,639.88	207,514,979.67	-14,631,660.21
February 2016	186,380,291.11	203,872,290.00	17,491,998.89
March 2016	182,476,473.94	176,060,880.53	-6,415,593.41
April 2016	184,916,634.93	189,718,182.23	4,801,547.30
May 2016	159,886,488.89	155,244,633.95	-4,641,854.94
June 2016	191,107,815.32	174,065,069.58	-17,042,745.74
July 2016	171,970,858.56	224,543,665.19	52,572,806.63
August 2016	168,496,360.58	150,972,762.54	-17,523,598.04
September 2016	160,598,595.33	125,085,257.72	-35,513,337.61
October 2016	179,396,518.60	189,522,909.30	10,126,390.70
November 2016	235,591,692.15	238,912,697.50	3,321,005.35
December 2016	227,177,514.09	255,749,906.94	28,572,392.85
2016 TOTAL	2,270,145,883.38	2,291,263,235.15	21,117,351.77

## MONTHLY CASH FLOWS IN EUROS FOR THE DEPARTMENT OF PARIS BETWEEN JANUARY AND JULY 2017

Period	EXPENSES	INCOME	Cash flow balance
January 2017	299,452,114.25	250,748,373.46	-48,703,740.79
February 2017	172,407,498.62	174,676,555.08	2,269,056.46
March 2017	187,696,359.73	196,628,353.40	8,931,993.67
April 2017	156,333,053.21	161,075,821.72	4,742,768.51
May 2017	198,931,826.37	174,490,346.43	-24,441,479.94
June 2017	171,855,723.08	436,696,929.33	264,841,206.25
July 2017	196,872,725.82	160,467,890.66	-36,404,835.16
2017 TOTAL			171,234,969.00



Daily cash balances for the City and Department from 01/01/2017 to 07/31/2017

# LOAN GUARANTEES

Loan guarantees are granted by the City and Department of Paris to two principal beneficiary categories:

Firstly, companies with public and/or private capital specialized in the acquisition and renovation of social housing. These organizations represent 90% of the debt volume initially guaranteed by the Paris local authority. They are essential partners in the implementation of the Paris local authority's policy in terms of developing social housing. The granting of loan guarantees to this type of organization is facilitated through legislative provisions that make it possible to guarantee loans for social housing up to 100% (instead of 50% or 80% for other transactions detailed in article L.2252-1 of the General Code for Territorial Regional Authorities). In addition, these guarantees are excluded from the ratios related to the regional government's actual operational revenue (total of its debt annuities and guarantee limited to 50% of this revenue, the amount of guaranteed annuities in favour of the same beneficiary limited to 5% of this income);

Secondly, organizations involved outside of the social housing sector (10% of the overall guaranteed debt) and including Public Local Development Companies (SPLA), Public Local Companies (SPL), and Local Public-private Partnerships (SEML), as well as associations or foundations developing a general interest project for Parisians. The regional government's SPLAs, SPLs and SEMLS are the subject of constant monitoring by the local authority. Regarding these associative organizations, an analysis of their financial situation and their project is conducted by the Department of Finances and Purchasing, which then issues either a favourable or unfavourable opinion. The definitive decision for granting loan guarantees ultimately falls to the Deputy Mayor in charge of Finances and the Deputy Mayor in charge of the related sector.

## I. LOAN GUARANTEES GRANTED BY THE CITY OF PARIS AND THE FORMER DEPARTMENT OF THE SEINE

On September 1, 2017, the outstanding sums guaranteed by the City of Paris and the former Department of the Seine amounted to €9,646.8 million, e.g. an increase of 4.6% (€452.2 million in value) compared to the 2016 fiscal year. The situation for loan guarantees is presented based on the most recent available reports on September 1, 2017. The comparisons were established between 12/31/2016 (2016 fiscal year) and September 1, 2017.

- The guaranteed outstanding amounts in favour of social housing organizations increased by 6.2% (+€508.3 million) in order to reach €8,679.2 million on September 1, 2017. This increase is due in large part to the granting of new loan guarantees to PARIS Habitat +9.4% (+€202.1 million), to SEMLS +6.8 (+€261.6 million), and in a lesser measure to associative organizations +21.6% (+€22.2 million).
- As for the guaranteed outstanding amounts, excluding social housing, these decreased by 7.9% (-€83.1 million) between the end of 2016 and September 2017. It reached €967.6 million on September 1, 2017, compared to \$1,050.7 million on December 31, 2016. This significant decrease is explained partially by an isolated phenomenon, namely the repayment of bullet loans by the SPLA PARIS Batignolles and the SPLA SEMAPA, which took place in 2016.

## City of Paris and the former Department of the Seine

Evolution and distribution of guaranteed outstanding sums on 09/01/2017	Capital initially guaranteed (in millions of €)	Outstanding sums on 12/31/2016 (in millions of €)	Outstanding sums on 09/01/2017 (in millions of €)	Evolution of outstanding sums 2017/2016 (in %)	Distribution of outstanding sums on 09/01/2017 (in %)
PARIS HABITAT-OPH	3,155.7	2,149.5	2,351.5	+9.4%	24.4%
SEML	4,767.8	3,822.0	4,083.6	+6.8%	42.3%
HLM companies	2,730.9	2,087.8	2,110.6	+1.1%	21.9%
Associations	160.2	102.7	124.9	+21.6%	1.3%
CASVP	10.4	8.7	8.4	-3.9%	0.1%
Other	1.8	0.2	0.2	-32.5%	0.0%
Social housing	10,826.8	8,170.9	8,679.2	+6.2%	90.0%
Associations	141.2	119.6	109.2	-8.7%	1.1%
SEML / SPLA	923.6	769.7	707.3	-8.1%	7.3%
Public establishments	198.4	158.5	148.2	-6.5%	1.5%
Other	3.3	2.9	2.8	-4%	0%
Excluding social housing	1,266.6	1,050.7	967.6	-7.9%	10.0%
GENERAL TOTAL	12,093.4	9,221.6	9,646.8	+4.6%	100.0%

The annuity guaranteed on September 1, 2017 by the City of Paris and the former Department of the Seine was €637.2 million, a decrease of -22.8% (-€187.7 million in value).

	Guaranteed annuity on 12/31/2015 (in millions of €)	Guaranteed annuity on 12/31/2016 (in millions of €)	Guaranteed annuity on 09/01/2017 (in millions of €)	Evolution of 2017/2016 annuity	% on the annuity on 09/01/2017
Social housing	538.8	475.2	490.6	+3.2%	77.0%
Excluding social housing	195.4	349.7	146.6	-58.1%	23.0%
TOTAL	734.2	824.9	637.2	-22.8%	100.0%

It is distributed in the following manner:

- Social housing organizations: €490.6 million (e.g. 77% of the total) on September 1, 2017 compared to €475.2 million (e.g. 58% of the total) in 2016. This €15.4 million increase is explained by the upwards evolution in the outstanding amounts for social housing.
- Non-social housing organizations: €146.6 million (e.g. 23% of the total) on September 1, 2017 compared to €349.7 million (e.g. 42% of the total) in 2016. This €203.1 million decrease (-58.1%) is explained in large part by the repayment of bullet loans by the SPLA PARIS Batignolles and the SPLA SEMAPA, which took place in 2016.

In accordance with CGCT provisions, only non-social housing annuities are taken into consideration when calculating the three components for the Galland law ratio, namely:

- The principle of risk-sharing with lending organizations (from 50% to 100% according to the type of borrower and the type of transaction)
- Respecting a determined percentage in relation to actual revenue from the operational section; this ratio must be lower than 50%
- The principle of dividing risk between debtors: the amount of the guaranteed annuity in favour of a beneficiary is less than 5% of actual operational income.

All of these components are respected and monitored by the Department of Finances and Purchasing.

	Situation on 12/31/2016 (in millions of €)	Situation on 09/01/2017 (in millions of €)	2017/2016 evolution (in %)
Paid non-social housing annuity (A) (1)	4.4	5.5	+25.0%
Public debt annuity (B) (2)	-	-	-
I - Overall annuity (A+B)	4.4	5.5	+25.0%
II - Actual operational income (2)	3,237.7	3,237.7	-
Ratio (I/II)	0.13%	0.17%	+30.7%
(1) Paid non-social housing annuities do not incorporate those from public establishments in accordance with the CGCT			
(2) Figures taken on 12/31/2016			

## II. LOAN GUARANTEES GRANTED BY THE DEPARTMENT OF PARIS

On September 1, 2017, the outstanding amounts guaranteed by the Department of Paris amounted to €107.0 million, a 1.7% decrease (€1.9 million in value) compared to the end of 2016. This decrease is due to the classical amortization procedure for loans.

### Department of Paris

Evolution and distribution of guaranteed outstanding sums on 09/01/2017	Capital initially guaranteed (in millions of €)	Outstanding sums on 12/31/2016 (in millions of €)	Outstanding sums on 09/01/2017 (in millions of €)	Evolution of outstanding sums 2017/2016 (in %)	Distribution of outstanding sums on 09/01/2017 (in %)
Associations	45.9	39.1	37.6	-3.9%	35.1%
SEML	68.3	63.3	61.3	-3.1%	57.3%
Public establishments	2.0	-	-	1.9	1.8%
Other	8.5	6.5	6.2	-4.4%	5.8%
Non-social housing	124.7	108.9	107.0	-1.7%	100.0%
GENERAL TOTAL	124.7	108.9	107.0	-1.7%	100.0%

*N.B. The Department of Paris does not guarantee transactions related to social housing (municipal jurisdiction).*

The Galland law ratios indicated above for the City of Paris are also applied and respected for the Department of Paris:

	Situation on 12/31/2016 (in millions of €)	Situation on 09/01/2017 (in millions of €)	2017/2016 evolution (in %)
Paid non-social housing annuity (A) (1)	4.4	5.5	+25.0%
Public debt annuity (B) (2)	-	-	-
I - Overall annuity (A+B)	4.4	5.5	+25.0%
II - Actual operational income (2)	3,237.7	3,237.7	-
Ratio (I/II)	0.13%	0.17%	+30.7%
Paid non-social housing annuities do not incorporate those from public establishments in accordance with the CGCT.			
Figures taken on 12/31/2016			

### **III. CALLABILITY OF GUARANTEES GRANTED BY THE PARIS LOCAL AUTHORITY**

It may occur that a guarantee is called back. Under this very rare assumption (2 guarantee calls over the last ten years for a total amount of €24,756), the loan guarantee agreements, systematically concluded between the local authority and the beneficiary of the guarantee each time a guarantee is granted, anticipates the repayment, in favour of the Paris local authority, of the amounts eventually covered by the latter as a security (as was the case in one of the 2 guarantee calls indicated above in the amount of €18,911).

In order to secure the collection of the outstanding amounts by the Paris Local Authority in case of a callable guarantee, taking out a security in the form of a 1st rank mortgage is systematically examined in return for the granting of a loan guarantee by the Paris Local Authority to an association or foundation.



# IMPLEMENTATION OF AN OVERALL INSURANCE POLICY FOR THE PARIS LOCAL AUTHORITY

## I. THE INSURANCE POLICY FOR THE PARIS LOCAL AUTHORITY

### A. AN OVERALL AND COHERENT POLICY

Through the implementation of a comprehensive and coherent insurance policy defined as of 2003, the Paris local authority benefits from optimized coverage in targeted sectors ranging from general civil liability, to social and educational activities, medical liability, automobile fleets, occasional events, exhibitions or assistance for elected officials.

Since 2005, the risks incurred by the local authority are covered transversally in order to avoid the dispersal and multiplication of insurance contracts and to save money. As such, financial management services under the Department of Finances and Purchasing, a referent in the field of insurance, monitors the application of the insurance policy while simultaneously acting as technical support for the entire regional government.

A guarantee of credibility, the Paris local authority also has a consulting firm whose purpose it is to strengthen the expertise of its services and assist it in the project management of government contracts.

### B. A POLICY ADAPTED TO THE SPECIFICITIES OF THE PARIS LOCAL AUTHORITY IN A CONTEXT OF SELF-INSURANCE

Given the cost of an exhaustive insurance policy covering the risks incurred and taking into consideration the financial standing of the Paris local authority, the principle of self-insuring against risks is utilized.

By derogation of this principle, insurance was contracted in the following cases:

- When it is mandatory by law (car insurance, medical liability, childcare assistant insurance, etc.)
- When it is possible to carry out an economy of scale and ensure the effectiveness of compensation for citizens by externalizing a number of small claims with an insurer (civil liability for cleaning businesses, occasional demonstrations, etc.)
- When it is possible to insure against the risks from supplementary budgets that the Paris local authority cannot self-insure given their budgetary independence
- When it is possible to insure against major civil liability claims. With this in mind, the City and the Department of Paris each have recourse to “umbrella” coverage, which makes it possible, after a deductible level set at 10 million euros, to take care of a large-scale claim up to a guarantee limit of 15 million euros.
- When it is possible to insure against the risks for a symbolic and sensitive site such as the Hôtel de Ville or City Hall. This building is thus partially covered under a “Property damage” insurance policy of up to €250 million for an appraised value of €413 million in 2007 in order to make the insurance cost (€145 K per year) and the level of corresponding necessary coverage coherent.

## **II. 2016 ASSESSMENT**

### **A. RENEWING OPTIMIZED POLICIES**

In 2016, an insurance policy related to “Occasional events” in the form of a framework agreement with issuing purchase orders expiring on December 31, 2016 was renewed. This policy, for which expected consumption is identical to previous years, will represent a constant budget for the City of Paris given that the holder’s unit price list presents prices similar to the former deal (€45,800 tax included/per year on average to be anticipated).

### **B. INSURANCE PRICES ON THE DECLINE**

The overall insurance cost in 2016 amounted to €2.7 million for the Paris local authority, e.g. a decrease of 5% compared to 2015.

This decrease compared to 2015 is the result of improving non-mandatory insurance procedures and practices within the Paris local authority in order to preserve a certain amount of financial protection in case of a claim, while simultaneously calling into question the relevancy of using insurance (non-mandatory). This process makes it possible to counterbalance, in particular, the eventual increase in insurance rates from one year to another as well as the variations in the insurance base.

## **III. PERSPECTIVES FOR THE FISCAL YEAR:**

- Preserve the guiding principle of self-insurance in a context of budget constraints
- Continue to legally strengthen the insurance policy under the framework of complex contractual arrangements, particularly by drawing up customized insurance clauses in agreements, leases, etc. and through verifying that the insurance arrangements effectively implemented are complied with by the co-contracting parties
- Execution of a “Heat wave and other crisis assistance” insurance policy in the form of a purchase order framework agreement with public order grouping between the City and the Department of Paris, taking into consideration new risks and providing vehicles with drivers if needed and under the framework of a crisis management plan
- Renew the “Property damage and associated risks” insurance policy insuring against risks for the Hôtel de Ville

## TAXATION

*The text that follows is a general description limited to certain French fiscal considerations regarding payments of interest or other income relating to the Notes that may be issued under the Programme. It contains certain information specific to taxation at source of income from securities in France. This general description is based on provisions in force in France at the date of this Base Prospectus, as applied and interpreted by the French tax authorities, it being understood that these laws are subject to change or different interpretation. In particular, these provisions could be modified due to France's public finances law of 2018 and France's law on funding of social security of 2018, which are soon to be adopted (the draft bills currently being discussed notably provide for the introduction of a single flat tax on income from savings and an increase in the rate of general social charges). The present text does not aim to describe exhaustively all the fiscal aspects to be taken into consideration to guide any decision on whether to purchase, hold or sell Notes. Investors in the Notes and beneficiaries of them are asked to consult their own tax advisers regarding the fiscal consequences of purchasing, holding or selling Notes depending on their own tax situation.*

### 1. WITHHOLDING TAX AND DEDUCTION AT SOURCE IN FRANCE

*The following text contains certain information specific to the taxation at source on income derived from Notes held by investors who do not also hold the Issuer's shares. This text is based on the laws in force in France at the date of this Prospectus, 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 1 March 2010 are not 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 as defined by Article 238-0 A of the French General Tax Code (a "Non-Cooperative State"). Pursuant to Article 125 A III of the French General Tax Code, if such payments relating to the Notes are made in a Non-Cooperative State, a seventy-five percent withholding tax is applied (subject to certain exceptions and to the provisions of applicable tax agreements). The list of Non-Cooperative States is determined by ministerial ruling and updated each year.

Furthermore, pursuant to Article 238 A of the French General Tax Code, interest and other revenues paid on Notes are not deductible from the Issuer's taxable income 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, this interest and other non-deductible revenues may be reclassified as revenue deemed to be distributed pursuant to Article 109 et seq. of the French General Tax Code, and thus subject to withholding tax at source, at 30% or 75%, as provided for in Article 119a no.2 of the French General Tax Code (subject to the provisions of applicable tax agreements).

Notwithstanding the above, neither the seventy-five percent withholding tax set out under Article 125 A III of the French General Tax Code, nor the Non-Deductibility or withholding tax at source under Article 119a no. 2 of the French General Tax Code which results from the 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, (a) that the issue benefits from the Exception and (b) that 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 relating to the purpose and effect of a given issue of Notes if the Notes concerned are:

- i) offered as part of a public offering of financial securities in the sense of Article L.411-1 of the French Monetary and Financial Code or an equivalent offering made in a state other than a Non-Cooperative State. An "equivalent offering" means an offering that makes it compulsory to register or file an information document with a foreign market authority; or

- ii) admitted into 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, into 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 French 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. Pursuant to Article 131 quater of the French General Tax Code, interest and other proceeds paid on Notes that may be consolidated into 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-30-10-30-20140211 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 131c of the French General Tax Code, in accordance with 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, no. 1040, should be understood to mean notes with characteristics (except, if applicable, those relating to the first interest payment date or issue price) that are identical to those of debt notes that are already in circulation, and are therefore considered comparable to the initial issue to which they relate.

3. Pursuant to Articles 125 A and 125 D of the French General Tax Code, and subject to certain exceptions, natural persons with their tax domicile in France and benefiting from interest and other similar income from Notes that are not paid in a Non-Cooperative State are subject to compulsory deduction at source at a rate of 24% (in application of the draft bill of France's public finances law for 2018, this rate could be set at 12.8% as from 1 January 2018). This deduction is charged against the income tax due for the year in which the deduction took place; if this deduction exceeds the amount of tax due, the surplus is refunded. The social contributions (France's CSG, CRDS and similar) are also deducted at source, at an 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 (in application of the draft bill of France's law on funding of social security of 2018, this rate could be set at 17.2% as from 1 January 2018).

## SUBSCRIPTION AND SALE

Subject to the terms and conditions of an investment contract drawn up in French dated 7 November 2017 and agreed upon 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 their own behalf to Dealers who are not Permanent Dealers. The Notes may be sold at the market price or at a similar price prevailing at the date of said resale and that shall 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 concerned a commission fixed by common agreement with said Dealer relating to the Notes they have 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 related to their involvement in this Programme. If necessary, commissions relating to a syndicated issue of Notes shall be stated in the relevant Final Terms.

The Issuer has undertaken to compensate the Dealers for certain liabilities incurred during the offering 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 reached for the subscription of Notes prior to payment to the Issuer of funds relating to these Notes.

### 1. GENERAL POINTS

These sale restrictions 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 measure has been taken in any country that would allow a public offer of Notes, the holding or distribution of the Base Prospectus or any other offering document or any Definitive Conditions in a country or territory where measures are required for this purpose.

Each Dealer has undertaken to respect, insofar as the information they have allows it, the laws, regulations and directives concerned in each country where they purchase, offer, sell or remit Notes or where they hold or distribute the Base Prospectus, any other offering document or any Final Terms, and neither the Issuer nor any Dealer shall incur liability in this respect.

### 2. EUROPEAN ECONOMIC AREA

Each Dealer has declared and guaranteed that they have not and shall not make a public offering of the Notes covered in this Base Prospectus, as completed by the relevant Final Terms in a Member State of the EEA, provided that they may make a public offering 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 prior consent of the relevant Dealer or Dealers appointed by the Issuer for the offering; or
- iii) at any time in circumstances within the scope of application of Article 3(2) of the Prospectus Directive,

provided that none of the offerings 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 “offering of Notes to the public” relating to any Notes in any Member State of the EEA means the communication in any form and by any means of sufficient information on the terms and conditions of the offering and the notes to be offered so as to allow an investor to decide to purchase or subscribe to the Notes, as may be modified by the EEA Member State by any measure implementing the Prospectus Directive and (b) the expression “Prospectus Directive” means 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 are offered and sold only outside the United States of America and as part of offshore transactions, in accordance with Regulation S. The terms used in this paragraph have the meaning given to them by Regulation S.

Each Dealer has undertaken, and each new Dealer shall be asked to undertake, not to offer or sell the Notes or, in the case of Dematerialised Notes in bearer form, to remit said Notes on the territory of the United States of America or to, or on behalf of or for the benefit of, United States Persons only in compliance with the Investment Contract.

Materialised Notes in bearer form that have a maturity of more than one year are subject to United States 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 United States Person, with the exception of certain transactions that are permitted by United States 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 offering or sale by any Dealer (whether taking part in the offering or not) of any identified tranche of any Notes in the United States of America during the first forty days following the commencement of the offering, 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 that have a maturity of less than one year, (a) they are a person whose ordinary activities consist in acquiring, holding, managing or selling financial products (on their own behalf or as an agent) for the purposes of their business and (b) they have 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 selling financial products (on their own behalf or as an agent) for the purposes of their business or to persons of whom it is reasonable to expect that they acquire, hold, manage or sell financial products (on their own behalf or as an 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) they have only communicated or had communicated and shall only communicate or have communicated an invitation or inducement to engage in investment activity (as defined in Section 21 of the FSMA) received by them in connection with the issue or sale of any Notes in circumstances in which the provisions of Section 21(1) of the FSMA do not and shall not apply to the Issuer; and
- iii) they have complied with and shall comply with all applicable provisions of the FSMA with respect to anything they do in relation to the Notes, whether in or from the United Kingdom, or in any other circumstances involving the United Kingdom.

### **5. JAPAN**

The Notes have not been and shall not be registered pursuant to the Law on the Stock Exchange and Securities in force in Japan (Japanese Law no. 25 of 1948, as amended, the “Law on the Stock Exchange and Securities”). Consequently, each Dealer has declared and guaranteed that they have 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 that may apply. 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 they have 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 as part of their profession or business, which includes banks, brokers, insurance companies, pension funds, other institutional investors and the treasury departments of large companies.

## 7. SPAIN

Each Dealer has declared and guaranteed that the Notes have not been offered or sold in Spain other than in accordance with the provisions of the 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 offering 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 Italian 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 and shall not be offered, sold or remitted, directly or indirectly, in the Republic of Italy as part of a public offering (*offerta al pubblico*) as defined in Article 1, paragraph 1(t) of the Law on Financial Services, and no copy 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 Republic of Italy, except to (a) qualified investors (*investitori qualificati*), as defined in Article 34-ter paragraph 1(b) of the Regulations on Issuers, or (b) under any other circumstance benefiting from an exemption from the rules that apply to public offerings pursuant to the terms and conditions stated in Article 100 of the Law on Financial Services and its implementing regulations, including article 34-ter, first paragraph, of the Regulations on Issuers.

The Issuer and Permanent Dealers have each declared and guaranteed, and any other Dealer appointed under the Programme shall be required to declare and guarantee, that any offering, sale or remittance of Notes and any distribution of this Base Prospectus, the relevant Final Terms or any other document relating to the offering of the Notes in the Republic of Italy in accordance with paragraphs (a) and (b) above must and shall be carried out in compliance with Italian laws in force, particularly those relating to securities, taxation and exchanges and any other laws and regulations that apply, 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 no. 16190 of 29 October 2007 (as amended) and Legislative Decree no. 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 offering to the public are solely responsible for ensuring that the offering or resale of the Notes subscribed to as part of this offering is carried out in accordance with the applicable

Italian laws and regulations. Article 100-bis of the Law on Financial Services affects the transferability of the Notes in the Republic of Italy, insofar as the Notes are invested exclusively with qualified investors and these Notes are, in this case, systematically resold to non-qualified investors on the secondary market at any time in the twelve 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 the 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 offering of the Notes.

## 9. FRANCE

Each of the Dealers and the Issuer must declare and guarantee that, [during the initial investment of the Notes]<sup>1</sup>:

### (a) Offering to the public in France

they have only offered and shall only offer the Notes to the public in France during the period beginning (i) when a prospectus relating to the Notes has been approved by the AMF (France's financial-market regulator) 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, at the date of notification of this approval to the AMF pursuant to Articles L.412-1 and L.621-8 of the French Monetary and Financial Code and the general regulations of the AMF, and ending no later than twelve months after the approval of the Base Prospectus.

### (b) Private investment in France

they have not offered or sold and shall not offer or sell, directly or indirectly, any Notes to the public in France and they have 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 document relating to the Notes and any such offering, sale or distribution have been and shall be made in France only to (i) persons providing investment services relating to portfolio management on behalf of third parties and/or (ii) qualified investors and/or (iii) a limited association of investors, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French Monetary and Financial Code.

---

<sup>1</sup> Applicable only to Notes admitted into 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

Debt-note issue programme  
(Euro Medium Term Note Programme)  
of 6,000,000,000 euros

Minimum redemption date of one month starting from the issue date

SERIES No.: [●]

TRANCHE No.: [●]

[Brief description and amount of the Notes]

Issue Price [●] %

[Name of the Dealer(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 7 November 2017 (approved by France’s financial-markets regulator, the *Autorité des marchés financiers* (the “AMF”)) under no. 17-577 dated 7 November 2017 [and the Base Prospectus Supplement dated [●] (approved by the AMF under no. [●] dated [●])] relating to the Issuer’s Note Issue Programme of 6,000,000,000 euros, 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 form 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 shall be issued according to the terms and conditions of the present Final Terms associated with the Base Prospectus. The Issuer accepts responsibility for the information contained in the present Final Terms that, associated with the Base Prospectus, contains all the important information regarding the issue of the Notes. [A summary of the Note issue is appended to these Final Terms.]<sup>2</sup> Full information on the Issuer and the offering of the 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 websites of (a) the AMF ([www.amf-france.org](http://www.amf-france.org)) and (b) the Issuer (<http://www.paris.fr/investisseurs>), [and] during the usual business hours on any day of the week at the registered office of the Issuer or the designated office of the Paying Agent(s) with whom it is possible to obtain a copy. [In addition<sup>3</sup>, 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 and Conditions included in the base prospectus dated [initial date] approved by France’s financial-markets regulator (“AMF”) under no. [●] dated [●] [and in the base prospectus supplement dated [●] approved by the AMF under no. [●] dated [●]] ([together] the “**Initial Base Prospectus**”) that [together] constitute a base prospectus as defined by Directive 2003/71/EC of the European Parliament and Council of the 4 November 2003 (the “**Prospectus Directive**”), as amended. The present document forms 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 7 November 2017 (approved by the AMF under no. 17-577 dated 7 November 2017) [and the Base Prospectus Supplement dated [●] (approved by the AMF under no. [●] dated [●])] ([together] the “**Current Base Prospectus**”), except for the Terms and Conditions taken from the Initial Base Prospectus and incorporated by reference in the Current Base Prospectus. Full information on the Issuer and the Notes offering is only available on the basis of the Prospectus made up of the present Final Terms, the Terms and Conditions taken from the Initial Base Prospectus and the Current Base Prospectus. [A summary of the Note issue is appended to these Final Terms.]<sup>4</sup> The Final Terms, the Initial Base Prospectus and the Current Base Prospectus are available on the websites of (a) the AMF ([www.amf-france.org](http://www.amf-france.org)) and (b) the Issuer (<http://www.paris.fr/investisseurs>), [and] during the usual business hours at the registered office of the Issuer or the designated offices of the Paying Agent(s) with whom it is possible

to obtain a copy. [In addition<sup>5</sup>, the Final Terms, the Initial Base Prospectus and the Current Base Prospectus are available [on/at] [●].]

*[To be inserted if a public offering 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 7 November 2017, approved by France’s financial-markets regulator (*Autorité des marchés financiers* (“ ”)) under no. 17-577 of 7 November 2017 [and in the Base Prospectus Supplement(s) dated [●]], which [together] constitute an updated base prospectus that replaces the Base Prospectus of 2017 (the “**Base Prospectus 2017**”), notwithstanding the approval received for an updated base prospectus

2 To be inserted only in the case of an issue of Notes under 100,000 euros.

3 If the Notes are admitted into trading on a Regulated Market other than Euronext Paris.

4 To be inserted only in the case of an issue of Notes under 100,000 euros.

5 If the Notes are admitted into trading on a Regulated Market other than Euronext Paris.

that replaces the Base Prospectus of 2017 (the “**Base Prospectus 2018**”), this Base Prospectus 2018 being the subject of approval by the AMF at the date of approval. 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 approval date of the Base Prospectus 2018, must be read together with the Base Prospectus 2017, as supplemented by any supplement(s) and (ii) as from the approval date, must be read together with the Base Prospectus 2018, except for the Terms and Conditions that are taken from the Base Prospectus 2017, as supplemented by any supplement(s). The Base Prospectus 2017, as supplemented by any supplement(s) and the Base Prospectus 2018 shall constitute a base prospectus as defined by the Prospectus Directive. [A summary of the Note issue is appended to these Final Terms.]<sup>6</sup> Full information about the Issuer and the Bond offering is only available on the basis of a combination of these Final Terms and either (i) before the approval date of the Base Prospectus 2017, as supplemented by any supplement(s) or (ii) as from the approval date of the Base Prospectus 2017, as supplemented by any supplement(s) and the Base Prospectus 2018.] [The Issuer has given their consent for use of the Base Prospectus 2017 relating to the Notes offering. This consent shall be validated for a period of twelve months following the date of approval of the Base Prospectus 2017. The Issuer shall give their consent to use of the Base Prospectus 2018 relating to the Notes offering.]

---

6 To be inserted only in the case of an issue of Notes under 100,000 euros.

[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 are indications for completing the Final Terms.]

1		Issuer:	City of Paris
2	(i)	Series N:	[●]
	(ii)	Tranche N:	[●]
		<i>(If the Series is fungible with an existing Series, state the characteristics of this Series, including the date at which the Notes become fungible.)</i>	
3		Specified Currency(ies):	[●]
4		Total Nominal Amount:	
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
5		Issue price:	[●] % of the Total Nominal Amount [plus interest accrued since [insert date] (for the fungible issues or the first broken coupon, as applicable)]
6		Stated Nominal Amount(s):	[●] (a single nominal value for Dematerialised Notes)
7	(i)	Issue date:	[●]
	(ii)	Interest Period Commencement Date:	[●] [Specify / Issue Date / Not Applicable]
8		Maturity Date:	[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]
9		Interest Basis:	[Fixed rate of [●] %] [[LIBOR, LIBID, LIMEAN, EURIBOR, CMS or EONIA] +/- [●] % of the Floating Rate] (other details below)
10		Redemption/Payment basis:	[Redemption at par]/[●]
11		Options (Article 5(b)):	[Redemption Option at the choice of the Issuer]/[Not Applicable]
12	(i)	Rank:	Senior
	(ii)	Date of issue authorisation:	[●]
13		Distribution method:	[Syndicated/Non-syndicated]

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 Amount[(s)]: Coupon	[●] for [●] of the Stated Nominal Value
	(iv)	Broken Amount[(s)]: Coupon	<i>[Add information concerning the initial or final Broken Coupon that does not correspond to the Fixed Coupon Amount(s) and to the Coupon 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 / Euro Bond Base / 30E/360 - FBF]
	(vi)	(Determination Date(s) (Article 4(a)):	[●] for each year (state 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 Coupon.  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 Period(s) 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)	Business Centre(s) (Article4(a)):	[●] <i>(Specify the applicable Business Centre(s) pursuant to Article 4(a))</i> / [Not Applicable].
	(vi)	Interest rate(s) determination method:	[Determination of Screen Page Rate / FBF Determination]

	(vii)	Accrued Interest Period Date:	[Not Applicable/ ( <i>specify the dates</i> )]
	(viii)	Party responsible for calculating the Interest Rate(s) and Coupon Amount(s) (if not the Calculation Agent):	[●]/[Not Applicable]
	(ix)	Screen Page Rate determination (Article 4(c)(B)):	
		- Reference Rate	[●]
		- Screen Page	[●]
		- Reference Date	[●]
		- Reference Time:	[●]
		- Eurozone	[●]
		- 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:	[State 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 particular amount]
		- Value Date:	[State whether or not the quotations must be obtained with effect at the start of the Interest Period]
		- Specified Duration:	[State 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 year
	(xii)	Minimum Interest Rate:	[[●] % per annum]/[0 pursuant to Condition 4(e)(ii)]
	(xiii)	Maximum Interest Rate:	[●] % per year

	(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 / Euro Bond Base / 30E/360 - FBF]
	(xv)	Multiplier Coefficient:	[●]

PROVISIONS RELATING TO REDEMPTION			
16		Redemption Option at the Issuer's discretion	[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 calculation 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 Stated Nominal Amount 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 a Case of Accelerated Maturity (Article 8):	[●] per Note [of Stated Nominal Value [●]] <i>(delete wording between brackets for Dematerialised Notes)</i>
	(ii)	Redemption for tax 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 Note / Materialised Notes] (Materialised Notes are only in bearer form) <i>[Delete the inapplicable wording]</i>
	(i)	Form of Dematerialised Notes:	[Applicable/Not Applicable] <i>[If applicable state whether in bearer form / registered form]</i>
	(ii)	Registration Agent:	[Not Applicable / If applicable, name and information] <i>(Note that a Registration Agent may be appointed for Dematerialised Notes in fully registered form only).</i>
	(iii)	Temporary Global Certificate:	[Not Applicable / Temporary Global Certificate exchangeable against Physical Notes on [●] (the “Date of Exchange”), corresponding to forty days after the issue date, subject to postponement, as stated in the Temporary Global Certificate]
20		Financial Centre(s) (Article 6(g)):	[Not Applicable/Specify]. <i>(Note that this point refers to the date and place of payment and not the Coupon Maturity Dates stated in paragraphs 15(ii) and 16(i))</i>
21		Talons for future Coupons to attach to Physical Notes (and dates at which the Talons reach maturity):	[Yes/No/Not Applicable]. <i>(If yes, specify) (Only applicable to Materialised Notes)</i>
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		Buyback in accordance with the provisions of Articles L.213-1 A and D.213-1 A of the French Monetary and Financial Code:	[Yes/No] <i>(state whether the Issuer may keep the Notes they have bought back pursuant to Article 5(e))</i>
25		Body (Article 10):	[Legal Body/Contractual Body]  <i>(insert information concerning the Representative and Deputy Representative together with their remuneration, as applicable)</i>

DISTRIBUTION			
26	(i)	If syndicated, names [and addresses] <sup>7</sup> of the Members of the Investment Syndicate:	[Not Applicable/give names]

<sup>7</sup> The address should be stated in the case of an issue of notes of less than 100,000 euros and when the relevant Dealer is not a Permanent Dealer.



	(ii)	Member responsible for Regularisation Operations (as the case may be):	[Not Applicable/ <i>give names</i> ]
	[(iii)]	Dealer Commission:	[●] <sup>8</sup>
	(iv)	Date of firm underwriting contract:	[●] <sup>9</sup>
27		If it is non-syndicated, name [and address] <sup>10</sup> of the Dealer:	[Not Applicable/ <i>give name</i> ]
28		Sale 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 Offering	[Not Applicable] / [A Note offering 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 as part of a Non-Exempt Offering and who will be identified on the Issuer's website, <a href="http://www.paris.fr/investisseurs">http://www.paris.fr/investisseurs</a> , as an Authorised Offerer (together, persons having obtained the Issuer's consent shall be referred to as the "Authorised Offerers") 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 Offering") during the period from [●] to [●] ( <i>specify the dates</i> ) (the "Offering Period"). For further details, see paragraph 9 of Part B below.
<b>GENERAL POINTS</b>			
30		The total nominal amount of Notes issued has been converted into euros at a rate of [●], making a 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 into trading of the Notes on [Euronext Paris / other (*specify*)] described in the Euro Medium Term Note Programme of 6,000,000,000 euros of the City of Paris.]

### INFORMATION FROM A THIRD PARTY

[(*Information originating from a third party*) originates from (*state 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 omitted that would render the information reproduced inaccurate or false.] <sup>11</sup>

<sup>8</sup> Information not required in the event of a notes issue of more than 100,000 euros

<sup>9</sup> Information not required in the event of a notes issue of more than 100,000 euros

<sup>10</sup> The address should be stated in the case of an issue of notes of less than 100,000 euros and when the relevant Dealer is not a Permanent Dealer

<sup>11</sup> To be included if any information originates from a third party.

Signed on behalf of the Issuer:

By: .....

Duly authorised

## PART B - OTHER INFORMATION

## 1. ADMISSION INTO TRADING

	(i)	Admission into trading:	<p>[A request for the Notes to be admitted into trading on [the regulated market of Euronext Paris / other regulated market <i>(to be specified)</i>] as from [●] has been made.]</p> <p>[A request for the Notes to be admitted into trading on [the regulated market of Euronext Paris / other regulated market <i>(to be specified)</i>] as from [●] shall be made by the Issuer (or on their behalf).]</p> <p>[Not Applicable]</p> <p><i>(in the event of an issue that can be consolidated, state that the original Notes have already been admitted into trading.)</i></p>
	(ii)	Estimation of total spending related to admission into trading:	[[●]/Not Applicable]

## 2. RATINGS

		Ratings:	<p>The Programme has received an AA rating from Standard &amp; Poor's Rating Services and an AA rating from Fitch Ratings.</p> <p>Each credit-rating agency is established in the European Union, registered pursuant to Regulation (EC) no. 1060/2009 of the European Parliament and Council of 16 September 2009 as modified by Regulation (EU) no. 513/2011 (the "CRA Regulation") and registered in the list of credit-rating agencies published on the website of the European Securities and Markets Authority (<a href="http://www.esma.europa.eu/page/List-registered-and-certified-CRAs">http://www.esma.europa.eu/page/List-registered-and-certified-CRAs</a>).</p> <p>[The Notes to be issued received the following rating:</p> <p>[Standard &amp; Poor's Rating Services: [●]]</p> <p>[Fitch Ratings: [●]]</p> <p>[[Other] : [●]]</p> <p><i>(The rating given to the Notes issued as part of the Programme should be stated below or, if an issue of Notes has received a specific rating, this specific rating should be stated above.)</i></p>
--	--	----------	---

## 3. [NOTIFICATION]

[The *Autorité des marchés financiers* (France's financial-market regulator) has been asked to provide/The *Autorité des marchés financiers* (France's financial-market regulator) has provided (insert the first option for an issue existing at the same time as the Programme update and the second option for later issues)] for (insert the name of the competent authority of the host Member State) [one][of the] certificate[s] of approval certifying that the prospectus and the supplement[s] [were]/[are] drawn up in compliance with the Prospectus Directive.]]

#### 4. [INTEREST OF NATURAL OR LEGAL PERSONS TAKING PART IN THE ISSUE]

*The purpose of this section is to describe any interests, including conflictual interests, that could markedly affect the issue of the Notes by identifying each of the people concerned and by stating the nature of this interest. This could be done through the following declaration:*

["Except for what is stated in the chapter "Subscription and Sale", to the knowledge of the Issuer, no person who is involved in the Offering has a significant interest in it."]]

#### 5. REASONS FOR THE OFFERING AND USE OF THE PRODUCT

*The Issuer should state the reasons for the offering and, if necessary, state the estimated total cost of the issue/ offering and the estimated net amount of its revenue. This cost and this revenue should be broken down by main intended uses, in growing order of priority. If the Issuer is aware that the estimated revenue will not be enough to fund all the uses planned, they should state the required supplement's amount and source.*

[The City of Paris shall track the amounts invested in the selected projects and publish, each year, information on each of these projects until the first date to occur from the following two dates: (i) the date when, for each project concerned, the amount assigned to this project is entirely invested and this information is published (ii) the Maturity Date.]<sup>12</sup>

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

		Yield:	<p>[●]</p> <p>The yield is calculated at the issue date, based on the Issue Price. It is not an indication of future yields.]</p>
--	--	--------	---

#### 7. [FLOATING-RATE NOTES ONLY - HISTORICAL INTEREST RATES]

The history of the rate [LIBOR, LIBID, LIMEAN, EURIBOR, CMS, EONIA] can be acquired 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.	[[●]/None]
--	--	---	------------

<sup>12</sup> To be included in the case of issue of climate bonds.

9. [TERMS AND CONDITIONS OF THE OFFERING]<sup>13</sup>

		Total amount of the issue/ offering:	[●]
		Offering period:	From [●] to [●]  <i>(Must last from the date of publication of the Final Terms until a specific date or until the "Issue Date" or the date at [●] Business Days before the Issue Date)</i>
		Forecast price at which the Notes shall be offered or pricing method and procedure for publishing the prices:	[●]
		Description of the subscription procedure (including the period during which the offering shall be open and possible amendments):	[●]
		Information concerning the minimum and/or maximum subscription amount (expressed either as a number of securities or as an overall sum to be invested):	[●]
		Description of the possibility to reduce subscriptions and the way in which overpaid amounts are refinanced:	[●]
		Information on the methods and deadlines for releasing and delivering the Notes:	[●]
		Terms and conditions and date at which the results of the offering are made public:	[●]
		Procedure for exercising any pre-emptive right, negotiability of subscription rights and handling of non-exercised subscription rights:	[●]
		Category of prospective investors to whom the Notes are offered and if one or several Tranches have been reserved for certain countries:	[●]

---

13 Applicable when the notes have a nominal value less than 100,000 euros

		Notification procedure for the amount allocated and statement of whether or not distribution can begin before notification is completed:	[●]
		Amount of any charges, taxes or levies borne specially by the subscriber or purchaser:	[●]
		The Issuer's consent regarding use of the Prospectus during the Offering Period:	[●]
		Authorised Offerers in the countries where the offering is taking place:	[Not Applicable / Names and addresses of financial intermediaries appointed by the Issuer to act as Authorised Offerers / Any financial intermediary who fulfils the conditions set forth below: " <i>Conditions relating to the Issuer's consent regarding use of the Prospectus</i> "]
		Conditions relating to the Issuer's consent regarding use of the Prospectus:	[●]

#### 10. OPERATIONAL INFORMATION

	(i)	ISIN Code:	[●]
	(ii)	Common Code:	[●]
	(iii)	Custodian(s):	[give name(s) and address(es) of custodians /Not Applicable]
		(a) Euroclear France as Central Custodian:	[Yes/No]
		(b) Common Custodian for Euroclear and Clearstream:	[Yes/No]
	(iv)	Any clearing system other than Euroclear France, Euroclear and Clearstream, and the corresponding identification numbers:	[Not Applicable/give name(s) and number(s)]

	(v)	Names and addresses of initial Paying Agents designated for the Notes:	<p>BNP Paribas Securities Services</p> <p>(Euroclear France Affiliate Number: 29106)</p> <p>3-5-7, rue du Général Compans</p> <p>93500 Pantin</p> <p>France</p> <p>For the attention of: Corporate Trust Services</p> <p>For any operational notification:</p> <p>BNP Paribas Securities Services, Luxembourg Branch</p> <p>Corporate Trust Services</p> <p>60, avenue J.F. Kennedy</p> <p>L - 2085 Luxembourg</p> <p>Tel: +352 26 96 20 00</p> <p>Fax: +352 26 96 97 57</p> <p>For the attention of: Lux Émetteurs / Lux GCT</p>
	(vi)	Names and addresses of additional Paying Agents designated for the Notes:	[ ● ]

#### 11. [INVESTMENT AND FIRM UNDERWRITING]<sup>14</sup>

	(i)	Name and address of the coordinator(s) of the entire offering and of its different parts and, if the information is known to the Issuer or to the offerer, the investors in the different countries where the offering is taking place:	[ ● ]
--	-----	---	-------

<sup>14</sup> Required when the Notes have a nominal value less than 100,000 euros

	(ii)	Entities having agreed to a firm underwriting and entities having agreed to deal in the Notes without any firm underwriting or on account of third-party investment contract. If the firm underwriting does not concern the entire issue, state the portion not covered:	[ ● ]
	(iii)	Name and address of the entities that have firmly undertaken to act as authorised intermediaries on the secondary market by providing liquidity at purchase/selling prices and description of the main conditions of their undertaking:	[Not Applicable/name, address and description]
	(iv)	Date when the firm underwriting agreement was or shall be honoured:	[ ● ]



**[APPENDIX - ISSUE SUMMARY]**

(The Issuer shall insert the issue summary if necessary)

## GENERAL POINTS

1. The Issuer has received all the agreements, approvals and authorisations required in France as part of the Programme update, which was authorised as a result of deliberation no. 2016 DFA 169-1 of 12, 13, 14 and 15 December 2016 of the Issuer's City Council. Any issue of the Notes should be authorised as a result of a deliberation held by the Issuer's City Council.
2. An application may be made for admission of the Notes into 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 not been any notable change in the Issuer's public finances and foreign trade since 31 December 2016.
4. This Base Prospectus shall be published on the websites of (i) the AMF ([www.amf-france.org](http://www.amf-france.org)) (France's financial-market regulator), (ii) the Issuer (<http://www.paris.fr/investisseurs>), and (iii) any other relevant regulatory authority and shall be available for consultation and copy, free of charge, during the usual business hours on any day of the week (except Saturdays and bank holidays) in the office of the Fiscal Agent or that of the Paying Agents. The Final Terms of the Notes admitted into 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](http://www.amf-france.org)) (France's financial-market regulator) and (ii) the Issuer (<http://www.paris.fr/investisseurs>) 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 the Notes into the clearing operations of the Euroclear France, Euroclear and Clearstream systems may be filed. The Common Code and the ISIN (International Securities Identification Number) or the identification number of any other clearing system concerned for each Series of Notes shall be stated 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 Physical 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 into 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 as part of a syndicated issue admitted into 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 the yield under such Notes will be specified in the applicable Final Terms. The yield is calculated on the Issue Date of the Notes, based on the Issue Price. The specified yield is calculated as the yield at maturity at the Issue Date of the Notes and shall not be an indication of future yields.
9. The price and amount of the Notes issued as part of the Programme shall be determined by the Issuer and each of the Dealers concerned at the time of the issue according to market conditions.
10. Within the framework of each Tranche (as defined in the chapter “Terms and Conditions of the Notes” chapter), one of the Dealers may act as the institution handling adjustment operations (“Adjustment Manager”). The identity of the “Adjustment Manager” shall be stated in the relevant Final Terms. For the purposes of any issue, the Adjustment Manager (or any other entity acting on behalf of the Adjustment Manager) may over-allocate Notes or carry out operations with a view to keeping the price of the Notes at a level higher than that which they might have reached in the absence of any such operations. However, there is no assurance that the Adjustment Manager (or any other entity acting on behalf of the Adjustment Manager) shall perform such operations. These adjustment operations may only begin on or after the date at which the final terms of the issue were disclosed and, once they have begun, they 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 issue date and (ii) sixty (60) calendar days after the date of allocation of the Notes. Any adjustment operation shall be carried out in compliance with all applicable laws and regulations.
11. The Programme has received an AA rating from Standard & Poor’s Rating Services and an AA rating from Fitch Ratings. The Issuer has received ratings of AA and A-1+ Stable Outlook from Standard & Poor’s Rating Services and AA and F1+ Stable Outlook from Fitch Ratings concerning its long-term debt and short-term debt respectively.

## RESPONSIBILITY FOR THE BASE PROSPECTUS

### Person who takes responsibility for this Base Prospectus

#### On behalf of the Issuer

Having taken all reasonable actions to do so, I hereby declare that the information contained in this Base Prospectus is, to my knowledge, compliant with reality and does not omit anything that would change its significance.

Paris, 7 November 2017

#### VILLE DE PARIS

17, boulevard Morland

75004 Paris

France

Telephone:

+33 (0)1 42 76 34 55

+33 (0)1 42 76 34 57

Represented by: Guillaume Robert

Finance and Purchasing Director for the City of Paris and by delegation



Pursuant to Articles L. 412-1 and L.621-8 of the French Monetary and Financial Code and its general regulations, in particular its articles 212-31 to 212-33, the *Autorité des marchés financiers* (France's financial-market regulator) marked this base prospectus with its stamp of approval under no. 17-577, dated 7 November 2017. This prospectus was drawn up by the Issuer and its signatories' responsibility is bound by it.

The stamp of approval, pursuant to the provisions of Article L. 621-8-1-I of the French Monetary and Financial Code, was given after the AMF (France's financial-market regulator) had checked that "*the document is complete and understandable and that the information it contains is coherent*". It does not imply approval of the appropriateness of the undertaking, nor authentication of the accounting and financial components presented.

Pursuant to Article 212-32 of the general regulations of the AMF (France's financial-market regulator), any issue or admission of notes based on this prospectus shall lead to publication of the final terms.

# Issuer

Ville de Paris

Direction des Finances et des Achats

17, boulevard Morland

75004 Paris - France

# Arranger

HSBC France

103, avenue des Champs Elysées

75008 Paris - France

# Dealers

Barclays Bank PLC

5 The North Colonnade

Canary Wharf

London E14 4BB, United Kingdom

BNP Paribas

10 Harewood Avenue

London NW1 6AA

United Kingdom

Citigroup Global Markets Limited

Citigroup Centre

33 Canada Square

Canary Wharf

London E14 5LB United Kingdom

Crédit Agricole Corporate and Investment Bank

12, place des Etats-Unis

CS 70052

92547 Montrouge Cedex

France

HSBC France

103, avenue des Champs Elysées

75008 Paris

France

NATIXIS

30, avenue Pierre Mendès France

75013 Paris

France

**Fiscal Agent, Principal Paying Agent, Calculating Agent**

**BNP Paribas Securities Services**

**(Euroclear France affiliate number: 29106)**

**3-5-7, rue du Général Compans**

**93500 Pantin**

**France**

**Legal advisers**

**of the Issuer**

**Gowling WLG A.A.R.P.I.**

**38, avenue de l'Opéra**

**75002 Paris**

**France**

**of the Dealers**

**Gide Loyrette Nouel A.A.R.P.I.**

**22, cours Albert 1er**

**75008 Paris**

**France**