Offering Circular dated 20 October 2023

Département de l'Eure
€400,000,000
Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme (the "**Programme**") described in this offering circular (the "**Offering Circular**") and subject to compliance with all applicable laws, regulations and directives, the *Département de l'Eure* (the "**Issuer**" or the "***Département de l'Eure***") may, from time to time issue notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed €400,000,000 (or the equivalent in any other currency, calculated on the determination date under the pricing supplement). The Notes will constitute *obligations* as defined under French law.

This Offering Circular is not a base prospectus or a prospectus within the meaning of Regulation (EU) n°2017/1129 of the European Parliament and of the Council dated 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**"), whose provisions do not apply to the Issuer and therefore it has not been approved by the *Autorité des Marchés Financiers* ("**AMF"**). The Issuer undertakes to update the Offering Circular annually.

An application may, under certain circumstances be made for Notes to be admitted to trading on the regulated market of Euronext Paris ("**Euronext Paris"**). Euronext Paris is a regulated market as defined in Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014, as amended, appearing on the list of regulated markets published by the European Securities and Markets Authority ("**ESMA**") (a "**Regulated Market**"). The Notes may also be admitted to trading on another Regulated Market of a member State of the European Economic Area ("**EEA**"), on a non-regulated market in the EEA or on any other non-regulated market or not admitted to trading on any market. The relevant pricing supplement (in the form set out in this Offering Circular) prepared for an issue of Notes (the "**Pricing Supplement**") shall specify whether or not the Notes will be admitted to trading and, if so, shall indicate the relevant market.

The Notes shall be issued in nominal amounts of equal to or greater than 100,000 euros (or the equivalent in any other currency) or any other greater amount as may be permitted or required by the relevant monetary authority or by any law or regulation applicable to the specified currency.

The Notes may be issued in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**"), as more fully described in this Offering Circular.

Dematerialised Notes shall be entered in an account in accordance with articles L. 211-3 *et seq.* of the French *Code monétaire et financier*. No physical document evidencing title to Dematerialised Notes shall be issued. Dematerialised Notes may, at the option of the Issuer, be either (a) in bearer form, entered on the date of issue in the books of Euroclear France ("**Euroclear France"**) (acting as central depositary), which shall credit the accounts of the Account Holders (as defined in the section "Terms and Conditions of the Notes - Form, Denomination and Title") including Euroclear Bank SA/NV ("**Euroclear"**) and the depositary bank for Clearstream Banking, SA ("**Clearstream**") or (b) in registered form and, in such case, at the option of the relevant Noteholder (as defined in the section "Terms and Conditions of the Notes"), either in pure registered form (*au nominatif pur*), in which case they shall be entered in an account maintained by the Issuer or with any registration agent (as specified in the relevant Pricing Supplement) on behalf of the Issuer, or in administered registered form (*au nominatif administré*), in which case they shall be entered in the accounts of the Account Holders nominated by the relevant Noteholder.

Materialised Notes shall be issued in bearer form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached ("**Temporary Global Certificate"**) shall be issued initially in respect of Materialised Notes. Such Temporary Global Certificate shall subsequently be exchanged for Materialised Notes represented by physical notes ("**Physical Notes"**) together with, if applicable, interest coupons, on a date falling at the earliest approximately 40 calendar days after the issue date of the Notes (unless postponed, as described in the "Temporary Global Certificates relating to Materialised Notes" section) upon certification that the Notes are not being held by U.S. Persons in accordance with U.S. Treasury regulations, as more fully described in this Offering Circular. The Temporary Global Certificates shall be deposited (a) in the case of a Tranche (as defined in the section "General Description of the Programme") intended for clearing through Euroclear and/or Clearstream, on the issue date with a common depositary on behalf of Euroclear and/or Clearstream, and (b) in the case of a Tranche intended for clearing through a clearing system other than Euroclear and/or Clearstream (or through any additional clearing system) or delivered outside any clearing system, in the manner agreed between the Issuer and the relevant Dealer (as defined in the section "General Description of the Programme").

The Issuer has been assigned an Aa3 stable outlook long-term rating and Prime-1 short-term rating by Moody's France S.A.S. ("**Moody's**"). The Programme has been assigned an Aa3 rating by Moody's. At the date of this Offering Circular, Moody's is a credit rating agency established in the European Union, registered in accordance with the Regulation (EC) n°1060/2009 of the European Parliament and of the Council dated 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") and appears on the list of credit rating agencies published by the European Securities and Markets Authority (ESMA) on its website (https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation) in accordance with the CRA Regulation. Notes issued under this Programme may or may not be assigned a rating. Where the Notes are to be rated, the applicable rating may be different to that assigned to the Programme. The rating, if any, assigned to the Notes shall be specified in the Pricing Supplement. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, modification or withdrawal at any time without notice by the assigning rating agency.

This Offering Circular, any related supplement, the documents incorporated by reference in this Offering Circular and, for so long as any Notes are admitted to trading on a Regulated Market, the relevant Pricing Supplement for such Notes shall (a) be published on the dedicated page of the Issuer's website (https://eureennormandie.fr/accueil/le-departement/finances/relations-investisseurs/) and (b) made available for inspection or obtaining copies, free of charge, during normal office hours on business days, at the Issuer's registered office and the specified office(s) of the Paying Agent(s).

Prospective investors are invited to consider the risks described in the "Risk Factors" section before taking any decision to invest in any Notes issued under this Programme.

Arranger
Crédit Agricole CIB

Permanent Dealers

BRED Banque Populaire
Crédit Mutuel Arkéa
La Banque Postale
Crédit Agricole CIB
HSBC
NATIXIS

Pursuant to article 1.2 of the Prospectus Regulation, the Issuer, as a local authority of an EEA Member State, is not subject to the requirements of the Prospectus Regulation. Accordingly, this Offering Circular constitutes neither a base prospectus nor a prospectus within the meaning of the Prospectus Regulation, and has therefore not been approved by the *Autorité des marchés financiers*.

This Offering Circular (together with any related supplement) constitutes an offering circular containing, or incorporating by reference, all relevant information on the Issuer enabling investors to assess in full knowledge of the facts the assets, activities, financial position, results and prospects of the Issuer as well as the rights attached to the Notes. Each Tranche (as defined in the section "General Description of the Programme" of this Offering Circular) of Notes shall be issued in accordance with the provisions set forth in the section "Terms and Conditions of the Notes", as supplemented and/or amended by the provisions of the relevant Pricing Supplement agreed between the Issuer and the relevant Dealers (as defined in the "General Description of the Programme" section of this Offering Circular) at the time of issue of such Tranche. This Offering Circular (together with any related supplement) and the Pricing Supplement must be read together.

The Issuer certifies, having taken all reasonable measures in such regard, that all information contained or incorporated (or deemed to be incorporated) by reference in this Offering Circular is, to its knowledge, in accordance with the facts and that nothing has been omitted that may affect its import. The Issuer assumes responsibility accordingly. The Issuer confirms that all statements of intention or opinion contained in this Offering Circular with regard to it are honestly made or held and have been reached after considering all relevant circumstances and have been based on reasonable assumptions. The Issuer confirms that there are no other facts or matters in relation to the Issuer or the Notes the omission of which would make any statement or information in this Offering Circular misleading in any respect whatsoever.

In connection with the issue or sale of any Notes, no person has been authorised to provide any information or make any representation other than as set forth or incorporated (or deemed to be incorporated) by reference in this Offering Circular. Otherwise, no such information or representation may under any circumstances be treated as having been authorised by the Issuer or by the Arranger or any of the Dealers. Neither the delivery of this Offering Circular nor any sale made on the basis of this document shall imply that there has been no adverse change in the general or financial situation of the Issuer since the date of this Offering Circular or since the date of the most recent supplement to this Offering Circular, or that any other information provided in connection with this Programme is accurate on any date subsequent to the date on which it was provided or, if different, the date indicated on the document containing such information.

The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Neither the Issuer, nor the Arranger, nor any of the Dealers gives any warranty that this Offering Circular will be distributed in accordance with the law, or that the Notes will be offered in accordance with the law, in compliance with all applicable registration requirements or any other requirement in any jurisdiction, or pursuant to any exemption applicable in such jurisdiction, and nor may any of them be held liable for having facilitated any such distribution or offering. In particular, neither the Issuer, nor the Arranger, nor any of the Dealers has taken any action that would permit a public offer of Notes to investors other than qualified investors, or the distribution of this Offering Circular in any jurisdiction where action for such purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material may be distributed or published in any jurisdiction, except in compliance with all applicable laws and regulations. Persons into whose possession this Offering Circular may come are invited by the Issuer, the Dealers and the Arranger to make themselves aware of, and to comply, with such restrictions.

Prospective investors are invited to refer to the "Subscription and Sale" section of this Offering Circular, which contains a description of certain restrictions applicable to the offering, sale and transfer of Notes and distribution of this Offering Circular.

This Offering Circular constitutes neither an invitation nor an offer by or on behalf of the Issuer, the Dealers or the Arranger to subscribe for or to purchase Notes.

Neither the Arranger nor any of the Dealers has verified the information contained or incorporated (or deemed to be incorporated) by reference, in this Offering Circular. Neither the Arranger nor any of the Dealers makes any express or implied representation, or accepts any liability, as to the accuracy or completeness of any information contained or incorporated (or deemed to be incorporated) by reference in this Offering Circular. Neither this Offering Circular nor any other financial statements are intended to provide the basis of any financial or other assessment and must not be treated as a recommendation by the Issuer, the Arranger or any of the Dealers to any recipients of this Offering Circular or any other financial statements, to purchase Notes.

Each prospective investor in Notes must make their own assessment of the relevance of the information contained or incorporated (or deemed to be incorporated) by reference in this Offering Circular and their decision to purchase Notes must be based on such research as they consider necessary. Neither the Arranger nor any of the Dealers undertakes to review the financial situation or the overall situation of the Issuer, nor undertakes to pass on to any investor or prospective investor any information of which they become aware.

Prospective investors should be aware that the tax laws in the Member State in which each prospective investor is resident, and in the Member State where the Issuer is incorporated, may have an impact on the income received under the Notes. Prospective investors and Noteholders are invited to consult their own tax advisers on the tax consequences of any acquisition, possession or transfer of Notes having regard to their own individual circumstances.

MiFID II Product Governance/ Target Market – eligible counterparties and professional customers only - in respect of the issue of each Tranche, the relevant Pricing Supplement shall include wording with the heading "MiFID II Product Governance / Target Market" which shall set forth an assessment of the target market, and the appropriate distribution channels, for the relevant Notes, taking into consideration the five (5) categories referred to in point 19 of the product governance requirement recommendations published by ESMA on 3 August 2023. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take such target market assessment into consideration. However, a distributor bound by Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014, as amended ("MiFID II"), is responsible for undertaking its own target market assessment in respect of the relevant Notes (by either adopting or refining the target market assessment) and determining the appropriate distribution channels.

In connection with the issue of each Tranche, a determination shall be made as to whether, for the purposes of the product government rules as defined in delegated directive EU 2017/593 of the Commission dated 7 April 2016 (the "MiFID II Product Governance Rules"), any Dealer subscribing for Notes is a manufacturer of such Notes. Failing any such determination, neither the Arranger nor the Dealers nor any of their respective affiliates shall be considered as a manufacturer within the meaning of the MiFID II Product Governance Rules.

United Kingdom MiFIR Product Governance / Target Market – eligible counterparties and professional customers only – in connection with the issue of each Tranche, the relevant Pricing Supplement may include wording with the heading "United Kingdom MiFIR Product Governance / Target Market" which shall set forth an assessment of the target market, and the appropriate distribution channels, for the relevant Notes. Any person subsequently offering, selling or recommending the Notes (a "United Kingdom distributor") should take such target market assessment into consideration. However, a distributor bound by the United Kingdom Financial Conduct Authority's *FCA Handbook - Product Intervention and Product Governance Sourcebook* (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the relevant Notes (by either adopting or refining the target market assessment) and determining the appropriate distribution channels.

In connection with the issue of each Tranche, a determination shall be made as to whether, for the purposes of the UK MiFIR Product Governance Rules, any Dealer subscribing for Notes is a manufacturer of such Notes. Failing any such determination, neither the Arranger nor the Dealers nor any of their respective affiliates shall be considered as a manufacturer within the meaning of the UK MiFIR Product Governance Rules.

Important notice relating to Responsible Bonds

Prospective investors should take into consideration the information set forth in the "Use of Proceeds" section of this Offering Circular and under the heading "Use of Proceeds" in the relevant Pricing Supplement and must assess for themselves the relevance of such information with regard to any investment in Responsible Bonds (as defined in "Use of Proceeds" section of this Offering Circular) and carry out such other research as they consider necessary. In particular, none of the Dealers, nor the Arranger nor the Issuer warrants that the use of such proceeds in respect of any Eligible Project (as defined in the "Use of Proceeds" section of this Offering Circular) will satisfy, in whole or in part, any present or future expectations or requirements of any prospective investors as regards any investment criteria or guidelines with which such investors or their investments are required to comply, under any existing or future applicable laws or regulations or under its own bylaws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental or social impact of any projects or uses the subject of, or related to, any Eligible Project.

The definition (legal, regulatory or otherwise) of a "green" or equivalently labelled project, and the market consensus as to whether a specific project should be defined as a "green" or equivalently labelled project, are still in the process of development. On 18 June 2020, Regulation (EU) n° 2020/852 on the establishment of a framework to facilitate sustainable investment was adopted by the European Parliament and Council (the "Taxonomy Regulation"). The Taxonomy Regulation establishes a single European union-wide classification system, or "taxonomy", which provides businesses and investors with a common language for determining which economic activities may be considered as environmentally sustainable. Accordingly, there is presently no established definition specifying the criteria required for a specific project to be considered ecological ("*green*") or any other equivalent label, and no assurance is or can be given to any prospective investor that the use of proceeds of the issue specified in the relevant Pricing Supplement will meet such investor's environmental and/or social performance expectations, nor as to whether the transaction will continue to meet the eligibility criteria.

If any Notes are listed or admitted to trading on any dedicated environmental, sustainable development or any other equivalent segment of any stock exchange or financial market (whether regulated or otherwise), no representation or assurance is given or made by the Issuer, the Dealers or any other person that such listing or admission to trading will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investors or their investments must comply. Furthermore, the criteria for any such listing or admission to trading may vary from one stock exchange (or securities market) to another. No representation or assurance is given or made by the Issuer, the Dealers or any other person that such listing or admission to trading will be obtained in respect of such Notes, or, if obtained, whether such listing or admission to trading will be maintained until the final maturity date of the Notes.

No assurance or warranty is given or made as to the relevance or reliability, for any purposes whatsoever of the second party opinion ("*Second Party Opinion*") published by EthiFinance, in its capacity as independent expert, or of any third-party opinion or certificate (whether or not requested by the Issuer) made available to prospective investors in connection with any issue of Responsible Bonds and in particular any Eligible Project to satisfy any environmental or social criteria. For the avoidance of doubt, neither the *Second Party Opinion*, nor any other opinion or certificate is, or may be treated as, contained or incorporated (or deemed to be incorporated) by reference in this Offering Circular. The external review prepared by EthiFinance or any advice, certificate, rating or opinion of any third party (whether or not requested by the Issuer), made available in connection with the issue of any Responsible Bonds and/or concerning the Reference Framework applicable to the Responsible Bonds (i) is not, and shall not be treated as, a recommendation by the Issuer or any other person to buy, sell or hold Responsible Bonds, and (ii) may not be suitable for the purposes of investors. For the avoidance of doubt, it is specified that any such opinion or certificate shall be valid only as of the date upon which it was initially issued. Prospective investors should assess for themselves the relevance of any such opinion or certificate for the purposes of their investment in the Notes. Providers of such opinions or certificates are not presently subject to any specific regulations or any other legal regime.

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GENERAL DESCRIPTION OF THE PROGRAMME

The following general description should be read subject to the other information set forth in this Offering Circular. The Notes shall be issued in accordance with the terms of the Notes set forth on pages 24 to 45 of this Offering Circular as completed and/or amended by the provisions of the relevant Pricing Supplement agreed between the Issuer and the relevant Dealer(s).

All terms beginning with a capital letter and not otherwise defined in this section shall have the meanings given thereto in the section "Terms and Conditions of the Notes" of this Offering Circular.

Any reference below to a Condition refers to the numbered clauses in the section "Terms and Conditions of the Notes" of this Offering Circular.

Issuer:	*Département de l'Eure*.
Description:	Euro Medium Term Note Programme (the "**Programme**"). The Notes will constitute bonds (*obligations*) as defined under French law.
Arranger:	Crédit Agricole Corporate and Investment Bank.
Dealers:	BRED Banque Populaire, Crédit Agricole Corporate and Investment Bank, Crédit Mutuel Arkéa, HSBC Continental Europe, La Banque Postale and Natixis. The Issuer may from time to time revoke any Dealer (as defined below) under the Programme or appoint additional Dealers either for one or more Tranches, or for the Programme as a whole. Any reference in this Offering Circular to "**Permanent Dealers**" is a reference to the entities named above as Dealers together with any other entity appointed as a Dealer for the Programme as a whole (and whose appointment has not been revoked). Any reference to "**Dealers**" means any Permanent Dealer and any other person appointed as Dealer for one or more Tranche(s).
Maximum Amount of the Programme:	The nominal amount of Notes outstanding under the Programme may not at any time exceed 400,000,000 euros (or the equivalent in any other currency, calculated at the determination date under the pricing supplement).
Calculation Agent:	Unless otherwise specified in the relevant Pricing Supplement, BNP Paribas for Dematerialised Notes. A specific Calculation Agent shall be appointed for any Tranche of Materialised Notes.
Fiscal Agent and Principal Paying Agent:	Unless otherwise specified in the relevant Pricing Supplement, BNP Paribas for Dematerialised Notes. A specific Fiscal Agent and a Principal Paying Agent shall be appointed for any Tranche of Materialised Notes.
Method of issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in Series, on the same or different issue dates, the Notes of each Series being fungible with all other Notes of that Series. Each Series may be issued in Tranches on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, and if applicable, the issue price, first payment of interest and total nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the relevant Pricing Supplement supplementing this Offering Circular.
Currencies:	Subject to compliance with all applicable laws, regulations and directives, Notes may be issued in euros, US dollars, Japanese yen, Swiss francs, pounds sterling and any other currency agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Pricing Supplement.
Denomination(s):	The Notes will be issued in such Specified Denomination(s) as may be indicated in the relevant Pricing Supplement. The Notes shall have a specified denomination of equal to or greater than 100,000 euros (or the equivalent in any other currency) or such other greater amount as may be permitted or required by the competent monetary authority or under any law or regulation applicable to the specified currency.

	Dematerialised Notes shall be issued in one single Specified Denomination.
Issue price:	The Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Status of the Notes:	The Notes and, where relevant, the Coupons and Receipts relating thereto constitute direct, unconditional, unsubordinated and (without prejudice to the provisions of Condition 4) unsecured obligations of the Issuer and rank (save for mandatory exceptions under French law) *pari passu* among themselves and *pari passu* with any other present or future unsubordinated and unsecured obligations of the Issuer.
Negative pledge:	For so long as the Notes and, where relevant, any Coupons or Receipts attached to the Notes remain outstanding, the Issuer shall not grant or permit to subsist any mortgage, collateral, pledge, lien or any other real security over any of its assets or revenues, present or future, to secure any present or future indebtedness represented by bonds, securities or other negotiable instruments and which are (or may be) admitted to trading on any market, unless the Issuer's obligations under the Notes and, where relevant, the Coupons or Receipts enjoy equivalent and equal ranking security.
Events of Default:	The Terms and Conditions of the Notes contain an events of default clause as more fully described in Condition 9.
Redemption amount:	The relevant Pricing Supplement shall specify which of the options described in Condition 6 shall be used as the calculation basis to determine the redemption amounts payable.
Optional redemption and early redemption:	The Pricing Supplement prepared in respect of each issue of Notes will state whether the relevant Notes may be redeemed (in whole or in part) prior to their stated maturity at the option of the Issuer and/or the Noteholders and, if so, the terms applicable to such redemption. Subject to the above, the Notes will not be redeemable early at the option of the Issuer other than for tax reasons and/or in case of illegality. Refer to Condition 6.
Withholding:	All payments of principal, interest or other amounts linked to the Notes, Receipts or Coupons made by or on behalf of the Issuer shall be made without any withholding or deduction for any tax or duty, of any type, imposed, levied or collected by or on behalf of France or any authority therein that has power to levy taxes, unless such withholding or deduction is required by law. If French law should require that any payments of principal or interest relating to any Note, Receipt or Coupon be subject to any withholding or deduction with respect to any taxes or duties, present or future, the Issuer undertakes, to the fullest extent permitted by law, to pay such additional amounts as may be necessary in order that the holders of Notes, Receipts and Coupons receive the full amount that would have been payable in the absence of such withholding or deduction, subject to certain exceptions as described in more detail in Condition 8.
Fixed Rate Notes:	Interest on Fixed Rate Notes shall be payable each year in arrear on the date(s) specified in the relevant Pricing Supplement.
Floating Rate Notes:	Floating Rate Notes shall bear interest at the rate determined separately for each Series in the following manner, as specified in the relevant Pricing Supplement: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency, in accordance with the FBF Master Agreement supplemented by the Technical Schedules published by the FBF; or (ii) by reference to EURIBOR (or TIBEUR in French), in each case, as adjusted for any applicable Margin and/or Rate Multiplier. Interest Periods will be specified in the relevant Pricing Supplement. Floating Rate Notes may also have a Maximum Interest Rate, a Minimum Interest Rate or both. Unless a greater Minimum Interest Rate is specified in the relevant Pricing Supplement, the Minimum Interest Rate shall be deemed to equal zero (0).

Fixed/Floating Rate Notes: Each Fixed/Floating Rate Note bears interest at a rate which, on the Date of Change, (i) may be converted at the option of the Issuer from a fixed rate to a floating rate (or vice versa) or (ii) will be automatically converted from a fixed rate to a floating rate (or vice versa).

Benchmark discontinuation: If a Benchmark Event occurs such that any interest rate cannot be determined by reference to the original benchmark or original screen rate (as applicable) specified in the relevant Pricing Supplement, then the Issuer shall, as soon as reasonably possible, appoint an agent to determine a Successor Reference Rate or an Alternative Reference Rate. For further details, refer to Condition 5(c)(iii)(c) of the Terms and Conditions of the Notes "Benchmark discontinuation".

Zero Coupon Notes: Zero Coupon Notes may be issued at or below par and do not bear interest.

Notes intended for a specific use - Responsible Bonds: The net proceeds of an issue of Notes may be specifically intended to finance and/or refinance, in whole or in part, eligible environmental or social projects ("**Eligible Projects**", as described in the relevant Pricing Supplement) pursuant to the reference framework applicable to the Issuer's responsible bond issues (the "**Reference Framework**"), such Notes being referred to as "**Responsible Bonds**".

The Reference Framework is in line with the "Green Bond Principles", 2018 edition, the "Social Bond Principles", 2020 edition and the "Sustainability Bond Guidelines", 2018 edition, available for consultation on the website of ICMA (International Capital Market Association : https://www.icmagroup.org/). In its capacity as independent expert, EthiFinance has published a second party opinion (the "**Second Party Opinion**") on the eligibility of the Responsible Bonds.

The Reference Framework and the *Second Party Opinion* are freely available on the *Département de l'Eure*'s website (https://eureennormandie.fr/accueil/le-departement/finances/relations-investisseurs/).

Interest Periods and Interest Rates: The length of the Interest Periods for the Notes and the applicable Interest Rate or method of calculation may differ from time to time or be constant for any Series. The Notes may have a Maximum Interest Rate, Minimum Interest Rate or both, provided that (i) in no event shall the amount of interest payable in respect of each Note be less than zero and (ii) unless a higher Minimum Interest Rate has been specified in the relevant Pricing Supplement, the Minimum Interest Rate shall be zero. The use of Interest Accrual Periods permits the Notes to bear interest at different rates in the same Interest Period. All such information will be set out in the relevant Pricing Supplement.

Form of the Notes: The Notes may be issued in the form of either Dematerialised Notes or Materialised Notes.

Dematerialised Notes may, at the option of the Issuer, be issued in bearer form (*au porteur*) or in registered form (*au nominatif*) and, in such case, at the option of the relevant Noteholder, either in pure registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*). No physical document evidencing title to Dematerialised Notes will be issued.

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

Governing Law and jurisdiction: French law.

Any dispute relating to the Notes, Coupons, Receipts or Talons shall be submitted to the competent courts within the jurisdiction of the *Cour d'Appel de Paris* (subject to any mandatory rules governing the territorial jurisdiction of the French courts). However, no private law enforcement measures may be brought and no seizure proceedings may be implemented against the assets or property of the Issuer as a legal entity governed by public law.

Representation of Noteholders: Noteholders shall, in respect of all Tranches of a single Series, be grouped automatically together into a masse (the "***Masse***") for the defence of their common interests. The *Masse* shall be governed by articles L.228-46 *et seq*. of the French *Code de commerce* with the

	exception of articles L.228-71 and R.228-69 of the French *Code de commerce*, as amended by the Terms and Conditions of the Notes. The *Masse* shall act in part through a representative (the "**Representative**") and in part through collective decisions of the Noteholders ("**Collective Decisions**"). The names and addresses of the titular Representative of the *Masse* and their alternate, where relevant, shall be specified in the relevant Pricing Supplement. The Representative appointed for the first Tranche of a Series of Notes shall be the sole Representative of the *Masse* for such Series. Collective Decisions are adopted either at general meetings or with the unanimous consent of the Noteholders by written consultation. If, and for so long as the Notes of the same Series are held by a single Noteholder, and if no representative has been appointed, the relevant Noteholder shall exercise all of the powers bestowed upon the Representative and the Noteholders acting by Collective Decision in accordance with the Terms and conditions of the Notes. The single Noteholder shall keep (or cause to be kept by any authorised agent) a register of all decisions taken by it in such capacity and shall make it available to any subsequent Noteholder upon request. Unless a Representative has been appointed in the relevant Pricing Supplement, a Representative shall be appointed by the Issuer whenever the Notes of a Series are held by more than one Noteholder.
Clearing systems:	Euroclear France as central depositary for Dematerialised Notes and, for Materialised Notes, Clearstream, Euroclear or any other clearing system that the Issuer, the Fiscal Agent and the relevant Dealer agree to appoint. Notes admitted to trading on Euronext Paris shall be cleared through Euroclear France.
Initial delivery of Dematerialised Notes:	The accounting letter (*lettre comptable*) (for syndicated issues only) or, where relevant, the Euroclear France admission form for each Tranche of Dematerialised Notes shall be delivered to Euroclear France acting as central depositary one (1) Paris business day before the issue date of such Tranche.
Initial delivery of Materialised Notes:	No later than the issue date of each Tranche of Materialised Notes, the Temporary Global Certificate for such Tranche shall be delivered to a common depositary for Euroclear and Clearstream, or to any other clearing system, or may be delivered outside any clearing system, provided that such method of delivery has been agreed in advance between the Issuer, the Fiscal Agent and the relevant Dealer.
Admission to trading:	The Notes may be admitted to trading on Euronext Paris and/or on any other Regulated Market or non-regulated market of the European Economic Area and/or on such other non-regulated market as may be specified in the relevant Pricing Supplement. The relevant Pricing Supplement may specify that a Series of Notes shall not be admitted to trading.
Rating:	The Issuer has been assigned an Aa3 stable outlook long-term rating and Prime-1 short-term rating by Moody's France S.A.S. ("**Moody's**"). The Programme has been assigned an Aa3 rating by Moody's. At the date of the Offering Circular, Moody's is a credit rating agency established in the European Union, registered in accordance with the Regulation (EC) n°1060/2009 of the European Parliament and of the Council dated 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") and is included on the list of credit rating agencies published by the European Securities and Markets Authority (https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation) in accordance with the CRA Regulation. Notes issued under this Programme may or may not be assigned a rating. Where the Notes are to be rated, the applicable rating may be different to that assigned to the Programme. The rating, if any, assigned to the Notes shall be specified in the Pricing Supplement. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, modification or withdrawal at any time without notice by the assigning rating agency.
Selling restrictions:	There are restrictions relating to the sale of Notes and the distribution of offering materials in various jurisdictions. In connection with the offering and sale of a specific Tranche, additional

selling restrictions may be imposed and, in such case, shall be specified in the relevant Pricing Supplement. Please refer to the “Subscription and Sale” section of this Offering Circular.

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

Materialised Notes shall be issued in compliance with Section (*U.S. Treas.* Reg.) §1.163-5(c)(2)(i)(D) of the US Treasury regulations (the “**D Rules**”) unless (i) the relevant Pricing Supplement provides that such Materialised Notes are issued in compliance with Section (*U.S. Treas.* Reg.) §1.163-5(c)(2)(i)(c) of the US Treasury regulations (the “**C Rules**”), or (ii) that such Materialised Notes are not issued in compliance with the C Rules or the D Rules, but under such conditions that the Materialised Notes shall not constitute “registration-required obligations” by the United States Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), in which case the relevant Pricing Supplement shall indicate that the transaction falls outside the scope of the TEFRA rules.

The TEFRA rules do not apply to Dematerialised Notes.

RISK FACTORS

The Issuer considers that the risk factors described below are material to any decision whether or not to invest in the Notes and/or may affect its ability to fulfil its obligations to investors under the Notes. Those risks are unpredictable and the Issuer cannot comment on the likelihood of such risks materialising. Investors are hereby informed that they may lose all or part, as the case may be, of the value of their investment.

The Issuer considers that the risk factors described below represent the main risks associated with the Issuer and the Notes issued under the Programme, however the Issuer makes no representation that the list of risk factors described below is exhaustive. The risks described below are not the only risks to which investors in the Notes may be exposed. Other risks and uncertainties, as yet unknown to the Issuer or which it considers not to be material as of the date of this Offering Circular, may have a significant impact on the risks associated with an investment in the Notes. Prospective investors should also read the detailed information set forth elsewhere in this Offering Circular and reach their own opinion before taking any investment decision. In particular, investors must make their own assessment of the risks associated with the Notes before investing in them.

The Issuer believes that the Notes should only be purchased by investors who are (or act on the advice of) financial institutions or other professional investors who are in a position to assess the specific risks associated with an investment in the Notes.

The order in which the following risk factors are presented is not an indication of the likelihood of their occurrence.

The risk factors described below may be supplemented in the relevant Pricing Supplement for a specific issue of Notes.

Capitalised terms not defined in this section will have the meaning given to them in the "Terms and Conditions of the Notes" section.

Any reference below to a Condition refers to the corresponding condition number in the "Terms and Conditions of the Notes" section.

1. Risks relating to the Issuer

1.1 Asset-related risks

The Issuer's asset-related risks concern all types of damage, claims, destruction or physical loss that may occur and impact on its movable and real property in particular as a result of a natural disaster, fire or act of terrorism.

With regard to the various risks that may affect its assets, the *Conseil Départemental* has taken out suitable and sufficient insurance cover.

As a public law legal entity, the *Département de l'Eure* is not subject to private law enforcement measures, pursuant to the principle of inalienability of property belonging to public law legal entities.

Furthermore, like all public law legal entities, the *Département de l'Eure* is not subject to the insolvency proceedings specified in the French *Code de commerce*.

1.2 Financial risks

As of 31 December 2022, the Issuer's outstanding debt stands at 322.6 M€, including 67.22 M€ indexed on money market rates, in respect of which it is not possible to determine in advance the cost to the Issuer. As such, any adverse change in the financial markets affecting such variable rates may have an impact on the Issuer's financial situation.

The Issuer's financing is constrained by its inflexible expenditure structure and its economic cycle and property market dependent revenues (Business Value-Added Contribution ("**CVAE**"), Transfer Duties ("**DMTO**"), social spending including in particular the Active Solidarity Income ("**RSA**")).

A high level of indebtedness is likely to decrease its operating surplus rate and therefore its ability to borrow on satisfactory financial terms.

Furthermore, the draft 2023-2027 public finances programming law introduces a new instrument to secure contributions towards controlling the public finances of local authorities whose actual operating expenditure in the main budget is greater than 40 M€:

– unlike the "financial contracts with the State" as provided in article 29 of the law n° 2018-32 dated 22 January 2018, this new instrument introduces an initial phase for monitoring targets at each local authority category level, to hold them collectively accountable for achieving the overall objective;

– if the category exceeds its target, access to State investment support grants as well as future ecological transition funds may be restricted for local authorities that contributed to exceeding the target;

– these local authorities will then be bound by an agreement to return to the trajectory, negotiated at local level with the State's representative and which will set an individual target for the direction of actual operating expenditure which takes the local authority's situation into account. If this target is exceeded again, a penalty may be imposed upon the local authority equal to 75% of the amount by which the target was exceeded, and indeed 100% if the local authority declined to agree with the State to return to the trajectory.

However, both its public law legal entity status and the legal framework governing local authority borrowing greatly reduce the risk of non-payment.

Furthermore, article L. 1611-3-1 of the French *Code Général des Collectivités Territoriales* ("**CGCT**"), established by the law n° 2013-672 dated 26 July 2013, establishes certain limits as to currency, interest rate and associated hedging instruments applied to any loans borrowed by the Issuer from a credit institution. However, this article is not intended to apply to bonds as specified in the parliamentary proceedings (Report No. 1091 of the Finance Committee of the National Assembly, tabled on 29 May 2013, amendment No. 160 of 19 March 2013).

1.3 Risks associated with the Issuer's long-term and short-term debt ratings

The rating assigned by Moody's France SAS to the Issuer, and its Notes if separately rated, is by nature merely the expression of an opinion on the level of credit risk (default, late payment) associated with the Issuer and does not necessarily reflect all risks associated with the Issuer, nor *a fortiori* with the Notes. Such rating does not constitute, and shall not be construed in any manner whatsoever as constituting, for the attention of investors, subscribers and holders of Notes, an invitation, recommendation or inducement to enter into any transaction involving the Notes and in particular, in such regard, to acquire, hold, retain, pledge or sell Notes. The Issuer's rating and that of its Notes may be suspended, amended or withdrawn at any time by Moody's France SAS.

1.4 Risks associated with non-repayment of the Issuer's debt

As provided in article L.3321-1 of the CGCT, debt service represents a mandatory expense. As a result, such expenditure (repayment of principal and interest costs) must mandatorily be entered in the local authority's budget. If such obligation is not complied with, the law provides in article L.1612-15 of the CGCT that, upon the advice of the *Chambre régionale des comptes*, upon referral either by the State's Representative in the *Département* (the "***Préfet***"), or by the *Comptable Public* (the *Département*'s Paying Officer), or by any interested person, the *Préfet* records the expenditure in the local authority's budget and, if required, proposes optional increased revenue or decreased expenditure. Furthermore, if a mandatory expense is not ordered (*mandatée*), article L.1612-16 of the CGCT provides for a special procedure authorising the *Préfet* to make an *ex officio* order.

1.5 Risks associated with the use of financial contracts

The *Département de l'Eure* makes use of a "vanilla swap" hedging instrument in a notional amount of 4 M€ at 31 December 2022, which protects 1.2% of the *Département de l'Eure*'s total outstanding debt.

Recourse to borrowing and derivatives (swaps, caps, floors, tunnels, etc.) is regulated by inter-ministerial circular n° NOR/IOCB1015077C dated 25 June 2010 on financial products offered to local authorities and their public establishments. This text identifies the risks inherent in local authority debt management and clarifies the circumstances under which financial products and financial risk hedging instruments may be used. The circular specifies in particular that speculative-type transactions are prohibited. It repeals the previous circular dated 15 September 1992. The *Conseil Départemental* applies this legal framework strictly and the sole aim of the swaps entered into by the *Département* is to reduce or limit the impact of financial costs and completely and systematically neutralise forex risk on foreign currency transactions.

Furthermore, the decree n° 2014-984 dated 28 August 2014 on the borrowing conditions applicable to local authorities, their groupings and the departmental fire and rescue services, made pursuant to the above-mentioned law dated 26 July 2013, sets forth the conditions under which local authorities may enter into financial contracts (derivatives).

1.6 Risks associated with evolving Issuer revenues

The Issuer, like other local authorities, is exposed to changes in its regulatory, legal and financial environment which may affect the structure and amount of its resources.

Indeed, under the constitutional principle of financial autonomy specified under article 72-2 of the Constitution, the "*tax receipts and other own resources of local authorities represent for each type of local authority a decisive share of their overall revenue*". This principle has been implemented through the organic law n° 2004-758 dated 29 July 2004 under which financial autonomy is conceived as based upon the extent of the tax receipts and own resources within local authority budgets.

The level of the Issuer's resources depends on the revenues paid by the State in connection with the transfer of powers or under successive tax reforms. These resources evolve in close alignment with inflation and growth levels set out within the framework of a growth pact. Furthermore, any levelling-off or decrease in the level of endowments paid by the State is likely to have an adverse impact on the Issuer's operating revenues thereby reducing its capacity to invest.

Furthermore, the law n° 82-213 dated 2 March 1982 on the rights and freedoms of communes, *départements* and *régions*, now in codified form, has abolished State oversight over local authority acts. It has recognised the right and freedom of local authorities to freely enter into borrowings. Their relationship with lenders is governed by private law and freedom of contract, the constitutional validity of which for local authorities has been recognised by the *Conseil Constitutionnel*.

The exercise of this freedom is nevertheless framed by the following two principles:

(a) borrowing may only be used to finance investment expenditure;

(b) repayments of principal must be fully covered by own resources formed by a levy on operating revenue (in other words gross operating surplus) plus definitive investment revenue – other than borrowing (principle of true equilibrium).

Failure to observe these principles constitutes grounds for cancellation of the budget.

The *Département de l'Eure*'s basket of operating revenues (direct and indirect tax receipts) has increased from 327.14 M€ in 2018 to 394.92 M€ in 2022, due in particular to the effect of the extraordinary increase in DMTO over the 2021 financial year, from €83.81m in 2020 to €108.02, an increase of 29%. The year 2022 has largely consolidated this surge, even if the landing is slightly lower than in 2021: 102.9 M€.

Furthermore, the Government has introduced local tax reforms under the 2020 budgetary law n° 2019-1479 dated 28 December 2019. This law entered into force in 2021 resulting, for *départements*, in transfer of the departmental element of the land tax on built properties ("**TFPB**") to the commune sector, following the abolition of the housing tax ("**TH**") on principal premises. In exchange, *départements* were from 2021 also allocated a VAT portion, the 2021 amount of which was calculated with reference to the rental values determined in 2020 and the TFPB rates in force in 2019. Accordingly an amount of 116.85 M€, in respect of this compensatory VAT portion related to the transfer of TFPB, has been entered in the 2021 annual accounts. In 2022, the amount was €128.05 M, an increase of 10%.

Furthermore, the draft 2023 budgetary law (PLF 2023) also provides for the abolition of CVAE to be compensated for by a VAT portion. Nevertheless this abolition will be gradual and staggered over two financial years. For information, the amount of CVAE received for the 2022 financial year amounted to €31.41 M compared to €33.38 M in 2021, a decrease of 6%.

1.7 Risks associated with the Issuer's off-balance sheet transactions and current investments

At 31 December 2022 the debt guaranteed by the Issuer totalled 295.4 M€, of which 90.5% for social housing. Guaranteed debt totalled 298.2 M€ at the end of 2021. Guaranteed debt falls within the category of off-balance sheet commitments. This is why it is carefully managed by the Issuer. It is a contingent debt insofar as the Issuer agrees, in the event of debtor default, to repay the loan.

1.8 Risks associated with financial statements

As a local authority, the Issuer is not subject to the same accounting standards as a private law issuer. Its financial statements (administrative accounts and budgets) are subject to specific accounting rules set forth in particular in the decree n° 2012-1246 dated 7 November 2012 and the CGCT, all as more fully described on pages 68 and following of this Offering Circular. In their financial assessment of the Issuer, investors should take these special accounting rules into consideration.

The Issuer's accounts are not audited in the same manner as a private law issuer, but rather are subject to State control: (i) control of legality, (ii) financial controls conducted by the *Préfet* of the *Département de l'Eure* and the public auditor (*comtpable public*) and (iii) periodic management review conducted by the *Chambre régionale des comptes*. Further details on these controls can be found on pages 68 to 72 of this Offering Circular.

2. Risks relating to the Notes

2.1 Risks relating to the structure of particular issues of Notes

A wide variety of Notes may be issued under this Programme. Certain Notes may have features that present particular risks for prospective investors. The most common features of such Notes and the associated risks are set forth below.

Notes with an Issuer call option

The presence of an option for the Issuer to redeem the Notes tends to limit their market value. During each period where the Issuer may decide to redeem the Notes, the market value of such Notes does not generally significantly exceed the value at which such Notes may be redeemed. This situation may also occur before each redemption period.

It is generally expected that the Issuer would redeem the Notes when the cost of its debt is less than the interest rate on the Notes. As a result, the return at the time of redemption may be less than Noteholders anticipate and the value of the amount redeemed on the Notes may be less than the purchase price paid by Noteholders for the Notes. Furthermore, in the event of early redemption, investors are not generally in a position to reinvest the proceeds received in securities with a return as high as that of the redeemed Notes and may only be able to reinvest the redemption proceeds in securities with a significantly lower return. Prospective investors should take reinvestment risk into consideration in the light of other realisable investments.

Fixed Rate Notes

An investment in Fixed Rate Notes involves the risk that a subsequent change in market interest rates or inflation may have a significant adverse impact on the value of the relevant Tranche of Notes.

Although the interest on Fixed Rate Notes is determined for the full term of such Notes or for a given period, the market interest rate (the "**Market Interest Rate**") generally varies daily. When the Market Interest Rate changes, the value of the Note moves in the opposite direction. If the Market Interest Rate increases, the value of Fixed Rate Notes decreases. If the Market Interest Rate decreases, the value of Fixed Rate Notes increases.

Holders of Fixed Rate Notes should be aware that substantial changes in market rates may have adverse consequences on the value of the Notes, should they sell their Notes at a time when the Market Interest Rate exceeds the Fixed Rate on the Notes.

Furthermore, the yield on Fixed Rate Notes (which is specified in the relevant Pricing Supplement) is calculated on the issue date of the relevant Notes based on their issue price. This is not an indication of the future yield on the Notes.

Floating Rate Notes

An investment in Floating Rate Notes comprises (i) a Reference Rate and (ii) a Margin to be added or subtracted, as applicable, to such Reference Rate. Generally, the relevant Margin does not change during the term of the Notes, however the Reference Rate is adjusted (as specified in the relevant Pricing Supplement) periodically (for example every three (3) months or six (6) months) and evolves in line with general market conditions. As a result, the market value of Floating Rate Notes may be volatile if changes, in particular short-term changes, on the interest rate market for the relevant Reference Rate cannot be applied to the interest rate on such Notes until the next periodic adjustment of the relevant Reference Rate. Furthermore, unlike Fixed Rate Notes, investors cannot predict the return on Floating Rate Notes.

If at any time the Reference Rate were negative, this may result, despite the existence of a Margin, in the effective Floating Rate being less than the applicable Margin.

Floating Rate Notes with a Rate Multiplier or other form of leverage

Floating Rate Notes may be a volatile investment. If their structure involves a Rate Multiplier or any other form of leverage, cap or floor, or any combination of such features or features having a similar effect, the market value of such Notes may be even more volatile than that of Notes without such features.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes bear interest at a rate which, either automatically or upon decision by the Issuer, may convert from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate. The conversion (whether automatic or optional) may affect the secondary market for and the market value of such Notes insofar as this may result in an overall reduction in borrowing costs. If a Fixed Rate is converted into a Floating Rate, the margin between the Fixed Rate and the Floating Rate may be less advantageous than the margins applicable to comparable floating rate notes having the same Reference Rate. Furthermore, the new Floating Rate at any time may be less than the rate on other Notes. If a Floating Rate is converted into a Fixed Rate, the Fixed Rate may be less than the rate then applicable to such Notes.

Zero Coupon Notes, issued below par or at a premium to the issue price

The market value of Zero Coupon Notes, issued below par or at a premium to the issue price, tends to be more sensitive to fluctuations associated with changing interest rates than conventional interest-bearing securities. Generally, the longer the maturity of the Notes, the more the price volatility of such Notes resembles that of conventional interest-bearing securities with comparable maturities.

2.2 General risks relating to the Notes

The following is a brief description of certain general risks relating to the Notes:

The Notes may be redeemed before maturity

If, at the time of redemption of an amount of principal or payment of interest, the Issuer is obliged to pay additional amounts in accordance with Condition 8(b), it may, in accordance with Condition 6(f), redeem all of the Notes in full at their Early Redemption Amount together with all interest accrued until the effective date of redemption.

Furthermore, the Pricing Supplement for a particular issue of Notes may include an Issuer early redemption option. For any early redemption, the yield at the time of redemption may be less than expected and the value of the amount redeemed on the Notes may be less than the purchase price paid by the Noteholder on the market for the Notes. As a result, a portion of the capital invested by the Noteholder may be lost, and in such case the Noteholder will not receive the full amount of the capital invested. Furthermore, in the event of early redemption, investors choosing to reinvest the funds they receive may only be able to reinvest in securities with a lower return than the Notes redeemed.

Risk in the event of partial early redemption

Depending on the number of Notes of a single Series in respect of which a partial early redemption option is exercised by the Noteholders or the Issuer, the Notes in respect of which such option has not been exercised may suffer a loss of liquidity.

Amendment to the Terms and Conditions

Noteholders shall, in respect of all Tranches of a Series, be grouped together automatically for the defence of their common interests into a *masse* (*Masse*) and a General Meeting may be organised. The Terms and Conditions of the Notes provide in certain circumstances for decisions to be binding upon all Noteholders, including those who did not participate or vote at a General Meeting or those who voted contrary to the majority. The General Meeting may also deliberate on any proposal to amend the Terms and Conditions of the Notes, including on any proposed compromise or settlement relating to rights that are in dispute or the subject of judicial decision, with further detail on such prerogatives being set forth in Condition 11 of the Terms and Conditions of the Notes.

Change of law

The Terms and Conditions of the Notes are governed by French law in force as at the date of this Offering Circular. No assurance can be given that any judicial decision or change of law or administrative practice coming into force after the date of this Offering Circular may not impact on the Notes.

Taxation

Prospective purchasers and sellers of Notes should be aware that they may be required to pay taxes or other duties and charges in accordance with the laws and practices in force in the jurisdictions to which the Notes may be transferred or in other jurisdictions. In certain jurisdictions, no official position of the tax authorities nor any judicial decision concerning innovative securities such as the Notes is available. Prospective investors should seek advice from their tax advisers in light of their personal circumstances in connection with any acquisition, sale or redemption of the Notes. Only such advisers are in a position to properly assess the particular situation of a prospective investor.

Loss of investment in the Notes

The Issuer reserves the right to purchase Notes, at any price, on the stock exchange or otherwise, in accordance with applicable regulations. Although this does not impact on the normal schedule for redemption of the Notes remaining outstanding, it would however reduce the yield of the Notes redeemed early. Similarly, in the event of change to the taxation rules applicable to the Notes, the Issuer may be obliged to redeem the Notes in full, at 100% of their nominal value, plus, if applicable, interest accrued until the effective date of redemption. Any early redemption of the Notes may result in the Noteholders receiving a yield significantly below their expectations.

Also, there is a risk that the Notes will not be redeemed on their maturity date if the Issuer is no longer solvent. The non-redemption or partial redemption of the Notes would de facto result in a loss of investment in the Notes.

During its life, the price of the product is liable to fluctuate upwards or downwards depending on market conditions. Investors are therefore at risk of unquantifiable loss of capital in the event of sale before maturity.

Verification of legality

The *Préfet* of the *Département de l'Eure*, has two (2) months from the date of its receipt at the Prefecture to verify the legality of any resolution made by, or any decision made pursuant to a delegation from, or certain contracts entered into by, the *Conseil départemental de l'Eure*. If he considers the resolution, decision and/or administrative contract to be illegal, the *Préfet* of the *Département de l'Eure* shall refer it to the competent administrative tribunal and, if appropriate, seek an order for its suspension. The competent administrative tribunal may then, if it considers such resolution, decision and/or administrative contract to be illegal, order its suspension or annul it in whole or in part, which may as a consequence render unlawful the contracts entered into on the basis of such acts.

It should be clarified that the annulment of a deliberation of the *Conseil départemental de l'Eure* and/or the decision to sign a contract concluded by it, constituting acts detachable from the contract, does not necessarily imply that the contract concluded on the basis of these acts is annulled or terminated.

If the contract is an administrative law contract, the *Préfet* may directly challenge the validity of the contract or some of its clauses before the administrative judge. It will then be up to the competent administrative judge, depending on the nature of the defect and the circumstances of the case, either to decide that the continuation of the performance of the contract is possible despite the illegality found, or to invite the parties to take regularization measures within a specified period unless to terminate or terminate the contract, or to pronounce itself the termination or the total or partial cancellation of the contract if it considers that the irregularities cannot be covered by a regularization measure and do not allow the continuation of the performance of the contract.

If the contract is a private law contract, in the event that the illegality of the deliberation of the *Conseil départemental de l'Eure* and/or the decision to sign a contract concluded by it cannot be rectified, it will be up to the administrative judge to assess whether, having regard to the nature of the illegality and to the harm that the annulment or termination of the contract is likely to cause to the public interest, the *Conseil départemental de l'Eure* should be enjoined to refer the matter to the judicial judge, who will decide whether to maintain, terminate or cancel the contract.

A suspension or total or partial annulment of the resolution and/or decision to sign the contracts pursuant to which the Notes were issued may prejudice the rights of Noteholders.

Third party action

A third party, having legal standing, may bring administrative proceedings (*recours administratif*) before the President of the *Conseil départemental de l'Eure* or make a petition for referral (*déféré préfectoral*) before the *Préfet* of the *Département de l'Eure* against any resolution of the *Conseil départemental de l'Eure*, any decision by delegation from the latter, or if applicable any decision to sign a contract or any other decision constituting an administrative act, within a period of two months from the date of its publication.

Insofar as the administrative proceedings have not resulted in a decision to withdraw or repeal the contested administrative act, or insofar as the *Préfet* has not referred the contested administrative act before the administrative courts, such same third party has a period of two months (or four months if residing abroad) from the date of the express or implied decision of rejection, to bring an action for abuse of power (*recours en excès de pouvoir*) before the administrative courts and, if appropriate, request that the contested act be suspended (under the *référé-suspension* process). The third party may also bring such proceedings directly before the administrative courts within a period of two months (or four months for petitioners residing abroad) from the date of publication of the contested administrative act and may, if appropriate, request that the contested act be suspended. If the contested administrative act was not duly published, such proceedings may be brought by any third party having legal standing without any limitation period.

If any administrative proceedings, prefectoral referral or action for abuse of power is brought against any resolution of the *Conseil départemental de l'Eure*, or any decision taken under delegation of authority from the latter, or any decision to sign a contract or any other decision constituting an administrative act, the President of the *Conseil départemental de l'Eure* or the competent administrative judge may, if they consider that a rule of law has been breached, as appropriate, either withdraw or repeal it (in the case of the *Conseil départemental de l'Eure*), or annul it in whole or in part (in the case of the competent administrative judge), which may have the effect of rendering unlawful any contract(s) entered into on the basis of such act. In the event of a *référé-suspension* process, the competent administrative judge may also decide to suspend the contested administrative act if the urgency of the matter so requires.

It should be noted that the cancellation of a decision by the *Conseil départemental de l'Eure*, a decision taken by delegation of the latter, where necessary a decision to sign a private law contract or any other decision having the character of an administrative act (other than a deliberation or a decision constituting an act detachable from an administrative contract), does not necessarily imply that the contract is annulled or terminated. In the event that the illegality committed cannot be rectified, it is for the enforcement judge to assess whether, in view of the nature of this illegality and the harm that the cancellation or termination of the contract is likely to cause to the general interest, the *Conseil départemental de l'Eure* should be ordered to refer the contract to the judicial judge who may decide to terminate or terminate the contract.

Furthermore, if a contract entered into by the *Conseil départemental de l'Eure* is characterised as an administrative contract, a third party having legal standing may bring a full remedy action (*recours de pleine jurisdiction*) before the administrative courts against such contract, or certain of its non-regulatory terms that are not intrinsically connected thereto, within a period of two months (or four months for petitioners residing abroad) from the date of fulfilment of appropriate publication measures and, if appropriate, request that such contract be suspended. Moreover, if the administrative contract has not been duly published, proceedings may be brought by any third party having legal standing without any limitation period.

If the competent judge finds that there are defects vitiating the contract, the judge may, having assessed the significance and consequences, and taken into account the nature, of such defects, decide to terminate or annul the contract. In the event of a *référé-suspension* process, the competent administrative judge may also decide to suspend performance of the contract if the urgency of the matter so requires.

If any such decision is taken as a result of such proceedings, this may have a material adverse impact on Noteholders insofar as their rights may be denied and the value of the Notes may be reduced resulting for Noteholders in a partial loss of their investment in the Notes.

Use of the net proceeds of issue of Responsible Bonds

The relevant Pricing Supplement in respect of any Tranche of Notes may provide that the Issuer intends to issue Responsible Bonds (as defined in the section "Use of Proceeds") and to use an amount equal to the net proceeds to finance Eligible Projects (as defined in the section "Use of Proceeds" and as described in the relevant Pricing Supplement).

The definition (legal, regulatory or otherwise) of a "green" or equivalently labelled project, and the market consensus as to whether a specific project should be defined as a "green" or equivalently labelled project, are still in the process of development. On 18 June 2020, Regulation (EU) n° 2020/852 on the establishment of a framework to facilitate sustainable investment was adopted by the European Parliament and Council (the "**Taxonomy Regulation**"). The Taxonomy Regulation establishes a single European union-wide classification system, or "taxonomy", which provides businesses and investors with a common language for determining which economic activities may be considered as environmentally sustainable.

Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 with regard to the technical screening criteria for determining the conditions under which an economic activity may be considered to contribute substantially to climate change mitigation or adaptation and whether that economic activity does not cause significant harm to any of the other environmental objectives entered into force on 1 January 2022. However, the Taxonomy Regulation and Delegated Regulation (EU) 2021/2139 remain subject to further developments concerning certain specific economic activities and other environmental objectives.

Accordingly, the definition of a "green" or equivalently labelled project is henceforth set as regards climate change mitigation or climate change adaptation objectives, specifying the criteria required for a specific project to be considered a "green" project, except for certain specific economic activities where details have yet to be finalised. However, there is currently no established definition (legal, regulatory or otherwise) with respect to the attributes required for a project to be categorised as "social" or any other equivalently labelled project, and any project forming part of the Eligible Projects portfolio may not satisfy any or all of an investor's expectations concerning such "green", "social" or other equivalently labelled performance objectives, and a negative environmental, social and/or other impact could occur during the implementation of any project forming part of the Eligible Projects portfolio.

If any Responsible Bonds are at any time admitted to trading on any dedicated environmental, sustainable development or any other equivalent segment of any stock exchange or financial market (whether or not regulated), no assurance can be given that such listing or admission will satisfy, whether in whole or in part, any present or future noteholder expectations or requirements as regards any investment criteria or guidelines with which such noteholder or its investments are required to comply. Furthermore, it should be noted that the criteria for any such listing or admission to trading may vary from one stock exchange (or securities market) to another. Such admission to trading may not be obtained in respect of any particular Responsible Bonds or, if obtained, such admission to trading may not be maintained during the life of any particular Responsible Bonds.

Although the Issuer intends to use the proceeds of issue of Responsible Bonds in the manner described in the "Use of Proceeds" section of this Offering Circular, neither the Arranger, the Dealers nor the Issuer can give any assurance that the Eligible Projects may be implemented in such manner and/or in accordance with any timetable and that such proceeds shall be used, in whole or in part, for Eligible Projects and/or that the use of such proceeds will satisfy the investment criteria of the holders of Responsible Bonds. Nor is it possible to give any assurance that the Eligible Projects will be realised within a specific timeframe, or produce the (environmental or other) results or effects initially planned or anticipated by the Issuer.

Any such event or failure to satisfy these criteria, or misapplication of the net proceeds of an issue of Responsible Bonds shall not constitute an Event of Default under the Terms and Condition of the Notes, nor a default by the Issuer for any other reason whatsoever.

Furthermore, as from the issue date and at all times until the final maturity of the relevant Responsible Bonds, it is possible that, notwithstanding the annual reports issued by the Issuer (see the "Use of Proceeds" section of this Offering Circular), investors may not have a full and complete understanding of all Eligible Projects to be financed with the net proceeds of the issue.

Finally, no assurance can be given and no representation is made as to the relevance or reliability, for any purpose whatsoever, of the second party opinion on the responsible nature of the Responsible Bonds (the "**Second Party Opinion**") or any opinion or certificate supplied in connection with an issue of Responsible Bonds, and in particular on whether an Eligible Project satisfies any environmental, social and/or any other criteria. Any event, failure or withdrawal of the Second Party Opinion or of any other opinion or certificate, may have a material adverse effect on the value and liquidity of the Responsible Bonds and/or may have an adverse effect on the holders of Responsible Bonds whose mandate is to invest in notes intended for use towards a specific purpose.

2.3 Market related risks

Set out below are the main market risks, including liquidity risk and exchange rate risk:

Market value of the Notes

The market value of the Notes may be affected by the Issuer's credit quality and other additional factors, including interest rates, market yields or the remaining term to maturity.

The value of the Notes depends on interrelated factors, including economic, financial or political factors in France or elsewhere, including factors affecting the capital markets in general and the financial markets on which the Notes are traded. The price at which a Noteholder may sell their Notes before the maturity date may be less than, and significantly so, than the issue price or the purchase price paid by such holder and may result in the Noteholder losing part of its investment.

Secondary market

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

Exchange rate risks and exchange controls

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

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

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes and/or the Issuer's long-term debt. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold the Notes and any rating may be revised, suspended or withdrawn at any time without notice by the rating agency. If any rating is revised lower or withdrawn the market value of the Notes may be reduced.

Investment laws and regulations may limit certain types of investment

Certain investors' investment activities are regulated by laws and regulations on investment criteria and are subject to the control of the supervisory authorities. All prospective investors should seek advice from their legal advisers to determine whether, and to what extent, (1) the Notes are a permitted investment for such investor, (2) the Notes may be used to secure certain types of debt, (3) any other restrictions may apply as to the acquisition or pledging of the Notes. Financial institutions should consult their legal advisers or the relevant regulator to determine the appropriate treatment for the Notes under applicable prudential capital or other similar rules. Neither the Issuer, nor the Dealers nor any of their respective affiliates have accepted or do accept responsibility for the lawfulness of the acquisition of the Notes by any prospective investor, whether under the laws and regulations in force in the jurisdiction in which they are registered or (if different) where they conduct their business, or for compliance by prospective investors with any applicable laws, regulations or rules laid down by any regulator.

Risks relating to the European Benchmarks Regulation and the reform of Benchmarks

The relevant Pricing Supplement for a Series of Floating Rate Notes may specify that the Floating Rate Notes shall be linked to or reference a Benchmark. Interest rates and indices which are deemed to be Benchmarks (such as EURIBOR (or TIBEUR in French) or any other reference rate specified in the relevant Pricing Supplement) have recently been the subject of national and international regulatory guidance and reforms. Some of these reforms are already effective whilst others are yet to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, to cease entirely, to be subject to different calculation methods, or be changed in a manner that the consequences are not entirely predictable. Any such consequence could have a material adverse effect on any Floating Rate Notes linked to or referencing such benchmark. Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (as amended, the "**Benchmarks Regulation**") was published in the Official Journal of the European Union on 29 June 2016 and entered into force on 1 January 2018. The Benchmarks Regulation applies to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark within the European Union ("**EU**").

The Benchmarks Regulation could have a material impact on any Floating Rate Notes linked to or referencing a Benchmark, in particular in any of the following circumstances:

– if an index which is a Benchmark could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation or registration or, if based in a non-EU jurisdiction, the administrator is not recognised as equivalent or otherwise recognised or endorsed and the transitional provisions do not apply; and

– the methodology or other terms of the Benchmark could be changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing or increasing the rate or level or otherwise affecting the volatility of the published rate or the level of the Benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of Benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain Benchmarks (including EURIBOR or any other reference rate specified in the relevant Pricing Supplement): (i) discourage market participants from continuing to administer or contribute to the Benchmark; (ii) trigger changes in the rules or methodologies used in the Benchmark or (iii) lead to the disappearance of the Benchmark. Any of the above changes or any other subsequent changes, following international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Floating Rate Notes linked to or referencing a Benchmark and result in loss for the Noteholders.

Investors should be aware that, if a Benchmark were discontinued or otherwise become unavailable, the rate of interest on Floating Rate Notes which are linked to or which reference such Benchmark will be determined for the relevant period by the fall-back provisions applicable to such Floating Rate Notes (if the Benchmark is unavailable or if a Benchmark Event occurs, a specific fall-back provision will apply - please refer to the risk factor entitled "*Unavailability of the Benchmark or the occurrence of a Benchmark Event may have a material adverse effect on the value of and return on any Floating Rate Notes linked to or referencing a Benchmark"* below).

Depending on the manner in which the Benchmark is to be determined under the Terms and Conditions of the Notes, this may in certain circumstances (i) if FBF Determination applies, involve the application of a retrospective, risk-free overnight rate, whereas the benchmark is expressed on a forward-looking basis which includes an element of inter-bank loan related-risk or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when the Benchmark was available. The application of any such provisions could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes linked to or referencing a Benchmark.

Regulation (EU) 2019/2089 of the European Parliament and of the Council dated 27 November 2019 has amended the existing provisions of the Benchmark Regulation providing for an extension until the end of 2022 of the transitional regime applicable to benchmarks of critical importance and benchmarks of third countries.

The existing provisions of the Benchmarks Regulation have once again been amended by Regulation (EU) 2021/168 of the European Parliament and of the Council dated 10 February 2021 which has introduced a harmonised approach to deal with the disappearance or discontinuance of certain benchmarks by conferring on the European Commission the power to nominate replacement benchmarks through regulation, such replacement being restricted to financial contracts and instruments. These measures may have a negative impact on the value or the liquidity of, Notes linked or making reference to a "benchmark" if the fallback provisions in the Terms and Conditions of the Notes are not considered to be appropriate. However, uncertainty still remains regarding the exact terms and conditions for applying these provisions pending action for their implementation by the European Commission. Furthermore, transitional measures applicable to benchmarks administered in third countries have been extended until the end of 2023, and the European Commission has the option of extending them until the end of 2025, if necessary.

Investors should consult their own independent advisers and make their own assessment about the potential risks arising from the Benchmarks Regulation reforms in making any investment decision with respect to any Floating Rate Notes linked to or referencing a Benchmark.

The unavailability of the Reference Rate or the occurrence of a Benchmark Event may have a material adverse effect on the value of, and return on, any Floating Rate Notes or Fixed/Floating Rate Notes linked to or referencing a Benchmark

Where Screen Rate Determination is specified in the relevant Pricing Supplement as the method for determining the Interest Rate and if the Reference Rate is no longer available or if a Benchmark Event has occurred, the Interest Rate on the affected Floating Rate Notes will be changed in a manner that may have an adverse effect for the holders of such Floating Rate Notes, without the consent of such holders being required at any time.

In accordance with the Terms and Conditions of the Notes relating to Floating Rate Notes, such fallback measures include the possibility that the Interest Rate may be determined with reference to a Successor Reference Rate or an Alternative Reference Rate, with or without the application of an Adjustment Spread (which, if applied, may be positive or negative and would be applied in order to reduce or eliminate, to the extent possible in such circumstances, any economic harm or benefit (as applicable) for investors and resulting from the replacement of the benchmark in question), and may include changes to the Terms and Conditions of the Notes necessary to make the Alternative Reference Rate or the Successor Reference Rate as comparable as possible to the Original Reference Rate, all as determined by the Reference Rate Determination Agent and without requiring the consent of the Noteholders.

In some cases, including where no Reference Rate Determination Agent has been appointed or no Successor Reference Rate or Alternative Reference Rate (as the case may be) is determined, other alternative measures may be used, consisting of the application of the interest rate used in the last Interest Period would be used for the following Interest Period (s), as set out in the risk factor above entitled "*Risks relating to the European Benchmarks Regulation and the reform of Benchmarks*".

Furthermore, as a result of the uncertainty as to the availability of the Successor Reference Rate and the Alternative Reference Rate and the intervention of the Reference Rate Determination Agent, the relevant alternative measures may not work as intended at the relevant time. This could lead to the application of a fixed rate to the Floating Rate Notes or to the Fixed/Floating Rate Notes, as the case may be.

Such consequences could have a material adverse effect on the value and performance of such Notes.

Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or Fixed/Floating Rate Notes or could have an adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes or the Fixed/Floating Rate Notes, as the case may be. Investors should note that the Reference Rate Determination Agent will have discretion to adjust the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) in the circumstances described above. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder.

SUPPLEMENT TO THE OFFERING CIRCULAR

Subject to the following paragraph, any new material fact or any material error or inaccuracy concerning the information contained in this Offering Circular, which may have an impact on any assessment of the Notes or comes to light after the date of this Offering Circular, shall be mentioned in a supplement to the Offering Circular or in the relevant Pricing Supplement for the Notes.

Notwithstanding the above paragraph, and for the avoidance of doubt, the information mentioned in paragraph 2 of the section "Documents incorporated by reference", being deemed to be incorporated by reference in, and to form an integral part of, the Offering Circular from the date of publication, shall not be required to be set forth in a supplement.

Any supplement to the Offering Circular shall be (i) published on the dedicated page of the Issuer's website (https://eureennormandie.fr/accueil/le-departement/finances/relations-investisseurs/) and (ii) available for inspection and obtaining copies, free of charge, during normal office hours on business days, at the Issuer's registered office and the specified offices of the Paying Agent(s).

DOCUMENTS INCORPORATED BY REFERENCE

1. Documents incorporated by reference on the date of this Offering Circular

This Offering Circular shall be read and construed together with the following previously published documents. These documents are incorporated by reference in, and shall form an integral part of, this Offering Circular:

– the section "Terms and Conditions of the Notes" of the base prospectus dated 5 December 2013 (validated (*visé*) by the *Autorité des marchés financiers* (**AMF**) under number 13-650 dated 5 December 2013) (the "**2013 Terms and Conditions**");

– the section "Terms and Conditions of the Notes" of the base prospectus dated 20 November 2014 (validated (*visé*) by the AMF under number 14-611 dated 20 November 2014) (the "**2014 Terms and Conditions**");

– the section "Terms and Conditions of the Notes" of the base prospectus dated 15 December 2016 (validated (*visé*) by the AMF under number 16-589 dated 15 December 2016) (the "**2016 Terms and Conditions**");

– the section "Terms and Conditions of the Notes" of the base prospectus dated 10 December 2018 (validated (*visé*) by the AMF under number 18-555 dated 10 December 2018) (the "**2018 Terms and Conditions**");

– the section "Terms and Conditions of the Notes" of the base prospectus dated 31 August 2020 (the "**2020 Terms and Conditions**") and

– the section "Terms and Conditions of the Notes" of the offering circular dated 16 November 2022 (the "**2022 Terms and Conditions**" and, together with the 2013 Terms and Conditions, the 2014 Terms and Conditions, the 2016 Terms and Conditions, the 2018 Terms and Conditions and the 2020 Terms and Conditions, the "**Previous EMTN Programme Terms and Conditions**").

The Previous EMTN Programme Terms and Conditions are incorporated by reference in this Offering Circular solely for the purpose of the issue of Notes fungible with Notes issued pursuant to Previous EMTN Programme Terms and Conditions.

For so long as any Notes remain outstanding under the Programme, the Previous EMTN Programme Terms and Conditions shall be (a) published on the dedicated page of the Issuer's website (https://eureennormandie.fr/accueil/le-departement/finances/relations-investisseurs/) and (b) available for obtaining copies, free of charge, during normal office hours on business days, at the Issuer's registered office and the specified offices of the Paying Agent(s).

The information incorporated by reference should be read in accordance with the following cross-reference table. Any information not indicated in the following cross-reference table, but forming part of the documents incorporated by reference, is supplied for information only.

	Previous EMTN Programme Terms and Conditions
2013 Terms and Conditions	Pages 18 to 37 of the base prospectus dated 5 December 2013
2014 Terms and Conditions	Pages 19 to 38 of the base prospectus dated 20 November 2014
2016 Terms and Conditions	Pages 21 to 40 of the base prospectus dated 15 December 2016
2018 Terms and Conditions	Pages 22 to 42 of the base prospectus dated 10 December 2018
2020 Terms and Conditions	Pages 25 to 48 of the offering circular dated 31 August 2020
2022 Terms and Conditions	Pages 26 to 48 of the offering circular dated 16 November 2022

2. Documents incorporated by reference after the date of this Offering Circular

The following documents, to be published on the Issuer's website (www.eureennormandie.fr) after the date of this Offering Circular, shall be deemed to be incorporated by reference in, and form an integral part of, this Offering Circular as from their date of publication: http://www.eureennormandie.fr

- the latest up-to-date version of the Issuer's administrative accounts; and
- the latest up-to-date version of the Issuer's primary budget and any related supplemental budget.

Investors are deemed to be aware of all information contained in the documents incorporated (or deemed to be incorporated) by reference in this Offering Circular, as if such information were set forth in this Offering Circular. Investors who have not made themselves aware of such information should, insofar as such information has been published, do so before investing in the Notes.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and/or amendment by the terms of the relevant Pricing Supplement (as defined below), shall be applicable to the Notes (the "**Conditions**").*

In the case of Dematerialised Notes (as defined below), the text of the Conditions of the Notes shall not appear on the reverse side of the Physical Notes (as defined below) evidencing title thereto, but shall be constituted by the following text as completed and/or amended by the provisions of the relevant Pricing Supplement. In the case of Materialised Notes (as defined below), either (i) the full text of the Conditions together with the applicable provisions of the relevant Pricing Supplement (as the same may be simplified by deletion of non-applicable terms) or (ii) the completed and/or amended text of the Conditions, shall appear on the reverse side of the Physical Notes.

The Pricing Supplement in relation to a tranche of Notes may specify other terms and conditions to replace or amend any one or more of the Conditions below.

All capitalised terms not otherwise defined in these Conditions shall have the meaning given to them in the relevant Pricing Supplement. References in the Conditions to the Notes refer to the Notes of a single Series and not to all Notes as may be issued under the Programme. The Notes constitute bonds (obligations) as defined under French law.

The Notes issued by the *Département de l'Eure* (the "**Issuer**" or the "***Département de l'Eure***") shall be issued in series (each a "**Series**"), on the same or different issue dates. The terms and conditions of the Notes of one single Series shall (except in respect of the first interest payment) be identical, the Notes of such same Series being fungible. Each Series may be issued in tranches (each a "**Tranche**"), on the same or different issue dates and upon terms and conditions identical to the other Tranches of the same Series, except for the issue price and, if applicable, the issue date, the first interest payment and the aggregate nominal amount of the Tranche. The Notes shall be issued in accordance with the Conditions of this Offering Circular as completed and/or amended by the provisions of the relevant pricing supplement (the "**Pricing Supplement**") relating to the specific terms and conditions of each Tranche (including, but without limitation, the aggregate nominal amount, issue price, redemption price and interest payable, if applicable, under the Notes).

An amended, French language fiscal agency agreement (the "**Fiscal Agency Agreement**") relating to Notes issued by the *Département de l'Eure* was entered into on 20 October 2023 between the Issuer, BNP Paribas as fiscal agent for Dematerialised Notes (as defined below) and the other agents appointed therein. The fiscal agent, paying agents and calculation agent(s) so appointed (as applicable) shall be referred to respectively as: the "**Fiscal Agent**", the "**Paying Agent(s)**" (such expression including the Fiscal Agent), and the "**Calculation Agent(s)**". A specific Fiscal Agent (also acting if relevant as Calculation Agent) shall be appointed for any tranche of Materialised Notes (as defined below).

Any reference below to a "**Condition**" refers to the numbered conditions below, unless the context requires otherwise.

Holders of interest coupons ("**Coupons**") relating to interest-bearing Materialised Notes and, if applicable to such Notes, the holders of talons for additional Coupons ("**Talons**") and the holders of receipts for instalments of principal paid on Materialised Notes ("**Receipts**") the principal on which is payable by instalment, are referred to respectively as "**Couponholders**" **and** "**Receiptholders**".

In these Conditions, "**Regulated Market**" means any regulated market located in a member State (a "**Member State**") of the European Economic Area, as defined in the directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014 on markets in financial instruments, as amended, and included on the list of regulated markets published by the European Securities and Markets Association.

Certain terms defined in the FBF Master Agreement 2013 on transactions on financial instruments (the "**FBF Master Agreement**") as supplemented by the Technical Schedules published by the French Banking Federation ("**FBF**") have been used or are reproduced in Condition 5 below.

Copies of the Fiscal Agency Agreement and of the FBF Master Agreement are available for inspection without charge during normal office hours on business days, at the specified offices of the Paying Agent(s).

The expression "**day**" in these Conditions refers to a calendar day, unless specified otherwise.

1. FORM, DENOMINATION(S) AND TITLE

(a) **Form**

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

(i) Title to Dematerialised Notes is evidenced by entry in an account, in accordance with articles L. 211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. No physical document evidencing title to Dematerialised Notes (including certificates of title in accordance with article R. 211-7 of the French *Code monétaire et financier*) shall be issued.

Dematerialised Notes are issued, at the option of the Issuer, either in bearer form, in which case they shall be inscribed in the books of Euroclear France ("**Euroclear France**") (acting as central depositary) which shall credit the accounts of the Account Holders, or in registered form, and in such case either, at the option of the relevant Noteholder, in administered registered form (*au nominatif administré*) entered in the accounts of an Account Holder, or in pure registered form (*au nominatif pur*) entered in an account maintained by the Issuer or by any registration agent (specified in the applicable Pricing Supplement) acting on behalf of the Issuer (the "**Registration Agent**").

In these Conditions, the term "**Account Holder**" means any financial institution, authorised intermediary authorised to hold accounts on behalf of its clients with Euroclear France and includes Euroclear Bank SA/NV ("**Euroclear**") and the depositary bank for Clearstream Banking, SA ("**Clearstream**").

(ii) Materialised Notes are issued in bearer form only. Physical notes ("**Physical Notes**") are numbered in series and issued with Coupons (and, if applicable, with a Talon) attached, except in the case of Zero Coupon Notes in respect of which references to interest (except in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions shall not apply. "**Instalment Notes**" are issued with one or more Receipts.

In accordance with articles L.211-3 et seq. of the French Code monétaire et financier, Materialised Notes (which constitute financial securities) must be issued outside France.

The Notes may be "**Fixed Rate Notes**", "**Floating Rate Notes**", "**Fixed/Floating Rate Notes**" or "**Zero Coupon Notes**", or a combination thereof, depending on the Interest Basis and terms and conditions for redemption specified in this Offering Circular as supplemented and/or amended by the relevant Pricing Supplement.

(b) **Denominations(s)**

The Notes will be issued in the denomination(s) specified in the relevant Pricing Supplement (the "**Specified Denomination(s)**"). Dematerialised Notes must be issued in one single Specified Denomination. The Notes shall have a specified denomination equal to or greater than 100,000 euros (or the equivalent in any other currency) or such other greater amount as may be permitted or required by the competent monetary authority or under any law or regulation applicable to the specified currency.

(c) **Title**

(i) Title to Dematerialised Notes in bearer form and in administered registered form (*au nominatif administré*) passes, and such Notes may only be transferred, by registration of the transfer in the books of the Account Holders. Title to Dematerialised Notes in pure registered form (*au nominatif pur*) passes, and such Notes are transferred, by registration of the transfer in the books of the Issuer or of the Registration Agent.

(ii) Title to Physical Notes with, if applicable, Coupons, Receipts and/or a Talon attached at issue, is transferred by delivery.

(iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon, Receipt or Talon shall be deemed for all purposes to be its sole and absolute owner, whether or not it is overdue and regardless of any notice of ownership, or any right over or interest in such Note, Coupon, Receipt or Talon, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

(iv) In these Conditions, the term "**Noteholder**" or, as appropriate, "**holder of any Note(s)**" means (i) in the case of Dematerialised Notes, the person whose name is recorded in the books of the relevant Account Holder, the Issuer or the Registration Agent (as applicable) as being the owner of such notes, and (ii) in the case of Materialised Notes, any holder of any Materialised Note represented by a Physical Note and the related Coupons, Receipts or Talons.

Terms beginning with a capital letter shall have the meaning given to them in the relevant Pricing Supplement.

2. CONVERSION AND EXCHANGE OF NOTES

(a) **Dematerialised Notes**

(i) Dematerialised Notes issued in bearer form cannot be converted into Dematerialised Notes in registered form, whether in pure registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).

(ii) Dematerialised Notes issued in registered form cannot be converted into Dematerialised Notes in bearer form.

(iii) Dematerialised Notes issued in pure registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and vice versa. Such option must be exercised by the Noteholder in accordance with article R.211-4 of the French *Code monétaire et financier*. Any costs relating to such conversion shall be borne by the relevant Noteholder.

(b) **Materialised Notes**

Materialised Notes of a Specified Denomination cannot be exchanged for Materialised Notes of another Specified Denomination.

3. STATUS OF THE NOTES

The Notes and, if applicable, any related Receipts, Coupons and Talons constitute direct, unconditional, unsubordinated and (without prejudice to the provisions of Condition 4) unsecured obligations of the Issuer ranking (subject to mandatory exceptions imposed by French law) equally between themselves and equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

4. NEGATIVE PLEDGE

For so long as the Notes and, where relevant, any Coupons, Receipts or Talons attached to the Notes remain outstanding (as defined below), the Issuer shall not grant or permit to subsist any mortgage, collateral, pledge, lien or any other real security over any of its assets or revenues, present or future, to secure any present or future indebtedness represented by bonds, securities or other negotiable instruments and which are (or may be) admitted to trading on any market, unless the Issuer's obligations under the Notes and, where relevant, the Coupons or Receipts enjoy equivalent and equal ranking security.

For the purposes of this Condition:

"**outstanding**" means in respect of the Notes of any Series, all Notes issued, other than (a) those that have been redeemed in accordance with the Conditions, (b) those whose redemption date has passed, and in respect of which all redemption amounts (including all interest accrued on such Notes on the effective date of redemption and all interest payable after such date) have been duly paid (i) in the case of Dematerialised Notes in bearer form (*au porteur*) or in administered registered form (*au nominatif administré*), to the relevant Account Holders on behalf of the Noteholder in accordance with Condition 7(a), (ii) in the case of Dematerialised Notes in pure registered form (*au nominatif pur*), by crediting the account of the Noteholder in accordance with Condition 7(a), and (iii) in the case of Materialised Notes, to the Fiscal Agent in accordance with the Fiscal Agency Agreement, and which remain available for payment against presentation and delivery of the Materialised Notes and, where relevant, the Coupons, (c) Notes which have become void or in respect of which claims have become prescribed, (d) Notes which have been purchased and cancelled as provided in the Conditions, and (e) in the case of Materialised Notes, (i) any damaged or defaced Materialised Notes that have been exchanged for replacement Materialised Notes (ii) (for the sole purpose of determining the number of Materialised Notes outstanding and without prejudice to their status for any other purpose) any allegedly lost, stolen or destroyed Materialised Notes for which replacement Materialised Notes have been issued and (iii) any Temporary Global Certificate on condition that it has been exchanged for one or more Physical Notes in accordance with its terms.

5. INTEREST AND OTHER CALCULATIONS

(a) **Definitions**

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

"**Reference Banks**" means the institutions specified in the relevant Pricing Supplement or, if none is specified, four (4) prime banks selected by the Calculation Agent on the interbank market (or if necessary, on the money market, the swaps market or the index options over-the-counter market) with the closest connection to the Benchmark (which, if the Benchmark is EURIBOR shall be the Euro-zone);

"**Interest Period Commencement Date**" means the Issue Date of the Notes or any other date specified in the relevant Pricing Supplement;

"**Determination Date**" means the date specified in the relevant Pricing Supplement or, if none is specified, the Coupon Payment Date;

"**Coupon Determination Date**" means, in respect of an Interest Rate and an Interest Accrual Period, the date specified as such in the relevant Pricing Supplement or, if no date is specified (i) the day falling two (2) T2 Business Days before the first day of such Interest Accrual Period if the Specified Currency is euros or (ii) the first day of such Interest Accrual Period if the Specified Currency is pounds sterling or (iii) if the Specified Currency is neither pounds sterling nor the euro, the day falling two (2) Business Days in the city specified in the relevant Pricing Supplement before the first day of such Interest Accrual Period;

"**Coupon Payment Date**" means the date(s) specified in the relevant Pricing Supplement;

"**Interest Accrual Period Date**" means each Coupon Payment Date or any other date(s) specified in the relevant Pricing Supplement;

"**Relevant Date**" means in respect of any Note, Receipt or Coupon, the date on which the amount payable under such Note, Receipt or Coupon becomes due and payable or (if any due and payable amount is not paid or not paid in time without any justification) the date on which the outstanding amount is paid in full or (in the case of Materialised Notes, if such date falls earlier) the day falling seven (7) days after the date on which the holders of such Materialised Notes have been notified in accordance with the Conditions that, upon further presentation of such Materialised Note, Receipts or Coupons, such payment will be made (provided however that the payment is in fact made on such presentation);

"**Effective Date**" means, in respect of a Floating Rate to be determined on any Coupon Determination Date, the date specified in the relevant Pricing Supplement, or, if no date is specified, the first day of the Interest Accrual Period to which such Coupon Determination Date relates;

"**FBF Definitions**" means the definitions appearing in the FBF Master Agreement or the Technical Schedules, which are available on the FBF's website (www.fbf.fr), in the section "Legal and regulatory background", on the page "Codes and agreements";

"**Specified Currency**" means the currency specified in the relevant Pricing Supplement;

"**Specified Duration**" means, with respect to any Floating Rate to be determined by Screen Rate Determination on any Coupon Determination Date, the period specified in the relevant Pricing Supplement, or if no period is specified, a period equal to the Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(c)(ii);

"**Euroclear France**" means the central depositary for French securities whose address is 66, rue de la Victoire, 75009 Paris, France;

"**Relevant Time**" means, with respect to any Coupon Determination Date, the local time in the Relevant Financial Centre specified in the relevant Pricing Supplement or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency on the interbank market in the Relevant Financial Centre. Local time means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11.00 a.m. (Brussels time);

"**Benchmark**" means the reference rate specified in the relevant Pricing Supplement, which may be EURIBOR (TIBEUR in French) or any other reference rate as specified in the relevant Pricing Supplement;

"**Business Day**" means:

(i) for the euro, a day on which the real-time gross settlement system operated by the Eurosystem or any successor or replacement system ("**T2**"), operates (a "**T2 Business Day**"); and/or

(ii) in the case of a Specified Currency other than the euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the principal financial centre for such currency; and/or

(iii) in the case of a Specified Currency and/or one or more business centre(s) specified in the relevant Pricing Supplement (the "**Business Centre(s)**"), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the currency of the Business Centres or, if no currency is specified, generally in each of the specified Business Centres;

"**Margin**" means, for an Interest Accrual Period, the percentage or the number for the relevant Interest Accrual Period, as indicated in the relevant Pricing Supplement; it is specified that it may have a positive or negative value or be equal to zero.

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

(i) if **Actual/365 Basis** or **Actual/365-FBF Basis** is specified in the relevant Pricing Supplement, it is the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if **Actual/Actual-ICMA Basis** is specified in the relevant Pricing Supplement:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days during the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods that would normally end in one year; and

(B) if the Calculation Period is longer than a Determination Period, the sum:

(x) of the number of days in such Calculation Period falling in the Determination Period during which it begins, divided by the product (1) of the number of days in such Determination Period and (2) the number of Determination Periods that would normally end in one year; and

(y) the number of days in such Calculation Period falling in the next following Determination Period, divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods that would normally end in one year,

in each case, **Determination Period** means the period beginning on a Determination Date (included) in any year and ending on the next Determination Date (excluded);

(iii) if **Actual/Actual – FBF Basis** is specified in the relevant Pricing Supplement, the fraction of which the numerator is the actual number of days during such period and the denominator is 365 (or 366 if 29th February is included in the Calculation Period). If the Calculation Period is longer than one year, the basis shall be determined as follows:

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

(y) this number is increased by the fraction for the relevant period calculated as provided above.

For example, for a Calculation Period from 10/02/94 to 30/06/97 the two periods below are counted:

30/06/94 to 30/06/97 = 3 years

10/02/94 to 30/06/94 = 140/365;

(iv) if **Actual/365 (Fixed) Basis** is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 365;

(v) if **Actual/360 Basis** is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 360;

(vi) if **30/360 Basis**, **360/360 Basis** or **Bond Basis** is specified in the relevant Pricing Supplement, the number of days in the Calculation Period divided by 360 (i.e. the number of days to be calculated based on a 360 day year of twelve (12) months of thirty (30) days each (unless (a) the last day of the Calculation Period is the 31st day of a month and the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month in which the last day falls shall not be reduced to a thirty (30) day month or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be extended to a thirty (30) day month));

(vii) if **30/360 - FBF Basis** or **Actual 30A/360 Basis (American Bond Basis)** is specified in the relevant Pricing Supplement, then, in respect of each Calculation Period, the fraction of which the denominator is 360 and the numerator is the number of days calculated in the same manner as the 30E/360 – FBF Basis, except in the following case:

where the last day of the Calculation Period is the 31st and the first is neither a 30th nor a 31st, the last month of the Calculation Period shall be deemed to be a month of 31 days.

Where:

D1 (dd^1, mm^1, yy^1) is the commencement date of the period;

D2 (dd^2, mm^2, yy^2) is the end date of the period.

The fraction is:

if $dd^2 = 31$ and $dd^1 \neq (30, 31)$

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + (dd2 - dd1)]$$

Otherwise:

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)];$$

(viii) if **30E/360 Basis** or **Euro Bond Basis** is specified in the relevant Pricing Supplement, the number of days in the Calculation Period divided by 360 (the number of days to be calculated based on a 360 day year of twelve (12) months of thirty (30) days each, ignoring the date on which the first or last day of the Calculation Period falls, unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be extended to a thirty day month);

(ix) if **30E/360 – FBF Basis** is specified in the relevant Pricing Supplement, then, in respect of each Calculation Period, the fraction of which the denominator is 360 and the numerator is the number of days in such period, calculated on the basis of a year of twelve (12) months of thirty (30) days, except in the following case:

If the end date of the Calculation Period is the last day of the month of February, the number of days in such month is the exact number of days.

Using the same definitions as employed above for 30/360 – FBF Basis, the fraction is:

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

"**Coupon Amount**" means the amount of interest payable and, in the case of Fixed Rate Notes, the Fixed Coupon Amount or the Broken Amount, as the case may be, as specified in the relevant Pricing Supplement;

"**Representative Amount**" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on a Coupon Determination Date, the amount specified as such on that date in the relevant Pricing Supplement or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time;

"**Screen Page**" means any page, section, caption, column or other part of a document supplied by any information service (such as Thomson Reuters) as may be nominated to provide a Reference Rate or any other page, section, caption, column or other part of a document of such information service or any other information service as may replace it, in each case as nominated by the entity or organisation that provides or is responsible for the dissemination of the information appearing there to indicate rates or prices comparable to the Reference Rate;

"**Interest Period**" means the Period commencing on the Interest Period Commencement Date (included) and ending on the first Coupon Payment Date (excluded) and each subsequent period commencing on a Coupon Payment Date (included) and ending on the next following Coupon Payment Date (excluded);

"**Interest Accrual Period**" means the Period commencing on the Interest Period Commencement Date (included) and ending on the first Interest Accrual Period Date (excluded) and each subsequent period beginning on an Interest Accrual Period Date (included) and ending on the next following Interest Accrual Period Date (excluded);

"**Relevant Financial Centre**" means, in respect of a Floating Rate to be determined in accordance with a Screen Rate Determination on a Coupon Determination Date, such financial centre as may be specified in the relevant Pricing Supplement or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR (TIBEUR in French), shall be the Euro-zone) or, failing which, Paris;

"**Interest Rate**" means the interest rate payable on the Notes and which is either specified or calculated in accordance with the provisions of these Conditions, as supplemented and/or amended by the relevant Pricing Supplement;

"**Reference Rate**" means, subject to adjustment in accordance with Article 5(c)(iii)(C) *et seq.*, the Benchmark for a Representative Amount in the Specified Currency for a period equal to the Specified Duration commencing on the Effective Date (if such period is compatible with the Benchmark); and

"**Euro-zone**" means the region occupied by the Member States of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by the Treaty on the European Union.

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

Each Fixed Rate Note bears interest calculated on its unredeemed nominal amount, as from the Interest Period Commencement Date (included), at an annual rate (expressed as a percentage) equal to the Interest Rate, such interest being payable in arrears on each Coupon Payment Date. If a Fixed Coupon Amount or Broken Amount is specified in the relevant Pricing Supplement, the Coupon Amount payable on each Coupon Payment Date shall be equal to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified, and in the case of a Broken Amount, it shall be payable on the Coupon Payment Date(s) specified in the relevant Pricing Supplement.

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

(i) *Coupon Payment Date:* Each Floating Rate Note shall bear interest calculated on its unredeemed nominal amount, as from the Interest Period Commencement Date (included), at an annual rate (expressed as a percentage) equal to the Interest Rate, such interest being payable in arrears on each Coupon Payment Date. Such Coupon Payment Date(s) shall be specified in the relevant Pricing Supplement as the Specified Coupon Payment Date(s) or, if no Specified Coupon Payment Date(s) is/are specified in the relevant Pricing Supplement, Coupon Payment Date shall mean each date falling at the end of such number of months or at the end of such other period as is specified in the relevant Pricing Supplement as being the Interest Period, falling after the preceding Coupon Payment Date and, in the case of the first Coupon Payment Date, after the Interest Period Commencement Date.

(ii) *Business Day Convention*: If any date referred to in these Conditions, that is specified to be subject to adjustment in accordance with a Business Day Convention, would otherwise fall on a day that is not a Business Day, then, if the applicable Business Day Convention is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each such subsequent date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day, in each case unless specified otherwise in the relevant Pricing Supplement.

(iii) *Interest Rate on Floating Rate Notes*: The Interest Rate applicable to Floating Rate Notes for each Interest Accrual Period shall be determined as provided below (unless specified otherwise in the relevant Pricing Supplement) in relation to either FBF Determination or Screen Rate Determination, as specified in the relevant Pricing Supplement.

(A) FBF Determination for Floating Rate Notes

Where FBF Determination is specified in the relevant Pricing Supplement as being the method applicable for the determination of the Interest Rate, the Interest Rate applicable to each Interest Accrual Period shall be determined by the Calculation Agent as being a rate equal to the relevant FBF Rate plus or minus, as the case may be (as specified in the relevant Pricing Supplement), the Margin. For the purposes of this subparagraph (A), "**FBF Rate**" in respect of an Interest Accrual Period means a rate equal to the Floating Rate as determined by the Agent for a Transaction in the Specified Currency and incorporating the FBF Definitions and under the terms of which:

(a) the Floating Rate is as specified in the relevant Pricing Supplement; and

(b) the Floating Rate Determination Date is the first day of the Interest Period or such other date as may be specified in the relevant Pricing Supplement.

For the purposes of this subparagraph (A), "**Floating Rate**", "**Agent**", "**Floating Rate Determination Date**", "**Transaction**", have the meanings given thereto in the FBF Definitions, provided that "**Euribor**" means the rate calculated for deposits in euros appearing on the EURIBOR01 Screen Page.

If the paragraph "Floating Rate" in the relevant Pricing Supplement provides that the interest rate will be determined by linear interpolation in respect of an Interest Period, the Interest Rate applicable to such Interest Period will be calculated by the Calculation Agent by linear interpolation between two (2) rates based on the relevant Floating Rate, provided that the first interest rate corresponds to a maturity immediately shorter than the duration of the relevant Interest Period and the second rate corresponds to a maturity immediately longer than the same relevant Interest Period.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Pricing Supplement as being the method applicable for the determination of the Interest Rate, the Interest Rate applicable to each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Coupon Determination Date relating to such Interest Accrual Period as specified below (such Interest Rate shall be decreased or increased, if appropriate (as indicated in the relevant Pricing Supplement), by the Margin) :

(a) if the primary Source for the Floating Rate is a Screen Page, subject as provided below, the Interest Rate shall be:

(i) the Reference Rate (where the Reference Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(ii) the arithmetic mean of the Reference Rates of the entities whose Reference Rates appear on that Screen Page, in each case as published on such Screen Page, at the Relevant Time on the Coupon Determination Date;

(b) if the primary source for the Floating Rate is Reference Banks or if sub-paragraph (a)(i) applies and no Reference Rate appears on the Screen Page at the Relevant Time on the Coupon Determination Date or if sub-paragraph (a)(ii) applies and fewer than two Reference Rates appear on the Screen Page at the Relevant Time on the Coupon Determination Date, the Interest Rate shall, subject as provided below, be equal to the arithmetic mean of the Reference Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Coupon Determination Date, as determined by the Calculation Agent; and

(c) where the Reference Rate is an interbank rate, if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Reference Rates, the Interest Rate shall, subject as provided below, be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is the euro, in the Euro-zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period beginning on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Interest Rate shall be the Interest Rate determined on the previous Coupon Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Interest Rate applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

If the paragraph "Benchmark" in the relevant Pricing Supplement provides that the interest rate will be determined by linear interpolation in respect of an Interest Period, the Interest Rate applicable to this Interest Period will be calculated by the Calculation Agent by linear interpolation between two (2) interest rates based on the relevant Benchmark, where the first rate corresponds to a maturity immediately shorter than or equal to the duration of the relevant Interest Period and the second rate corresponds to a maturity immediately longer than or equal to the relevant Interest Period.

(C) Benchmark discontinuation

Where Screen Rate Determination is specified in the relevant Pricing Supplement as the method for determining the Interest Rate and if, before or during a Coupon Determination Date, a Benchmark Event occurs in relation to an Original Reference Rate, then the following provisions shall apply and shall prevail over other fallbacks specified in Condition 5(c)(iii)(B):

(a) the Issuer shall, as soon as reasonably practicable, appoint an agent (the "**Reference Rate Determination Agent**") to determine in good faith and in a commercially reasonable manner, for the purposes of determining a Successor Reference Rate, or failing which, an Alternative Reference Rate, and in each such case an Adjustment Spread and any Benchmark Amendment (as such terms are defined below). If the Reference Rate Determination Agent determines that there is a Successor Reference Rate or an Alternative Reference Rate, the Reference Rate Determination Agent shall subsequently use such Replacement Reference Rate instead of the Original Reference Rate to determine the Interest Rate applicable to future interest payments on Floating Rate Notes. The Reference Rate Determination Agent may be (i) an independent financial institution of international repute or a broker in the Relevant Financial Centre or Principal Financial Centre, if applicable, for the Specified Currency, or (ii) an independent financial adviser of recognised standing with appropriate expertise;

(b) if the Reference Rate Determination Agent has determined a Replacement Reference Rate in accordance with the above, the Reference Rate Determination Agent shall also determine any consequential amendments to the Conditions of the Notes, including without limitation the Business Day Convention, the definition of Business Day, the Coupon Determination Date, the Day Count Fraction, the Adjustment Spread and any method for determining the Replacement Reference Rate ("**Benchmark Amendments**"), as well as any modifications or adjustments necessary to make the Replacement Reference Rate comparable with the Reference Rate, in each case in a manner consistent with the guidelines published by such bodies involved in the implementation of market standards and/or protocols on the international financial capital and/or debt markets as the Reference Rate Determination Agent considers appropriate for the Replacement Reference Rate;

(c) references to "Reference Rate" in these Conditions shall henceforth be considered as references to the Replacement Reference Rate, including any consequential amendment or adjustment in accordance with paragraph (b) above. The determination of the Replacement Reference Rate and the Benchmark Amendments and consequential adjustments by the Reference Rate Determination Agent shall (except in the case of manifest error) be final and binding upon the Issuer, the Calculation Agent, the Fiscal Agent, the Noteholders and all other persons, and each Noteholder shall be deemed to have accepted the Replacement Reference Rate and the amendments and adjustments in accordance with this paragraph (C); and

(d) the Reference Rate Determination Agent shall, as soon reasonably practicable, notify the Issuer of the above and the Issuer shall in turn notify the Noteholders (in accordance with Condition 14) and the Fiscal Agent giving details of the Replacement Reference Rate, together with the consequential amendments and adjustments determined in accordance with paragraph (b) above.

If the Reference Rate Determination Agent has determined that the Reference Rate is unavailable and/or that a Benchmark Event has occurred and that, for any reason whatsoever, a Replacement Reference Rate has not been or cannot be determined before or during the next Coupon Determination Date, then the fallback measures relating to the Original Reference Rate specified elsewhere in Condition 5(c)(iii)(B), namely the Interest Rate determined on the preceding Coupon Determination Date, shall continue to apply (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Interest Rate applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

In such circumstances, the Issuer shall be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 5(c)(iii)(c), *mutatis mutandis*, on one or more occasions until a Successor Reference Rate or Alternative Reference Rate (and, if applicable, any related Adjustment Spread and/or Benchmark Amendments) has been determined and notified in accordance with this Condition 5(c)(iii)(c) (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Conditions including, for the avoidance of doubt, the other fallbacks specified in Condition 5(c)(iii)(B), shall continue to apply in accordance with their terms unless a Benchmark Event occurs).

Where:

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

(a) the central bank, reserve bank, monetary authority or any other similar institution (as applicable) for the currency to which the Benchmark relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank, reserve bank, monetary authority or any other similar institution (as applicable), (ii) or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group belonging to the aforementioned institutions or (iv) the Financial Stability Board or any part thereof.

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread which, in either case, the Reference Rate Determination Agent determines and which is required to be applied to the Successor Reference Rate or the Alternative Reference Rate (as the case may be) to reduce or eliminate, to the fullest extent practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders, Receiptholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Reference Rate or the Alternative Reference Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Reference Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Reference Rate by any Relevant Nominating Body; or

(ii) if no recommendation required in accordance with (i) above has been made or, in the case of an Alternative Reference Rate, has been determined by the Reference Rate Determination Agent, and is recognised as market practice for transactions on the international bonds markets or, if not the case, the existing market standard for OTC derivatives transactions referencing the Original Reference Rate, where such rate has been replaced by the Successor Reference Rate or the Alternative Reference Rate, as the case may be; or

(iii) if no such recommendation or option has been made (or made available), or if the Reference Rate Determination Agent determines that there is no such spread, formula or methodology in customary market usage, that which the Reference Rate Determination Agent, acting in good faith, shall determine to be appropriate.

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

(a) the Original Reference Rate ceasing to exist or be published;

(b) the later of (a) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (b) the date falling six months prior to the date specified in (a);

(c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;

(d) the later of (a) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (b) the date falling six months prior to the date specified in (a);

(e) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate, in the opinion of the supervisor, is no longer representative of an underlying market or that its method of calculation has significantly changed;

(f) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months;

(g) it has or will prior to the next Coupon Determination Date, become unlawful for the Issuer, the party responsible for determining the Interest Rate (being the Calculation Agent or such other party specified in the relevant Pricing Supplement, as applicable), or any Paying Agent to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation, if applicable); or

(h) that a decision to suspend the authorisation or registration pursuant to article 35 of the Benchmarks Regulation of any benchmark administrator previously authorised to publish such Original Reference Rate has been adopted.

"**Benchmarks Regulation**" means the regulation on benchmarks (Regulation (EU) 2016/1011) (as amended, if applicable).

"**Alternative Reference Rate**" means an alternative benchmark or screen rate which the Reference Rate Determination Agent determines in accordance with this Condition 5(c)(iii)(c) and which is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Currency as the Floating Rate Notes.

"**Replacement Reference Rate**" means the Successor Reference Rate or the Alternative Reference Rate as determined by the Reference Rate Determination Agent to determine the Reference Rate, as the case may be.

"**Original Reference Rate**" means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Interest Rate (or any relevant component part(s) thereof) on the Floating Rate Notes.

"**Successor Reference Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body. If the Relevant Nominating Body nominates several successor or replacement rates for the Original Reference Rate, the Reference Rate Determination Agent shall determine which of such successor or replacement rates for the Original Reference Rate is the most appropriate having regard to the specific terms and conditions of the Notes and the nature of the Issuer.

(d) **Interest on Fixed/Floating Rate Notes**

Where a Change of Interest Basis is specified in the relevant Pricing Supplement as being Applicable, then unless provided otherwise in the relevant Pricing Supplement, each Note shall bear interest calculated on its unredeemed nominal amount at a rate:

(a) that the Issuer may decide to convert on the Date of Change specified in the relevant Pricing Supplement (the "**Date of Change**") from a Fixed Rate (as calculated in accordance with Condition 6(b) supplemented and/or amended by the relevant Pricing Supplement) to a Floating Rate (as calculated in accordance with Condition 6(c) supplemented and/or amended by the relevant Pricing Supplement) or from a Floating Rate to a Fixed Rate (a "**Change of Interest Basis by the Issuer**"), subject to notification of the Noteholders by the Issuer within the time limit specified in the relevant Pricing Supplement and in accordance with Condition 14; or

(b) which shall be automatically converted from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate on the Date of Change specified in the relevant Pricing Supplement (an "**Automatic Change of Interest Basis**").

(e) **Zero Coupon Notes**

Where a Note in respect of which the specified Interest Basis is Zero Coupon and which, if so specified in the relevant Pricing Supplement, is redeemable prior to its Maturity Date by exercise of an Issuer or Noteholder option in accordance with Condition 6(c) or 6(d) or in accordance with Condition 6(e) or in any other manner specified in these Conditions or in the relevant Pricing Supplement, and such Note is not redeemed on the due date, the amount due and payable prior to the Maturity Date shall be the Optional Redemption Amount or the Early Redemption Amount, as applicable. As from the Maturity Date, the overdue principal of such Note shall bear interest at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(e)(i)).

(f) **Accrual of interest**

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

(g) **Margin, Minimum or Maximum Interest Rate, Minimum or Maximum Redemption Amounts, Instalment Amounts, Rate Multipliers and Rounding**

(i) If a Margin or Rate Multiplier is specified in the relevant Pricing Supplement (either (x) generally or (y) in relation to one or more Interest Periods), an adjustment shall be made to all Interest Rates in the case of (x) or the Interest Rates applicable to the relevant Interest Accrual Periods in the case of (y) calculated in accordance with paragraph (c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin or by multiplying the Interest Rate by such Rate Multiplier, subject always to the provisions of the following paragraph.

(ii) If a Minimum Interest Rate, Maximum Interest Rate, Instalment Amount, Minimum Redemption Amount or Maximum Redemption Amount is specified in the relevant Pricing Supplement, then any Interest Rate, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be, where it is understood that(i) under no circumstances can the amount of interest payable on each Note be lower than zero (0) and (ii) unless a higher Minimum Interest Rate has been specified in the applicable Pricing Supplement, the Minimum Interest Rate shall be deemed to equal zero (0).

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified in the relevant Pricing Supplement), (w) if FBF Determination is specified in the relevant Pricing Supplement, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest ten thousandth of a percentage point (with halves being rounded up) (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest fifth decimal place (with halves being rounded up), and (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(h) **Calculations**

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

(i) **Determination and publication of Interest Rates, Coupon Amounts, Final Redemption Amounts, Optional Redemption Amounts, Early Redemption Amounts and Instalment Amounts**

As soon as practicable after the Relevant Time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Coupon Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period. It shall also calculate the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be. It shall then cause the Interest Rate and the Coupon Amount for each Interest Period and the relevant Coupon Payment Date and, if required, the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount, to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders or any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information. If the Notes are admitted to trading on a Regulated Market and the rules of such market so require, it shall also notify such information to such market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period if determined prior to such time, in the case of notification to such market of an Interest Rate and Coupon Amount, or (ii) in all other cases, no later than the fourth Business Day after such determination. Where any Coupon Payment Date or Interest Accrual Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Coupon Amounts and the Coupon Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

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

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required in accordance with the Conditions) with at least one office in the Relevant Financial Centre and one or more Calculation Agents if so specified in the relevant Pricing Supplement and for so long as any Note is outstanding (as defined in Condition 4). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as a reference to each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for an Interest Period or Interest Accrual Period or to calculate any Coupon Amount, Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment bank operating in the interbank market (or, if relevant, money market, swaps market or over-the-counter index options market) that is the most appropriate for the calculations or determinations to be made by the Calculation Agent (acting through its principal office in Paris or Luxembourg, as applicable, or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed in the manner described above.

6. REDEMPTION, PURCHASE AND OPTIONS

(a) **Final redemption**

Unless previously redeemed, or purchased and cancelled as specified in the relevant Pricing Supplement and subject as provided in Condition 6(c), each Note will be redeemed on the Maturity Date applicable under the relevant Pricing Supplement, at its Final Redemption Amount (which, unless specified otherwise, shall be its nominal amount).

(b) **Redemption by Instalment**

Unless previously redeemed or purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Pricing Supplement. The outstanding principal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the principal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused (i) in the case of Dematerialised Notes, on the scheduled payment date or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(c) **Redemption at the option of the Issuer and partial redemption**

If Issuer Call is specified in the relevant Pricing Supplement, the Issuer may, subject to compliance with all applicable laws, regulations and directives, and on giving not less than fifteen (15) and not more than thirty (30) calendar days' irrevocable notice to the Noteholders in accordance with Condition 14, redeem all or, if so provided, part of the Notes on the Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount, together with interest accrued to the date fixed for redemption. Any such redemption must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed as specified in the relevant Pricing Supplement and no greater than the maximum nominal amount to be redeemed as specified in the relevant Pricing Supplement.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition. In the case of a partial redemption by the Issuer in respect of Materialised Notes, the notice to holders of such Materialised Notes must also indicate the number of Physical Notes to be redeemed or in respect of which such option has been exercised. The Notes must have been selected in such manner as is fair and objective in the circumstances, taking account of prevailing market practices and in accordance with all applicable stock market laws and regulations.

In the case of a partial redemption or partial exercise of an Issuer's option in respect of Dematerialised Notes of any one Series, the redemption shall be made by the application of a pool factor (corresponding to a reduction of the nominal amount of such Dematerialised Notes pro rata the nominal amount redeemed).

(d) **Redemption at the option of the Noteholders**

If Investor Put is specified in the relevant Pricing Supplement, the Issuer shall, at the request of the holder of any such Note and upon giving not less than fifteen (15) and not more than thirty (30) calendar days' irrevocable notice (or any other notice, not being less than fifteen (15) calendar days, specified in the relevant Pricing Supplement) to the Issuer, redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount, together with interest accrued to the effective date of redemption.

In order to exercise such option, the Noteholder must deposit with a Paying Agent at its specified office by the required deadline a duly completed option exercise notice (the "**Exercise Notice**") in the form obtainable from the Paying Agent or Registration Agent, as the case may be. In the case of Materialised Notes, the relevant Notes (together with all unmatured Receipts and Coupons and unexchanged Talons) must be attached to the Exercise Notice. In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paying Agent with an office in Paris, as specified in the Exercise Notice. No option that has been exercised or, if relevant, no Note that has been deposited or transferred may be withdrawn without the prior written consent of the Issuer.

(e) **Early redemption**

(i) *Zero Coupon Notes*

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note shall, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 9, be the Amortised Face Amount (calculated as provided below) of such Note.

(B) Subject as provided in sub-paragraph (C) below, the Amortised Face Amount of any such Zero Coupon Note shall be the Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if no rate is specified in the relevant Pricing Supplement, shall be such rate as would result in an Amortised Face Amount equal to the issue price of the Notes if discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of each Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable in accordance with Condition 9, is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note, as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as if the reference therein to the date on which such Note becomes due and payable were a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before any judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final

Redemption Amount of such Note on the Maturity Date, together with any interest accrued up to the effective date of redemption in accordance with Condition 5(e).

Where such calculation is to be made for a period of less than one (1) year, it shall be made on the basis of the Day Count Fraction specified in the relevant Pricing Supplement.

(ii) *Other Notes*

The Early Redemption Amount payable on any Note upon redemption in accordance with Condition 6(f), or where such Note becomes due and payable under Condition 9, shall be the Final Redemption Amount, unless otherwise specified in the relevant Pricing Supplement or in the case of Notes governed by Condition 6(b) above, the unamortised face amount, together with interest accrued up to the effective date of redemption.

(f) **Redemption for tax reasons**

(i) If, at the time of any redemption of principal or payment of interest or other income, the Issuer is obliged to pay additional amounts in accordance with Condition 8(b) below, by reason of any change in or amendment to the laws and regulations in France, or any change in the official application or interpretation thereof, coming into force after the issue date, then the Issuer may, on any Coupon Payment Date or, if specified in the relevant Pricing Supplement, at any time, having given notice to the Noteholders in accordance with Condition 14 no earlier than thirty (30) days and no later than forty five (45) days prior to such payment (which notice shall be irrevocable), redeem all but not some only of the Notes at the Early Redemption Amount together with all interest accrued until the date fixed for redemption, provided that the due date for redemption of which notice hereunder shall be given shall not be earlier than the latest date on which the Issuer could make a payment of principal, interest or other income without any withholding or deduction for French taxes.

(ii) If, on the occasion of the next redemption of principal or payment of interest or other income on the Notes, the Issuer would be prevented by French law from making payment of the full amount then due and payable to the Noteholders, Couponholders and Receiptholders, notwithstanding the obligation to pay additional amounts in accordance with Condition 8(b), the Issuer shall forthwith give notice of such fact to the Fiscal Agent. The Issuer shall, having given seven days' notice to the Noteholders in accordance with Condition 14, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount, together with, unless specified otherwise, all interest accrued up to the date fixed for redemption, on (A) the latest practicable Coupon Payment Date on which the Issuer could make payment of the full amount due and payable on the Notes, provided that if the notice referred to above would expire after such Coupon Payment Date, the date for redemption to the Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable on the Notes and (ii) fourteen (14) days after giving notice to the Fiscal Agent or (B) if so specified in the relevant Pricing Supplement, at any time, provided that the due date for redemption of which notice hereunder is given shall be the latest practicable date on which the Issuer could make payment of the full amount due and payable in respect of the Notes and if relevant any Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

(g) **Purchases**

The Issuer may at any time purchase Notes on the stock market or otherwise, pursuant to a public offering or in any other manner and at any price (provided however that, in the case of Materialised Notes, all unmatured Receipts or Coupons, and all unexchanged Talons relating thereto, are attached to or surrendered with such Materialised Notes) in accordance with all applicable stock market laws and regulations.

The relevant Pricing Supplement shall specify whether Notes purchased by the Issuer may be acquired and retained in accordance with applicable laws and regulations.

(h) **Cancellation**

All Notes redeemed or purchased for cancellation by or on behalf of the Issuer shall be cancelled, in the case of Dematerialised Notes, together with all rights attached to payment of interest and other amounts on such Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France or, in the case of Materialised Notes, together with all unmatured Receipts and Coupons and all unexchanged Talons attached to such Notes or surrendered therewith, by surrendering to the Fiscal Agent the Temporary Global Certificate and the relevant Materialised Notes together with all unmatured Receipts and Coupons and all unexchanged Talons. Any Notes so cancelled or, as the case may be, transferred or surrendered for cancellation may not be re-issued or re-sold and the obligations of the Issuer in respect of any such Notes shall be discharged. If the Notes are listed or admitted to trading on Euronext Paris, the Issuer shall notify Euronext Paris of such cancellation.

(i) **Illegality**

If, by virtue of the introduction of any new law or regulation in France, any change of law or other mandatory provision or any change in the interpretation thereof by any court or administrative authority, which takes effect after the Issue Date, it becomes unlawful for the Issuer to perform or comply with its obligations under the Notes, the Issuer shall have the right to reimburse, having given notice to the Noteholders in accordance with Condition 14, at the latest forty-five (45) calendar days and at the earliest thirty (30) calendar days prior to such payment (which notice shall be irrevocable), redeem all and not some only of the Notes at the Early Redemption Amount together with all interest accrued up to the date fixed for redemption.

7. PAYMENTS AND TALONS

(a) **Dematerialised Notes**

Any payment of principal or instalment of principal, if relevant, and any interest in respect of Dematerialised Notes shall be made (i) (in the case of Dematerialised Notes in bearer form or in administered registered form (*au nominatif administré*)), by transfer to an account denominated in the relevant currency held with the relevant Account Holder(s) for the benefit of the relevant Noteholders and (ii) (in the case of Dematerialised Notes in pure registered form (*au nominatif pur*)), by transfer to an account denominated in the relevant currency, held with a Bank (as defined below) specified by the relevant Noteholder. The Issuer's payment obligations shall be discharged upon such payments being duly made to such Account Holders.

(b) **Materialised Notes**

Any payment of principal or interest in respect of Materialised Notes, shall, except as provided below, be made upon presentation and surrender of the relevant Materialised Notes (for the payment of interest, as specified in Condition 7(f)(v)) or, if applicable, of the Coupons (for the payment of interest, subject as provided in Condition 7 (f)(v)) or of the related Receipts (for the payment of any Instalment Amount, on a date other than the date specified for redemption and provided that the Receipt has been presented for payment together with the related Note), at the specified office of any Paying Agent located outside the United States of America. Such payment shall be made either by cheque denominated in the currency in which such payment is to be made or, as the Noteholder may elect, by entry in an account denominated in such currency and held with a Bank.

The term "**Bank**" means any bank established in the principal financial centre where the Specified Currency is legal tender, or for payments in euros, in any city where banks have access to the T2.

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

Notwithstanding the above, payments in respect of Materialised Notes in bearer form denominated in US dollars, may be made at the designated office of any Paying Agent in New York as provided above if (i) the Issuer has appointed Paying Agents with offices outside the United States of America and which it reasonably believes may be able to make payments when due and payable on the Notes described above, (ii) payment in full of such amounts at such offices is prohibited or prevented in practice by exchange control regulations or any other similar restrictions on the payment or receipt of such amounts and (iii) such payments are however permitted under US laws without involving any adverse tax consequences for the Issuer, in its opinion.

(d) **Payments subject to fiscal laws**

All payments shall be subject to any applicable fiscal or other laws, regulations or directives, without prejudice to the provisions of Condition 8. No commission or expenses shall be borne by Noteholders, Couponholders or Receiptholders in respect of such payments.

(e) **Appointment of Agents**

The Fiscal Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer for Dematerialised Notes and their respective specified offices are listed at the end of this Offering Circular. A specific Fiscal Agent (also acting, if relevant, as affiliate Paying Agent of Euroclear France and Calculation Agent) shall be appointed for any tranche of Materialised Notes. The Fiscal Agent, the Paying Agents and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act solely as independent expert(s) and, in each case, under no circumstances do any of them assume any obligation or relationship of agency for or with any Noteholders or Couponholders. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent, the

Calculation Agent or the Registration Agent and to appoint other or additional Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agents, where the Conditions so require, (iii) a Paying Agent affiliated to Euroclear for so long as any Notes are admitted to trading on Euronext Paris and applicable market regulations so require, (iv) in the case of Dematerialised Notes in pure registered form (*au nominatif pur*), a Registration Agent and (v) any other agent that may be required under the rules of any Regulated Market on which the Notes may be admitted to trading.

Furthermore, the Issuer shall immediately appoint a Paying Agent in the city of New York for the purposes of Materialised Notes denominated in US dollars in the circumstances described in paragraph (c) above.

Any such change or any change of specified office shall be notified immediately to Noteholders in accordance with Condition 14.

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

(i) Unless the Materialised Notes provide that the relative Coupons are to be cancelled upon the due date for redemption of those Notes, such Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of partial payment, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted, as applicable, from the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount due and payable. Any amount so deducted shall be paid in the manner described above, against the surrender of the missing Coupon before 1 January in the 4th year following the due date for payment of such amount.

(ii) If the Materialised Notes so provide, the unmatured Coupons relating to such Notes (whether or not attached) shall become void on the due date for redemption and no payment in relation to such Materialised Notes shall be made.

(iii) Upon the due date for redemption of any Materialised Note, any unexchanged Talon relating to such Materialised Note in bearer form (whether or not attached) shall become void and no related Coupon payment shall be made.

(iv) Upon the due date for redemption of any Materialised Note redeemable by instalments, any Receipt relating to such Materialised Note with an Instalment Date falling on or after such date (whether or not attached) shall become void and no payment shall be made in relation thereto.

(v) Where the Conditions of any Materialised Note provide that the related unmatured Coupons shall become void upon the due date for redemption of such Materialised Note and such Materialised Note is presented for redemption without any related unmatured Coupons, and where any Materialised Note is presented for redemption without any as yet unexchanged Talon, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Materialised Note is not a Coupon Payment Date, interest accrued from the preceding Coupon Payment Date or, if applicable, from the Interest Period Commencement Date shall only be payable against presentation (and surrender if appropriate) of any corresponding Physical Note. Interest accrued on a Materialised Note that only bears interest after its Maturity Date, shall be payable upon redemption and against presentation of such Materialised Note.

(g) **Talons**

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

(h) **Business Days**

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the Noteholder shall not be entitled to any interest or payment until the next following business day, nor to any other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is operating, or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation of the note for payment, (B) on which banks and foreign exchange markets are open for business in the countries specified as "**Financial Centres**" in the relevant Pricing Supplement and (C) (i) (in the case of a payment in a currency other than euros), where the payment must be made by transfer to an account opened with a bank in the relevant currency, a day on which foreign-exchange transactions may be made in such currency in the principal financial centre where such currency is legal tender or (ii) (in the case of a payment in euros) which is a T2 Business Day.

8. TAXATION

(a) **Withholding in France**

All payments of interest or repayments of principal by or on behalf of the Issuer shall be made free and clear of, and without deduction or withholding for, any imposts, duties, charges or taxes of any nature whatsoever imposed, levied or collected or withheld in or by France or by any other authority having power to tax, unless such deduction or withholding is required by law.

(b) **Additional amounts**

If French law requires that payments of principal, interest or other amounts in respect of any Note, Receipt or Coupon be subject to deduction or withholding with respect to any taxes or duties of any type, present or future, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the Holders of Notes, Receipts and Coupons receive the full amount that would have been payable in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note or Coupon where:

(i) **Other connection**: the Holder of the Notes, Receipts or Coupons (or any third party acting on their behalf) is liable in France for such taxes or duties for reasons other than the mere ownership of the Notes, Receipts or Coupons; or

(ii) **Presentation more than thirty (30) calendar days after the Relevant Date:** in the case of Materialised Notes, more than thirty (30) calendar days have passed since the Relevant Date, except where the holder of such Notes, Receipts or Coupons would have been entitled to an additional amount on presentation of the same for payment on the last day of such thirty (30) calendar day period; or

(iii) **Payment to another Paying Agent**: in the case of Materialised Notes, such deduction or withholding is made by or on behalf of a Noteholder who could have avoided such withholding or deduction by presenting the relevant Note, Receipt or Coupon for payment to another Paying Agent located in a Member State of the European Union.

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

9. EVENTS OF DEFAULT

If any of the following events occurs (each an "**Event of Default**"), (i) the Representative (as defined in Condition 11) (a) on its own initiative or (b) upon request of any Noteholder, may, upon simple written notice addressed on behalf of the *Masse* (as defined in Condition 11) to the Fiscal Agent with a copy to the Issuer, declare immediately and automatically due and payable all (and not part only) of the Notes (in the case of (a) above) or all Notes held by the author of the notice (in the case of (b) above); or (ii) if there is no Representative, any Noteholder may, on simple written notice addressed to the Fiscal Agent with a copy to the Issuer, declare immediately and automatically due and payable all Notes held by the author of the notice, at their Early Redemption Amount, together with interest accrued to the effective date of repayment, without the requirement for any prior formal demand:

(a) failure by the Issuer to pay on its due date any amount owed by the Issuer under any Note, Receipt or Coupon (including payment of any gross-up as provided in Condition 8(b) above) unless such payment default has been remedied within ten (10) calendar days of the due date for such payment; or

(b) any of the provisions of these Conditions is not, or ceases, for any reason, to be valid and enforceable against the Issuer; or

(c) failure by the Issuer to perform any other provision of these Conditions, if not remedied within a period of fifteen (15) calendar days of receipt by the Issuer of a written notice of such breach; or

(d) the Issuer is not able, or issues a written statement acknowledging its inability, to meet its mandatory expenses; or

(e) (i) the Issuer fails to redeem or pay, in whole or in part, any amount due and payable in respect of any financial indebtedness other than the Notes, on the scheduled or early due date for payment or repayment and, if relevant, after the expiry of any applicable contractual grace period, but only insofar as such financial indebtedness represents an amount greater than fifty million (50,000,000) euros; or

(ii) failure by the Issuer to pay, in whole or in part, any amount due and payable in respect of any one (or more) guarantee(s) granted in respect of any one (or more) borrowings in the nature of bank loans or bond issues entered into by any third party where such guarantee(s) is/are due and has/have been called, but only insofar as such guarantee(s) represent(s) an amount greater than fifty million (50,000,000) euros; or

(iii) any sum of an amount greater than fifty million (50,000,000) euros owed by the Issuer in respect of any financial indebtedness other than the Notes is, or may be declared, due and payable or becomes due and payable before its due date by reason of the occurrence of an event of default (howsoever described); or

(f) any change to the Issuer's status or legal regime, including as a result of any legal or regulatory reforms, insofar as the effect of any such change is to reduce the Noteholders' rights against the Issuer or to delay, or make more difficult or costly, the exercise by the Noteholders of any of their rights and remedies against the Issuer.

10. PRESCRIPTION

All claims for the payment of interest or redemption of principal under the Notes, Receipts and Coupons (except for Talons) shall lapse after four (4) years from 1st of January of the year following their respective due dates (pursuant to the law n°68-1250 dated 31 December 1968, as amended).

11. REPRESENTATION OF NOTEHOLDERS

Noteholders shall, in respect of all Tranches of a single Series, be grouped automatically together into a *masse* (the "***Masse***") for the defence of their common interests.

The *Masse* shall be governed by Articles L. 228-46 *et seq.* of the French *Code de commerce*, except articles L. 228-71 and R. 228-69 of the French *Code de commerce*, as amended by the present Condition.

(a) Legal personality

The *Masse* will be a separate legal entity, acting in part through a representative (the "**Representative**") and in part through collective decisions of the Noteholders (the "**Collective Decisions**").

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which may accrue now or in the future under or with respect to the Notes, without prejudice to the rights exercisable individually by the Noteholders in accordance with and subject to the provisions of these Conditions.

(b) Representative

The names and addresses of the incumbent Representative of the *Masse* and, if applicable, their alternate shall be set forth in the relevant Pricing Supplement.

The Representative shall receive remuneration for the performance of their functions and duties, if so provided and as specified in the relevant Pricing Supplement. No additional remuneration shall be payable for any subsequent Tranche of a given Series.

In the event of death, dissolution, resignation, liquidation, retirement, resignation or revocation of a Representative, the Representative shall be replaced by their alternate, if applicable, or another Representative may be appointed.

All interested parties may at any time obtain the names and addresses of the Representative and his deputy, at the principal office of the Issuer.

(c) **Powers of the Representative**

The Representative shall (in the absence of any Collective Decision to the contrary), have the power to take any management action necessary for the defence of the common interests of the Noteholders, and shall have the right to delegate its powers.

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

(d) **Collective Decisions**

Collective Decisions are adopted (i) at general meetings ("**General Meeting**") or (ii) with the unanimous consent of the Noteholders by written consultation ("**Unanimous Written Resolution**").

In accordance with the provisions of article R.228-71 of the French *Code de commerce*, each Noteholder shall prove their right to participate in Collective Decisions by registration, in their name, of their Notes in the books of the relevant Account Holder by midnight (Paris time) on the second (2^{nd}) Business Day preceding the date fixed for the relevant Collective Decision.

The Issuer shall keep a register of Collective Decisions which must be available for inspection at the request of any Noteholder.

Resolutions adopted by Collective Decision shall be published in accordance with Condition 14.

(i) **General Meetings**

As provided in article R.228-67 para. 1 of the French *Code de commerce*, any notice of convocation to a General Meeting shall specify the date, time, place, agenda and required quorum and shall be published in accordance with Condition 14 at least fifteen (15) calendar days before the date upon which the General Meeting is to be held, upon first convocation, and at least five (5) calendar days before the date upon which the General Meeting is to be held upon second convocation.

Each Note carries one vote or, in the case of Notes issued with several Specified Denominations, one vote in respect of each multiple of the smallest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

Deliberations of the General Meeting are only valid upon first convocation if the Noteholders present or represented hold at least one fifth (1/5) of the nominal value of the outstanding Notes. Upon second convocation, no quorum is required. The General Meeting decides by simple majority vote of the Noteholders present or represented.

As provided in article L.228-61 of the French *Code de commerce*, each Noteholder may attend General Meetings, be represented thereat by such proxy as they may choose, vote by postal ballot, by videoconference or by any other means of telecommunication by which Noteholders may be identified.

All Noteholders or their proxy shall have the right to consult, or obtain a copy of, the text of the resolutions to be proposed and the reports to be presented at the General Meeting, such documents being available for inspection at the registered office of the Issuer and at any other place specified in the convocation notice, for a period of fifteen (15) calendar days preceding the date of the General Meeting upon first convocation, or for a period of five (5) calendar days preceding the date of the General Meeting upon second convocation.

General Meetings are chaired by the Representative. In the absence of the Representative at the beginning of the General Meeting and, if no Noteholder is present or represented, the Issuer may, without prejudice to the provisions of article L228-64 of the French *Code de commerce*, appoint a temporary chairperson until a new Representative has been appointed.

(ii) **Unanimous Written Resolution**

As provided in article L.228-46-1 of the French *Code de commerce*, Collective Decisions may also be taken by Unanimous Written Resolution, at the initiative of either the Issuer or the Representative.

All Unanimous Written Resolutions must be signed by or on behalf of all Noteholders without the need to observe the formalities and time periods specified in Condition 11(d)(i). All Unanimous Written Resolutions shall, in any event, have the same effect as a resolution adopted at a General Meeting. A Unanimous Written Resolution may be contained in one or more documents of identical format, each signed by or on behalf of one or more Noteholders. Agreement to a Unanimous Written Resolution may also be obtained by any means of electronic communication by which Noteholders may be identified.

(e) **Expenses**

The Issuer shall pay all expenses incurred in connection with the conduct of the affairs of the *Masse*, including all expenses relating to the adoption of Collective Decisions and, more generally, all administrative expenses determined by Collective Decision, provided however that no expenses may be charged against any interest payable on the Notes.

(f) **Single *masse***

The Holders of the Notes of a single Series, including the holders of the Notes of any other Tranche consolidated, in accordance with Condition 13, with the Notes of an already issued Tranche, shall be grouped together for the defence of their common interests into a single *Masse*. The Representative appointed for the first Tranche of a Series of Notes shall be the Representative of the single *Masse* of such Series.

(g) **Single Noteholder**

If, and for so long as the Notes of a single Series are held by a single Noteholder, and if no Representative has been appointed, the relevant Noteholder shall exercise all of the powers conferred upon the Representative and the Noteholders acting by Collective Decision in accordance with the Conditions.

Upon the appointment of a Representative, if and for so long as the Notes of a single Series are held by a single Noteholder, the relevant Noteholder shall exercise all of the powers conferred upon the Noteholders acting by Collective Decision in accordance with the Conditions.

The single Noteholder shall keep (or cause to be kept by any authorised agent) a register of all decisions taken by it in such capacity and shall make it available to any subsequent Noteholder upon request. Unless a Representative has been appointed in the relevant Pricing Supplement, a Representative shall be appointed by the Issuer whenever the Notes of a Series are held by more than one Noteholder.

(h) **Notices to Noteholders**

All notices to Noteholders under this Condition 11 shall be given in accordance with the provisions of Condition 14.

For the avoidance of doubt in this Condition 11, the expression "**outstanding**" shall not include Notes purchased and held by the Issuer, as more fully described in Condition 6(g).

12. REPLACEMENT OF PHYSICAL NOTES, RECEIPTS, COUPONS AND TALONS

In the case of Materialised Notes, any Physical Note, Receipt, Coupon or Talon that has been lost, stolen, damaged, defaced or destroyed, may be replaced, in compliance with applicable laws and stock market rules and regulations at the offices of the Fiscal Agent or any other Paying Agent, if any, appointed by the Issuer for such purpose and whose appointment shall be notified to the Noteholders. Such replacement may be made against payment by the claimant of any fees and expenses incurred in connection therewith and subject to such terms as to proof, security and indemnity (which may provide, *inter alia*, that in the event that the Physical Note, Receipt, Coupon or Talon allegedly lost, stolen or destroyed is subsequently presented for payment (or, as the case may be, for exchange for further Coupons, the Issuer shall be paid, upon its request, the amount payable by the Issuer in respect of such Physical Notes, Receipts, Coupons or further Coupons). Destroyed or defaced Materialised Notes, Receipts, Coupons, further Coupons or Talons must be surrendered before replacements will be issued.

13. CONSOLIDATED ISSUES

The Issuer shall be entitled, without the consent of the Noteholders, Receiptholders or Couponholders, to create and issue further notes to be consolidated and form a single Series with the Notes, provided that such Notes and the new notes confer on their holders rights that are identical in all respects (or in all respects other than the issue date, issue price or the first interest payment as defined in the relevant Pricing Supplement) and that the conditions of such further notes provide for consolidation. References to "Notes" in these Conditions shall be construed accordingly.

14. NOTICES

(a) Notices addressed to the Holders of Dematerialised Notes in registered form shall be valid either (i) if they are posted to their respective addresses, in which case they shall be deemed to have been delivered on the fourth Business Day (other than a Saturday or Sunday) after posting or (i) at the option of the Issuer, if they are published in one of the leading economic and financial daily newspapers with general circulation in Europe. So long as the Notes are admitted to trading on any Regulated Market and the rules of such Regulated Market so require, notices shall not be deemed to be valid unless published in one of the leading economic and financial daily newspapers with general circulation in the city(ies) in which the Notes are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos* and in any other manner required, as the case may be, under the applicable rules of Regulated Market.

(b) Notices addressed to Noteholders of Materialised Notes and Dematerialised Notes in bearer form shall be valid if published in one of the leading economic and financial daily newspapers with general circulation in Europe and, so long as the Notes are admitted to trading on any market (regulated or otherwise) and the applicable rules of such market so require, notices shall also be published in one of the leading economic and financial daily newspaper with wide circulation in the city(ies) in which the Notes are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos* and in any other manner required, as the case may be, under the applicable rules of such market.

(c) If any such publication is not practicable, a notice shall be validly given if published in one of the leading recognised English language economic and financial daily newspapers with general circulation in Europe, provided however that, so long as the Notes are admitted to trading on any Regulated Market, notices must be published in any other manner required, as the case may be, under the applicable rules of such Regulated Market. Noteholders shall be deemed to have notice of the contents of any notice on the date of publication, or if the notice was published more than once or on different dates, on the date of the first publication as described above. Couponholders shall be deemed, in all circumstances, to have had notice of the contents of any notice addressed to Noteholders of Materialised Notes in accordance with this Condition.

(d) Notices addressed to holders of Dematerialised Notes (whether in registered or bearer form) in accordance with these Conditions may be delivered to Euroclear France, Euroclear, Clearstream or any other clearing system through which the Notes are then cleared, instead of posting or publishing the notice as provided in Conditions 14 (a), (b) and (c) above, provided however that (i) so long as the Notes are admitted to trading on any Regulated Market and the applicable rules of such Regulated Market so require, notices shall also be published in one of the leading economic and financial daily newspapers with general circulation in the city(ies) in which the Notes are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos* and in any other manner required, as the case may be, under the applicable rules of such Regulated Market and (ii) notices relating to the convocation of and decisions at General Meetings in accordance with Condition 11 shall also be published in one of the leading economic and financial daily newspapers with general circulation in Europe.

15. AMENDMENTS

These Conditions may be amended or completed (i) with respect to future issues of Notes and not for outstanding Notes, by amending or updating the offering circular for the Issuer's EMTN programme dated 20 October 2023 or (ii) with respect to a particular Tranche, by the relevant Pricing Supplement.

The parties to the Fiscal Agency Agreement may, without the consent of the Noteholders, Receiptholders or Couponholders, amend or waive any provisions thereof with a view to remedying any ambiguity or rectifying, correcting or completing any defective provision of the Fiscal Agency Agreement, or in any other manner that the parties to the Fiscal Agency Agreement may consider necessary or desirable but only to the extent that, in the reasonable opinion of the parties, the interests of the Noteholders, Receiptholders or Couponholders are not prejudiced.

16. GOVERNING LAW, LANGUAGE AND JURISDICTION

(a) Governing law

The Notes (and, if applicable, the Coupons, Receipts and Talons) and the Fiscal Agency Agreement are governed by, and shall be construed in accordance with, French law. However, no private law enforcement measures may be brought and no seizure proceedings may be implemented against the assets or property of the Issuer.

(b) Jurisdiction

Any dispute relating to the Notes, Coupons, Receipts or Talons shall be submitted to the competent courts within the jurisdiction of the *Cour d'Appel de Paris* (subject to any mandatory rules governing the territorial jurisdiction of the French courts). However, no private law enforcement measures may be brought and no seizure proceedings may be implemented against the assets or property of the Issuer as a legal entity governed by public law.

TEMPORARY GLOBAL CERTIFICATES RELATING TO MATERIALISED NOTES

Temporary Global Certificates

A temporary global certificate, without interest coupons, will initially be issued (a "**Temporary Global Certificate**") for each Tranche of Materialised Notes, and shall be deposited at the latest by the issue date of such Tranche with a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, SA ("**Clearstream**"). Following deposit of such Temporary Global Certificate with a Common Depositary, Euroclear or Clearstream shall credit each subscriber with an amount in principal of Notes equal to the nominal amount so subscribed and paid for.

The Common Depositary may also credit the accounts of subscribers of such principal amount of Notes (if so specified in the relevant Pricing Supplement) in other clearing systems through accounts held directly or indirectly by such other clearing systems with Euroclear and Clearstream. Conversely, a principal amount of Notes initially deposited with any other clearing system may, in the same manner, be credited to the accounts of subscribers held with Euroclear, Clearstream or other clearing systems.

Exchange

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

(i) if the relevant Pricing Supplement specifies that the Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which the TEFRA rules do not apply (refer to the section "General Description of the Notes – Selling Restrictions" of this Offering Circular), in whole but not in part, for Physical Notes; and

(ii) in all other cases, in whole but not in part, after certification, if Section § 1.163-5(c)(2)(i)(D)(3) of the US Treasury regulations so requires, that the Notes are not held by U.S. persons, for Physical Notes (a form of certificate shall be available at the specified offices of each Paying Agent).

Delivery of Physical Notes

On or after the Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. The Issuer shall, in exchange for any Temporary Global Certificate, deliver or procure the delivery of an equal aggregate nominal amount of duly signed and authenticated Physical Notes. For the purposes of this Offering Circular, "**Physical Notes**" means, in respect of a Temporary Global Certificate, the Physical Notes for which the Temporary Global Certificate may be exchanged (having, if appropriate, attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Physical Notes will be security printed in accordance with any applicable legal and stock exchange requirements. The forms of Physical Note shall be available at the specified offices of each Paying Agent.

Exchange Date

Exchange Date means, in relation to a Temporary Global Certificate, the day falling no earlier than forty (40) calendar days after its issue date, provided however that, in the case of a further issue of Materialised Notes, to be consolidated with the aforementioned Materialised Notes, issued prior to such day in accordance with Condition 13, the Exchange Date may, at the option of the Issuer, be postponed until a date falling at least forty (40) calendar days after the issue date of such further Materialised Notes.

Where the Materialised Notes have an initial maturity of more than 365 calendar days (and where the C Rules do not apply) the Temporary Global Certificate shall contain the following wording:

ANY U.S. PERSON (AS DEFINED IN THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED) WHO HOLDS THIS NOTE WILL BE SUBJECT TO RESTRICTIONS UNDER UNITED STATES FEDERAL INCOME TAX LAWS, INCLUDING THOSE PROVIDED UNDER SECTIONS 165(j) AND 1287(a) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED.

USE OF PROCEEDS

The net proceeds of each issue of Notes shall (as specified in the relevant Pricing Supplement) be applied:

(i) towards the financing of the Issuer's investments, regardless of the project;

(ii) towards the specific use specified in the relevant Pricing Supplement for a particular issue of Notes (other than those specified in (i) above or (iii) below); or

(iii) specifically towards the financing and/or refinancing, in whole or in part, of eligible environmental and social projects belonging to the Energy and Ecological Transition and Social Action categories (as such terms are defined below) ("**Eligible Projects**", as described in the relevant Pricing Supplement), pursuant to the reference framework applicable to the Issuer's responsible bonds (the "**Reference Framework**"), such Notes being referred to as "**Responsible Bonds**".

"**Energy and Ecological Transition**" relates to sustainable mobility (financing of low-carbon alternative transport).

"**Social Action**" refers to any social-purpose, green built heritage (health services and accommodation, access to work and social integration support).

The funds raised shall be used to finance Eligible Projects for the current and following year. Refinancings will be limited to projects of the year preceding that of the issue of the relevant Responsible Bonds.

The Reference Framework is in line with the *"Green Bond Principles",* 2018 edition, the "*Social Bond Principles*", 2020 edition and the "*Sustainability Bond Guidelines*", 2018 edition, available for consultation on the website of ICMA (International Capital Market Association*:* https://www.icmagroup.org/). In its capacity as independent expert, EthiFinance has published a second party opinion (the "**Second Party Opinion**") on the eligibility of the Responsible Bonds. The Reference Framework and the *Second Party Opinion* are freely available on the *Département de l'Eure*'s website (https://eureennormandie.fr/accueil/le-departement/finances/relations-investisseurs/). Furthermore, the *Second Party Opinion* is a document prepared by an independent expert and therefore the Issuer has no responsibility for its contents.

Finally, it is also specified that the Issuer does not intend to call upon a third party and produce a third party opinion on the traceability of its funds.

The monitoring of the net proceeds of Responsible Bond issues is governed by the regulations applicable to French local authorities which requires free funds to be deposited in a single account with the *Trésor Public*. The funds will be fungible in the account of the departmental treasury office (*paierie départementale*).

The *Département de l'Eure* shall monitor amounts invested in Eligible Projects and publish this on its website simultaneously with the publication of the *Département de l'Eure*'s Sustainable Development Report, ahead of the vote for the adoption of the budget strategy report (ROB), until the issue proceeds have been fully allocated.

The net proceeds of Responsible Bond issues are allocated, in accordance with the principle of nominal equivalence, to investment expenditure in line with the Eligible Projects.

The finance, management consultancy and performance Department of the *Département de l'Eure* is responsible for monitoring the allocation of net proceeds.

The allocation of funds to Eligible Projects is then confirmed at an initial level, through the *Département de l'Eure*'s financial tool which links all expenditure items to the relevant programme payment authorisation and, at a second level, through the controls performed by the regional public finances directorate (DRFiP) which verifies whether the payment in question duly corresponds to a properly committed, liquidated and mandated expenditure item.

DESCRIPTION OF THE DEPARTEMENT DE L'EURE

I. GENERAL INFORMATION ON THE DEPARTEMENT DE L'EURE

1. OVERVIEW

The Issuer is the *Département de l'Eure* (the "***Département de l'Eure***" or the "***Département***"), a French local authority located in the *région* Normandie (the "***Région***"). The Issuer's head office is at *Hôtel du Département*, Boulevard Georges-Chauvin, Evreux (27 021), France. The Issuer's telephone number is +33 2 32 31 50 50.

The *Département de l'Eure* has 596,710 inhabitants (total population) at 1 January 2023 spread over a surface area of 6,040 km² (source: INSEE, https://www.insee.fr/en/statistics/7640425).

The Eure comprises 585 *communes*, 16 intercommunalities and 23 *cantons*. The principal town of the *Département*, and location of the *Préfecture*, is Evreux, with a population of 46,869. The sub-prefectures are located in Bernay (9,654 inhabitants) and Andelys (8,055). In addition to these 3 towns, the Eure has 7 other sizeable towns: Vernon (24,056), Louviers (18,636), Val-de-Reuil (12,702), Gisors (11,863), Pont-Audemer (9,891), Gaillon (6,833) and Verneuil-d'Avre-et-d'Iton (7,374).

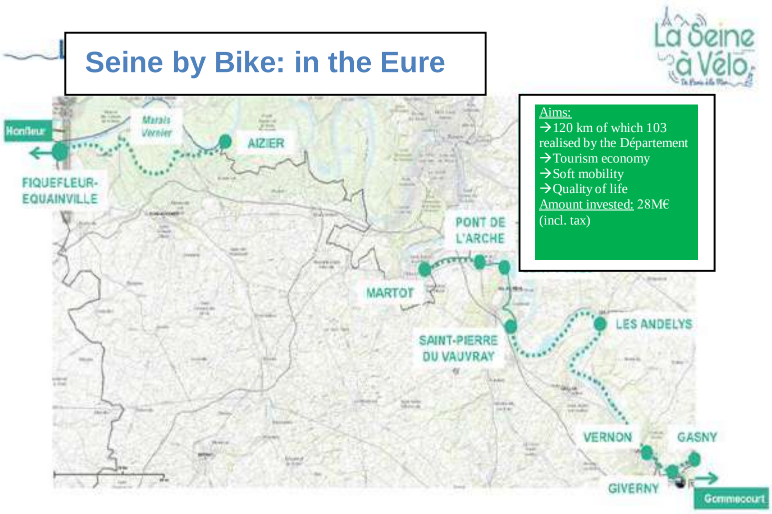
The *Département de l'Eure* enjoys a privileged geographical location between the Normandy coast and Ile-de-France which attracts families as well as investors in search of a quality living environment.

The Eure boasts a vast wooded heritage, including the Forêt de Lyons whose surface area today covers 10,700 hectares (or a perimeter of 326 km).

At the heart of the Andelle Valley in the Eure is a natural and heritage site: the *Filature Levavasseur*, whose remains testify to an English neo-Gothic style in vogue in the XIXth century which today have almost completely disappeared. The site has been adopted by the so-called "*Mission Stéphane Bern*", which identifies at-risk heritage and secures innovative sources of finance to safeguard and develop it.

The Eure's proximity to the major economic centres (Greater Paris, Rouen, Le Havre) is made possible by a network of road, rail and waterway infrastructure. The *Département de l'Eure* manages, maintains and operates 4,250 km of departmental highways.

Travel in the *Département de l'Eure* is facilitated by the A13 and A28 motorways, the RN 154 main road and the Paris-Caen and Paris-Le Havre railway lines (along which the Rouen-Lyon TGV runs), providing access to the surrounding regions.



The *Département de l'Eure* is one of the 18 local authorities contributing to the development of green tourism through the "Seine by bicycle" project. In the Eure, 37 *communes* are traversed by this route. The itinerary begins in Paris and reaches the Normandy coast after passing through Giverny, Vernon and Les Andelys. The project is split into several tranches requiring an overall investment of 30 millions of euros ("**M€**"). A number of works phases are planned between 2019 and 2024 with the ultimate aim of establishing the first "*smart green road*" in France (source: https://eureennormandie.fr/accueil/les-actions-du-departement/developpement-touristique/la-seine-a-velo-pedaler-en-pleine-nature-eure/).

2. ISSUER'S LEGAL FORM AND ORGANISATIONAL STRUCUTRE

2.1 The *Département de l'Eure*, a local authority

Like the *commune* and the *région*, the *département* is a local authority, in other words a French public law legal entity separate from the State. As such the *Département de l'Eure* enjoys legal and financial autonomy.

In accordance with sub-paragraph 3 of article 72 of the Constitution dated 4 October 1958, local authorities are self-governing subject as provided by law. Their powers are solely administrative, which prohibits them from exercising powers of the State, such as for example: enacting autonomous laws and regulations, being bestowed with judicial authority or specific powers to conduct international relations. It is not the local authorities themselves but the law that determines their powers. The legislature must not disregard the principle of self-governance and deprive them of what the *Conseil Constitutionnel* categorises as effective areas of authority or specific powers, without however listing them.

Local authorities are governed by laws and regulations and the provisions of the Constitution. As public law legal entities, local authorities fall outside the scope of the insolvency procedures specified in Book VI of the French *Code de Commerce*. Furthermore, their assets and property are immune from seizure; they are not subject to private law enforcement measures. Furthermore they have no share capital.

The *Département de l'Eure* is governed by the French *Code Général des Collectivités Territoriales* ("**CGCT**"). Any disputes in which it is involved are, for those of administrative jurisdiction, brought before the administrative tribunal of Rouen and, for private law matters, brought in principle before the *Tribunal de Grande Instance* of Evreux.

2.2 A local authority, the fruit of decentralisation

By decree dated 22 December 1789, the constitutive Assembly resolved to divide France into *départements*. However, the number of *départements* (83 compared to 101 today) and their boundaries were not determined until 26 February 1790, taking effect on 4 March 1790. This is how the *Département* d'Evreux - now the *Département de l'Eure* - was created out of part of the province of Normandy.

Since the law dated 10 August 1871, the *Département de l'Eure* enjoys the status of a fully empowered local authority. The *Département de l'Eure* is henceforth managed by a general council elected by direct universal suffrage, renewed by half every three years, with the election of a general councillor per *canton* for a term of 6 years.

The adoption of the Defferre laws in 1982-1983 marked the first stage in the process of decentralisation. With the law dated 2 March 1982, oversight by the prefect was abolished, whilst through its deliberations the general council governed the affairs of the *Département*. The laws of 7 January and 22 July 1983 on the distribution of powers between *communes*, *départements*, *régions* and the State, confer upon the *Département de l'Eure* the financial means to assume new powers - including the management of mandatory welfare benefits and the construction, maintenance and renovation of schools.

The decentralisation movement reached a new stage with the adoption of the constitutional law dated 28 March 2003 on the decentralised organisation of the French Republic and the law dated 13 August 2004 on local freedoms and responsibilities. New powers were transferred to the general council, in particular the management of school technical staff and maintenance of part of the national roads network.

The law n° 2010-1563 dated 16 December 2010 completed these successive reforms and reorganised local administration in a pragmatic manner, firstly by strengthening inter-commune cooperation and secondly by providing greater resources to *départements* and *régions* to rationalise their actions.

The law n° 2013-403 dated 17 May 2013 established the binominal voting system: there are two councillors per canton, with each pairing comprising a man and a woman. The *Département de l'Eure*'s deliberative assembly is henceforth called the "*Conseil Départemental*" (previously, "General Council"). The new voting system was employed for the first time in the departmental elections of March 2015.

Since 2014, the Government has been introducing new local authority reforms in three areas:

– the law of 17 January 2014 on the modernisation of regional government public action and affirmation of *métropoles*;

– the law of 16 January 2015 on regional boundaries, regional and departmental elections and amending the electoral timetable;

– the law of 7 August 2015 on the New Territorial Organisation of the Republic ("**NOTRe Law**").

Indeed, the effect of the second part of the reform was the merger on 1 January 2016 of the 22 pre-reform metropolitan *régions*, resulting in the creation of 13 new regions. The *Département de l'Eure* now forms part of the *région Normandie* born out of the merger between the Haute-Normandie and Basse-Normandie regions. Normandy is the 10th region in France in terms of population with around 3.3 million inhabitants. It encompasses 5 *départements*: l'Eure, la Seine Maritime, le Calvados, la Manche and l'Orne.

The third part of the reform was the distribution of powers between local authorities and the abolition of the general powers clause.

For *Départements*, the reform meant a refocusing on social action with the reaffirmation of the powers of prevention and management of situations of vulnerability, social development, childcare and personal autonomy. *Département*s are also focused on local solidarity, whilst developing engineering capabilities. This expertise helps support the *communes* and *inter-communalities* in technical areas for which they lack the resources (planning, housing).

Finally, *Département*s have retained responsibility for managing highways and schools. The management of school and non-urban transport now falls within the remit of the *Région*.

The major dates in the history of French *département*s are as follows:

4 March 1790	Establishment of the *département* of the French Revolution under the name "Département d'Evreux".
2 March 1982	By virtue of the decentralisation laws, *départements* are granted administrative autonomy and prefectoral oversight is abolished (until 1982, the executive in the *département* was the *Préfet*). This is the first transfer of powers.
7 January 1983	Distribution of powers between communes, *départements*, regions and the State.
22 July 1983	The *Département de l'Eure* enjoys a number of powers, including managing mandatory social benefits, construction, maintenance and renovation of schools.
28 March 2003	Law on the decentralised organisation of the French Republic.
29 July 2004	Organic law on financial autonomy. New powers transferred to the *département*, together with new resources (human, material…).
16 December 2010	Granting to *départements* and regions of increased resources for rationalisation of their actions.
17 May 2013	General councillors become *département* councillors. One man, one woman binominal voting system for *département* councillor elections.
27 January 2014	Law on the modernisation of regional government public action and affirmation of *métropoles*.
17 December 2014	The National Assembly definitively adopts the new map of France with 13 metropolitan regions, compared to 22 previously.
7 August 2015	Law no. 2015-991 dated 7 August 2015 on the new territorial organisation of the French Republic.

2.3 The Issuer's structural organisation

2.3.1 Deliberative assembly: the *Conseil Départemental*

The *Conseil Départemental* de l'Eure is the forum where the *Département de l'Eure*'s major planning and development decisions are taken. In this respect, it acts as a true service provider to its inhabitants.

The *Conseil Départemental* is a “local parliament”: members of the *Conseil Départemental* are appointed in departmental elections at canton level. Two departmental councillors are elected in each of the 23 cantons by two-round binominal majority vote. Elected for a six-year term, all departmental councillors stand simultaneously for re-election. These departmental councillors are elected representatives in touch with the grassroots, who perform an advisory function on their fellow citizens’ behalf. They are the principal points of contact for the local mayors and the representatives of the *Conseil Départemental* in its relations with outside organisations.

The standing committee

Established by the law of 6th February 1992 on the regional administration of the French Republic, the standing committee is a limited deliberative body of the *Conseil Départemental*. Members of the standing committee are elected by the *Conseil Départemental* by secret ballot and for the same term as the President. The standing committee of the *Département de l’Eure* has 33 members.

The standing committee ensures that the *Conseil Départemental* continues to operate between its various meetings. The *Conseil Départemental* may delegate part of its powers and responsibilities to the standing committee - other than those relating to the budget, budgetary amendments (DM), voting to adopt the administrative account and those relating to mandatory expenses.

The standing committee deliberates on numerous ordinary matters that affect the daily lives of the *eurois*, in particular grants, building sites and projects. It meets on a monthly basis at sessions which are not public.

Technical committees

Specialist committees examine projects for submission to the vote of the departmental Assembly.

THEMATIC COMMITTEES

1st committee responsible for finance, general affairs, fire and rescue services and social dialogue.

President: Francis COUREL
Vice president: Colette BONNARD
Members: Pascal LEHONGRE – Jean Pierre LE ROUX – Cécile CARON – Michael ONO DIT BIOT

2nd committee responsible for solidarity (dependency, child protection, handicap, poverty, health)

President: Marie-Lyne VAGNER
Vice president: Angèle DELAPLACE
Members: Marie TAMARELLE-VERHAEGHE – Anne TERLEZ – Martine SAINT-LAURENT – Janick LEGER – Arnaud LEVITRE

3rd committee responsible for education and youth

President: Daniel JUBERT
Vice president: Julie DESPLAT
Members: Manuel ORDONEZ – Christophe CHAMBON – Florance GAUTIER – Janick LEGER – Maryannick DESHAYES

4th committee responsible for the environment and agriculture

President: Marcel SAPOWICZ
Vice president: Lilianne BOURGEOIS
Members: Miriam DUTEIL – Gérard CHERON – Jean Paul LEGENDRE – Nathalie BETTON – Francis COUREL

5th committee responsible for planning and development, employment/integration, tourism and relations with local authorities

President: Claire LACAMPAGNE-CROCHET
Vice president: Thomas ELEXHAUSER
Members: Frédéric DUCHE – Sylvain BONENFANT – Stéphanie AUGER – Nathalie BETTON – Arnaud LEVITRE

6th committee responsible for mobility, networks and digital

President: Sylvain BOREGGIO
Vice president: Chantale LE GALL
Members: Thierry PLOUVIER – Nicolas GRAVELLE – Micheline PARIS – Michael ONO DIT BIOT - Arnaud LEVITRE

7th committee responsible for culture, sport, heritage, public libraries

President: Catherine DELALANDE
Vice president: Michel FRANÇOIS
Members: Alexandre RASSAERT – Jocelyne DE TOMASI – Françoise COLLEMARE – Marc-Antoine JAMET - Maryannick DESHAYES

8th committee responsible for housing, urban planning, towns policy and security **President:** Nicolas GAVARD-GONGALLUD **Vice president:** Karêne BEAUVILLARD **Members:** Diane LESEIGNEUR – Xavier HUBERT - Marc-Antoine JAMET – François COUREL

2.3.2 Executive authority: the President and vice-presidents of the *Conseil Départemental*

The President of the *Conseil Départemental*, elected by the departmental Assembly after all departmental elections, puts forward the resolutions to be submitted to the vote of the Assembly at each plenary session. It executes the decisions taken by the departmental councillors.

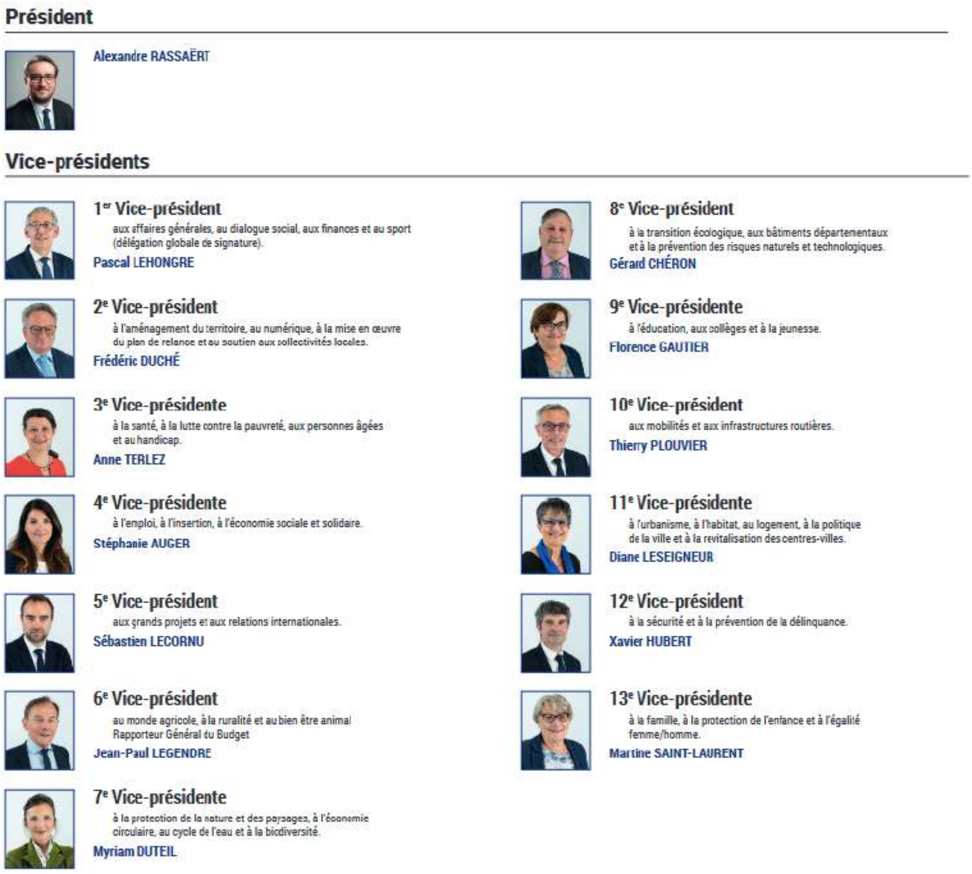
The President is also head of the departmental services. In this regard, the President is the hierarchical head of the staff they recruit and appoint.

The current President of the *Conseil Départemental* elected since 16 December 2022, is Mr Alexandre RASSAËRT.

In accordance with the provisions of the CGCT, the *Conseil Départemental* has delegated to its president, the power to:

- decide and change the allocation of the *Département de l'Eure*'s properties used by its public services;
- set, within the limits determined by the deliberative Assembly, the chargeable rates for highway rights, temporary deposit on the public highway and other public places, and more generally the rights, other than of a fiscal nature, benefiting the community;
- decide to enter into and review item leasing arrangements for a duration not exceeding 12 years;
- accept payments in respect of claims under insurance contracts;
- create official accounting service providers (*régies comptables*) necessary for the operation of the *Département de l'Eure*'s services;
- accept gifts and bequests not encumbered with any conditions or costs, without prejudice to the provisions of article L. 3221-10 of the CGCT which authorises the President to do so on an interim basis, whatever the conditions or costs;
- decide to dispose, by private sale, of movable property up to a value of 4,600 euros;
- set, without prejudice to the provisions of article L. 3213-2 of the CGCT and within the limits of the tax (land and property) department's valuations, the offer amounts to be notified by the *Département* to expropriated owners and to answer their requests;
- set the alignment (*reprises d'alignement*) boundaries pursuant to urban planning documentation;
- take the decisions specified in articles L. 523-4 and L. 523-5 of the French *Code du Patrimoine* relating to the performance of preventive archaeological diagnostics required for development operations or works within the territory of the *Département*;
- authorise in the name of the *Département*, the renewal of subscriptions to associations of which it is a member;
- award or withdraw grants maintained through departmental funds;
- take decisions relating to solidarity funds for housing, in particular grants, loans, remission of debt and waiver of claims;
- exercise, in the name of the *Département de l'Eure*, pre-emption rights over Sensitive Natural Spaces, as defined in article L. 142-3 of the French *Code de l'Urbanisme*;
- do all acts necessary in relation to the preparation, conclusion, execution and payment in settlement of public procurement contracts and framework agreements entered into by the *Département de l'Eure*, and those to which the *Département* responds, without condition as to amount, and for the whole term of the mandate. This includes, subject to delegations granted to the Standing Committee, acts relating to:
  - the conclusion of all public procurement contracts and framework agreements;
  - the award of public procurement contracts and framework agreements entered into in accordance with the appropriate procedure;
  - the signing of all public procurement contracts and framework agreements, whatever the procedure followed, as well as all amendments and authorisations to proceed (*décisions de poursuivre*) relating thereto;
  - the termination of public contracts and framework agreements and the payment of compensation owed to the holder in the event of termination on general interest grounds.

DELEGATIONS TO VICE-PRESIDENTS



President – **Alexandre RASSAËRT**

1st Vice-President for general affairs, social dialogue, finance and sport (global signing authority) - **Pascal LEHONGRE**

2nd Vice-President for local planning and development, digital, implementation of the recovery plan and support for local authorities - **Frédéric DUCHÉ**

3rd Vice-President – for health, the fight against poverty, elderly and handicapped persons - **Anne TERLEZ**

4th Vice-President – for employment, integration, the social and solidarity economy - **Stéphanie AUGER**

5th Vice-President – for major projects and international relations.– **Sébastien LECORNU**

6th Vice-President- for agriculture, rural affairs and animal well-being. General Rapporteur for the Budget - **Jean-Paul LEGENDRE**

7th Vice-President – for the protection of nature and the countryside, the circular economy, the water cycle and biodiversity - **Myriam DUTEIL**

8th Vice-President – for energy transition, departmental buildings and natural and technological risks prevention - **Gérard CHÉRON**

9th Vice-President – for education, schools and youth - **Florence GAUTIER**

10th Vice-President – for mobility and roads infrastructure - **Thierry PLOUVIER**

11th Vice-President – urban planning, housing, dwellings, towns policy and revitalisation of town centres - **Diane LESEIGNEUR**

12th Vice-President – for security and prevention of anti-social behaviour - **Xavier HUBERT**

13th Vice-President – for families, child protection and gender equality - **Martine SAINT-LAURENT**

2.3.3 Organisation of the *Département de l'Eure*'s services

Departmental councillors work in close collaboration with the *Département*'s agents. They prepare and implement the decisions of the elected representatives in their various spheres bringing to bear their skills and expertise. In this manner they ensure the successful implementation of the *Conseil Départementa*l*'s* actions.

2.3.4 The *Département de l'Eure*'s powers

The 1982 decentralisation laws distributed powers between the various local authorities. This distribution went hand-in-hand with a transfer of material and financial resources. The so-called "Decentralisation Act II" law of 13 August 2004, accelerated this trend by transferring other powers to, or strengthening existing powers of, the *départements*, such as managing 20,000 km of the national road network, establishing and operating non-urban transport or transferring technical personnel and manual workers. The general powers clause also enabled the *Conseil Départemental* to implement local policies, suited to the specific needs of the region and its population.

Whereas the NOTRe Law promulgated on 7 August 2015 confirmed that the management of schools and roads formed part of a *département*'s powers and that *département*s retained responsibility in the sphere of solidarity powers, its consequence for the *Département de l'Eure* was the abolition of the general powers clause and the transfer to the *Région Normandie* of powers in respect of departmental road transport services and schools transport.

Following the introduction of the NOTRe Law on 1 January 2017, the powers exercised, at the date of this Offering Circular, by the *Département de l'Eure* are as follows:

Social action

Social action remains the *Département*'s principal policy area. The *Département de l'Eure* is responsible in particular for child protection, integration through the active solidarity income ("**RSA**"), housing grants, aid towards integration via assisted contracts, support and assistance for the elderly and disabled through the individual autonomy allowance ("**APA**") and the handicap compensation allowance ("**PCH**"). The fight against social exclusion through subsidies for integration organisations is also a major area of the *Département de l'Eure*'s intervention.

Education

The *Département de l'Eure* has 66 middle schools (*collèges*) welcoming more than 33,000 pupils. In addition to building and renovating establishments, the *Département de l'Eure* is responsible for catering, accommodation, management of technical, manual and service staff, the allocation of operating endowments, departmental grants and the educational achievement plan.

Transport and infrastructure

The *Département de l'Eure*'s mission is to maintain the departmental road network – or 4,279 km. Schools transport powers were transferred to the Région, as provided under the NOTRe Law, except as regards the disabled which remains under the authority of *départements*. As part of the programme for the development of communication and information technologies, the *Département de l'Eure* has expanded broadband services by developing 400 km of fibre-optic infrastructure. Since June 2023, 92% of homes and businesses have benefited from optical fiber compared to 67% at the end of 2021.

Planning and development and environment

The *Département de l'Eure* protects its water resources, enhances its sensitive natural spaces and helps in managing household waste. Furthermore, it is responsible for the implementation of a climate plan at *Département* level. The "one birth one tree" initiative has resulted in 2022 in the planting of 7000 trees by the eurois schoolchildren, at the behest of the *Département de l'Eure*. This scheme was renewed for the year 2023.

The *Département de l'Eure* is developing housing, assisted in particular, with housing grants aimed at social landlords. It encourages tourism with the development of a green lanes network through the "*Seine à Vélo*" project, but also in the same vein, the *Département de l'Eure* intends to design more cycle paths by 2027 under the "*l'Eure à vélo*" project. And the rollout of the departmental tourism planning and development scheme (SDADT). It is also supporting the economy through attractive grants aimed at businesses and facilitates business takeovers.

In January 2013, the *Département de l'Eure* authorised the takeover of the paper manufacturer M-Real by the Thai firm Double A by acting as interim operator and developer of the site (the "MREAL deal").

Facilitation

Details of the takeover

In 2013, the *Département* acquired the 100 ha site for 22.2 M€. On the same day it sold all of the paper producing assets and land for 18 M€, to the Thai paper manufacturer Double A. The Thai company relaunched the business and in particular invested in a bioenergy powerplant generating green electricity since 1 January 2021. The remaining 50 ha, valued at around 4.6 M€ (excluding tax) were sold by the *Département* on 2 March 2015 for:

- 4.2 M€ to a company affiliated to Double A (acquisition of around 46 ha); and
- 0.2 M€ to the Grand Port Maritime de Rouen (acquisition of the port zone of around 4 ha).

On 28 March 2022, the business employs 136 people.

The *Département de l'Eure* provides aid to *communes* for cultural and sports amenities and grants for sporting associations. The *Conseil Départemental* gets involved in artistic projects at *département* and region level, such as "Rock In Evreux" in June, the itinerant "*Opéra de Rouen*" programme throughout the *Département* and the "*Place aux cinémas*" initiative in August. It has responsibility for cultural entertainment with the impressionist museum at Giverny and the heritage sites (Gisacum Vieil-Evreux, the Harcourt estate).

The Giverny impressionist museum is devoted to the Impressionist movement but also explores this aesthetic trend beyond its traditional dates. In fact, it is interested not only in the artists that effectively developed Impressionism, but also their precursors and post-impressionist heirs, from the end of the XIX[th] century to the present day.

The Harcourt estate, a masterpiece in mediaeval architecture dating from the XII[th] and XIV[th] centuries, was heavily revamped in the XVII[th] century, however the château remains surrounded by part of the perimeter wall and bordered by a double ditch. In the *château*, a permanent exhibition provides an understanding of the site, its architectural evolution, its history and that of the Harcourts, one of the oldest families in France. In addition, the Harcourt Arboretum displays a botanical collection that is unique not just by its age but also by the dimension of the specimens it houses.

2000 years ago, Gisacum was a town known for its size and its wealth of monuments. This town can be discovered at the Gisacum archaeological site through its visitor information centre which traces the history of its foundation and rediscovery by archaeologists. The remnants of the thermal baths are enhanced by their setting in an archaeological garden, forming an original and educational display and an agreeable place to meander.

In order to render its policies more effective, the *Département de l'Eure* relies on a network of bodies and associations which apply their specific skills and knowledge to its benefit.

Eure Aménagement Développement (EAD)

EAD, in cooperation with the *Conseil Départemental*, assists local authorities in connection with their planning and development projects by carrying out feasibility studies and acting on behalf of local authorities (development of business zones, housing programmes). In addition, EAD provides project management support and intervenes on environmental matters (supporting the realisation of sanitation blueprints, studies on drainage basins).

The *Conseil Départemental* owns 46.63% of the share capital of EAD, which is represented by 8 directors. EAD's shareholders are as follows:

Shareholders	Number of shares	% Holding
Département de l'Eure	90,237	46.63%
Evreux Portes de Normandie	21,920	11.33%
Communauté Seine Normandie Agglomération	21,553	11.14%
Communauté d'Agglomération Seine Eure	20,230	10.45%
Local authorities grouped in special Assembly (35)	10,534	5.44%
SUB-TOTAL LOCAL AUTHORITIES	164,474	85.00%
Caisse des Dépôts et Consignations	14,867	7.68%
Crédit Agricole Normandie Seine	4,442	2.30%
Caisse d'Epargne Normandie	4,342	2.24%
Logement Familial de l'Eure	2,100	1.09%
MonLogement27	1,448	0.75%
Fédération *Départementa*le du Bâtiment	800	0.41%
Chamber of Commerce and Industry of the Eure	550	0.28%
Chamber of Agriculture of the Eure	110	0.06%
SA HLM Rurale de l'Eure	105	0.05%
Chamber of Trades and Crafts of the Eure	100	0.05%
CIC Nord-Ouest	100	0.05%
Coopérative HLM	50	0.03%
IMMO de France Normandie	10	0.01%
Other private-individual shareholders	2	0.00%
TOTAL	193,500	100%

EUREKA, formerly "Eure Tourism"

This entity acts on behalf of the *Conseil Départemental* in matters relating to tourism development. Its mission is to design, develop and provide a global tourism offering.

Social landlords in the *Département*

Social landlords provide a service to local authorities and their inhabitants. The *Département de l'Eure* is heavily involved in the initiatives of the social landlord "MonLogement27" (22,319 homes). It is a mixed economy company of which the *Département* is the principal shareholder with 73.10% of the share capital.

The shareholders of MonLogement27 are as follows:

Shareholders	Number of shares	% Holding
Département de l'Eure	823,519	73.10%
Town of Evreux	56,617	5.03%
Special Assembly (39 communes)	33,540	2.98%
Town of Louviers	25,610	2.27%
Town of Vernon	18,236	1.62%
SUB-TOTAL Public	957,522	85.00%
UDAFE (*Union Départementale des associations familiales de l'Eure*)	45	0.00%
ALI (*Action Logement Immobilier*)	68,087	6.04%
Chamber of Agriculture	6	0.00%

Franpart	1,059	0.00%
Crédit Agricole	875	0.00%
FPBTPE (Fédération patronale du bâtiment et des travaux publics de l'Eure)	3,125	0.28%
Caisse d'Epargne	7,226	0.64%
EAD	81	0.00%
Social and Economic Committee	5	0.00%
Caisse des Dépôts et Consignations	88,456	7.85%
M. Vendeville	10	0.00%
SUB-TOTAL Private	168,975	15.00%
TOTAL	1,126,497	100.00%

3. SOCIO-ECONOMIC PROFILE OF THE *DÉPARTEMENT DE L'EURE*

A favourable demographic trend in the national and European context

The *Département de l'Eure*'s population has decreased by 0.3% between 2021 and 2022, which is equal to the national average rate (0.3%). This trend is linked to the negative migratory balance in *l'Eure* (-0.3%). According to INSEE's projections looking forward to 2050 (study dating from the 2013 population census), annual demographic growth should be less sustained (0.3% per year) but will remain above the regional average (0.1%).

Average annual rate of change	*Eure*	*Normandy*	*Mainland France*
Due to natural movement			
2000-2010	0.45%	0.34%	0.42%
2010-2018	0.30%	0.30%	0.30%
2017-2022	0.10%	0.00%	0.10%
2022-2023	0.00%	-0.10%	0.10%
Due to apparent balance of entries/exits			
2000-2010	0.30%	-0.04%	0.22%
2010-2018	0.2%	-0.10%	0.10%
2017-2022	-0.40%	-0.10%	0.20%
2022-2023	-0.20%	0.10%	0.20%

Source : INSEE, population estimates

According to INSEE, the *Département de l'Eure* is a vector for demographic growth in Normandy. The migratory balance was negative between 2022 and 2023, which indicates a heavy population exodus. However the natural balance is positive and greater than that of the Région (source : https://www.insee.fr/en/statistics/7640425).

The *Département*'s population density of 100 inhabitants per km² is below the mainland average (106 inhabitants per km²) and regional average (111 inhabitants per km²).

The birth rate indicator for the year 2022 was 1.98 children in *l'Eure*, a higher level than in Normandy (1.81 children) and in mainland France (1.76 children). Note that this level represents the generational renewal threshold (2.05 children per woman).

As regards the population distribution throughout the *Département* in 2016, communes of less than 10,000 inhabitants accounted for 77.2% of the population compared to 22.8% for communes of 10,000 or more inhabitants (source: https://www.insee.fr/fr/statistiques/3682192). The *Département de l'Eure* is attractive to households coming from communes in Ile-de-France, in particular those situated along the motorways and railway lines connecting *l'Eure* to Paris. Note also the arrival of households residing in the *communes* of the Sud de Rouen suburbs, and also of Le Havre and its surrounding *communes*.

The *euroise* population is young compared to the *Région* and also mainland France in 2020. The under 30s represent 34.9% of the population of the *Département* compared to 34.4% of the *Région's* population. Of the 34.9% of the under 30s population in the *Département de l'Eure*, 25.1% were under the age of 20 in 2021 (source: https://www.insee.fr/en/statistics/5402361#graphique-figure8). The population aged 60 and over is greater in France (26.9%) and in Normandy (28.3%) than in the *Département de l'Eure* (25.9%).

At the end of 2021, 82,120 households in Normandy were receiving active solidarity income (RSA), 13,360 of which for the *Département* de *l'Eure*. The number of RSA beneficiaries has fallen by 6.9% over one year (-7% nationally and similarly -5.6% for the *Département*) (source: https://www.insee.fr/en/statistics/6531086).

Relatively high income levels

In 2020, the Gross Domestic Product (GDP) per inhabitant was 27,168 euros in the *Région*, down compared to 2018 (28,651 euros : revised data).

L'Eure stands out for its above regional average income levels. The median available income per consumer unit in 2020 was 22,240 euros compared respectively to 21,820 euros for the *Région*.

Employment situation in l'Eure

There were 185,600 salaried employees in *L'Eure* in the 1st quarter 2023, or 15% of employment in Normandy. Over one year, the growth in salaried employment in the *Département* is less significant to that of the *Région* (respectively 0.1% and 0.9% compared to 2021).

In more detail, industry represents 11.99% of salaried employment in the 1st quarter 2023. The trade component increased by 0.7% and a larger increase of 1.2% for the industry. At regional level, commercial employment slightly increased by 0.3%. In addition, employment in regional industry also increased by 1.2%. Employment in the agricultural sector continues to grow (+ 3% in the first quarter of 2023 after +1.6% in the first quarter of 2022). The construction sector remained at a high level, the highest in Normandy (+ 1.1%).

The distribution of salaried employment by business sector is shown in the table below:

	Eure		Normandy	
4th Quarter 2022	**Salaried headcount**	**Change over 1 year**	**Salaried headcount**	**Change over 1 year**
Industry	37,531	0.9%	203,009	0.7%
Construction	11,647	1.6%	78,881	1.3%
Commercial tertiary	74,838	-0.4%	524,372	1.2%
Non-commercial tertiary	59,435	0.1%	407,181	-0.2%
TOTAL	**185,703**	**0.2%**	**1,232,096**	**0.7%**

Source : Dreets de Normandie – Normandie Stat's,
(https://normandie.dreets.gouv.fr/sites/normandie.dreets.gouv.fr/IMG/pdf/normandie_stat_s_numero_35.pdf)

The unemployment rate in the 4th quarter 2022 was 6.8% compared to 7.4% in the last quarter of 2021. This level should be analysed in light of the unemployment rate in mainland France and Normandy, of 7% and 6.7% respectively.

The number of category A jobseekers in the 1st quarter 2023 was 22,680, down by 8.8% over one year. However, the number registered in the 3 categories A, B and C recorded a fall of 5.5% to 44,640.

The number of registered jobseekers under the age of 25 in categories A, B and C was 6,240, down by 4.7% in the 1st quarter 2023 compared to the 1st quarter 2022.

The number of jobseekers aged 50 and over registered in category A, B and C totalled 11,880 in the 1st quarter 2023. Over one year, their number decreased by 5.1%. Within category A alone, the decrease in those aged 50 and over reached 11.5%.

A dynamic and diverse economy

At 31 December 2020, there were 36,913 businesses registered in *L'Eure*, of which 46.8% in the service sector, 28.7% in the commercial, transport and restaurants sector, 17.1% in construction and 7.4% in manufacturing, extractive and other industries.

In 2021, the business start-up rate was on the increase in *l'Eure* (+19% sustained by micro-entrepreneurs and sole traders). The 4th annual consecutive increase (+ 69% since 2017). Growth was seen in all business sectors and more particularly in commerce, transport, restaurants and accommodation. In more detail, the increase is derived from:

- sole traders, excluding micro-entrepreneurs (+16.64% over one year);
- micro-entrepreneurs (+17%).

The *Département de l'Eure* is wealthy from its diverse and efficient agriculture whose useful surface area (SAU) exploits 65% of the territory. The SAU is devoted to field crops (¾) and mixed crop-livestock farming (¼). Although livestock farming is decreasing to the benefit of field crops, one in two farms in the *Département* still has a livestock unit.

L'Eure, a place of innovative enterprises and world leaders in their business sector

Ranked 9th amongst French industrial *Département*s (21% of salaried jobs compared to 16% at regional level and 12% at national level) (sources : https://ecomnews.fr/news/quels-sont-les-departements-francais-les-plus-industriels-et-qui-ont-le-plus-grand-nombre-demplois-industriels/, https://www.insee.fr/fr/outil-interactif/5367857/details/territoires/70_SAC/73_IND/73I_FigureT3, https://www.insee.fr/fr/statistiques/7623400?sommaire=7343462), *l'Eure* is home to both the major names in global industry and also successful SME. The *Département*'s privileged geographical location and dense and efficient industrial fabric are a real advantage. Indeed, the presence of numerous successful SME means that suppliers and subcontractors can be found locally to satisfy all requirements for quality. In 2023, the *Département* has opened the "McArthurGlen Paris-Giverny" brands village in Douains.

More and more private laboratories and young innovative enterprises in the fine chemicals, biotechnology and health sectors have set up in *l'Eure*.

The *Département* is home to a number of world leaders in pharmaceuticals such as Sanofi Pasteur, Aptar Pharma, Janssen Cilag and GlaxoSmithKline, and almost 2000 researchers and experts in this field.

Biotechnologies and chemicals are not the only innovative sectors in *l'Eure*: aeronautics, electronics are also well placed with big names in the industry such as Aircelle and Snecma, but also equally creative SMEs such as Ayonis, specialising in industrial metrology, Altix, designer and manufacturer of printed circuit boards or indeed Sysnav with its non-GPS geolocation techniques.

The appeal of the *euroise* region can also be explained by the establishment of a range of structures and tools to support projects for the creation, implantation and development of high added value companies: financing of custom-made premises and state-of-the-art equipment, networking, bringing of expertise, pooling of resources, creating synergies, promotion and communications.

Competitiveness clusters and sectors of excellence

The innovative and dynamic nature of the Eure economy is also reflected in synergies between enterprises, institutions and higher education establishments in the logistics, automotive, cosmetics, aeronautics, biotechnology, packaging and distance selling sectors.

Cosmetic Valley, France - World leading resource centre for cosmetic perfumery, it brings together 300 enterprises of which 90% are SME, training and research centres investing in projects such as cosmetotextiles, the REACH regulations or the sensorial dimension.

MOV'EO - Global competitiveness cluster, Mov'eo promotes and brings to fruition collaborative research and development projects relating to energy, the environment, mechatronics, road safety and intelligent mobility solutions. It currently has 380 members including 200 SME and manages 375 certified projects for a budget of 1450 M€.

NOV@LOG - With its 140 members including 50 SME and 25 research centres, Nov@Log anticipates and develops the logistical services and systems of the future, including the final development of a European logistics information system. 40 projects have been certified for an investment of 52 M€.

Normandy Packaging - Normandy Packaging's purpose is to bring together the regional packaging businesses, packaging manufacturers and packaging machine manufacturers to promote discourse and multiply partnerships and joint projects. The packaging sector represents 200 enterprises and 13,000 jobs in Haute-Normandie, or 2.8% of regional salaried employment. Normandy Packaging has 37 members including a packaging and conditioning engineering school at the *Institut Universitaire de Technologie d'Evreux*.

Normandie Aerospace - A network of excellence in aeronautics, space, defence and security, Normandie Aerospace combines major industrial concerns, airports, a military base, SME, laboratories and educational establishments. NAE represents almost 2 Bn € in turnover, 107 members and 13,500 employees. It is financed by the regional councils of Haute Normandie, Basse Normandie, the State through DIRRECTE and Europe through the ERDF.

Chimie Biologie Santé - Established at the end of 2003 at the initiative of the Regional Council of Haute Normandie, the Technopole-CBS brings together operators in the chemistry, biology and health sector. It promotes networking between academics and industrialists in the sector and supports young innovative businesses that it has brought together to form a Club. It was certified as an "enterprise cluster" in 2009 by the regional planning and development and regional attractiveness department (DATAR).

La Vente à Distance - With several tens of millions of packages prepared and dispatched every year, the Eure ranks 2nd amongst French *départements* in terms of packages sent through distance selling and e-commerce - a sector that represents 300 enterprises and almost 6000 jobs.

Nov&atech – This Normandy network, born from the merger between Nov&a and Agrinovatech, brings together operators from the biomaterials, bioenergy and green chemicals sector and deploys resources with the aim of promoting projects for the development of agro-resources.

Specialized training suited to the needs of local businesses

Whereas its proximity to Paris offers unlimited possibilities in terms of higher education, the Eure also offers the 3500 students in this region a rich palette of higher education opportunities including one of the 5 technology diplomas (*Diplômes Universitaires de Technologie* or **DUT**) for packaging engineering available in France.

Private or public, higher education in the Eure offers a wide range of courses:

– the university campus at Evreux, a branch of the University of Rouen (4 degrees: Life, Earth and Environmental Sciences, Healthcare Engineering, Physics-Chemistry and Law / 1 Masters: Healthcare Engineering 1 and 2);

– the *Institut Universitaire de Technologie* (**IUT**) in Evreux: 7 DUT and 11 professional degrees (Packaging Adaptation and Industrial Design, Hospitality, QSE);

– Institut Nationale Supérieur du Professorat et de l'Éducation (**INSPE**) : 1 Masters in teaching, education and training.

– 1 aerospace science engineering school (ELISA);

– 2 research laboratories;

– 1 new Technological Research Platform (**PRT**) bringing together various research entities with a focus on technology transfer. Its aim is to develop a research and development network relating to environmental health and safety;

– The higher educational establishments of the Chamber of Commerce and Industry (**CCI**) of the Eure: training to level Bac +2 to Bac +5 alternating;

– numerous higher technician certificates (**BTS**) and a wide range of vocational training courses.

The Eure is an attractive tourist destination

Located in Normandy, the 8th most popular travel destination for the French and 5th French region in terms of shortstay trips, the Eure is home to the 2nd most visited paying tourist site in Normandy after Mont-Saint-Michel: the gardens and house of Claude Monet in Giverny. Tourist sites visited by the general public in the Eure recorded 1,082,174 visitors in 2022, an increase of 108% over one year, according to data collected by EUREKA formerly Eure Tourisme. The top 5 sites and visited locations are as follows:

Sites	***2021***	***2022***	***change***
Foundation C. Monet	253,033	645,583	+ 155%
Biotropica	142,549	213,911	+50%
Impressionists Museum	80,145	125,238	+56%
Château Gaillard	19,161	34,351	+79%
Domaine d'Harcourt	24,823	63,091	+154%

Source: https://pro.eureka-attractivite.fr/observatoire-touristique/

A summary of 2022 key figures for tourism in the Eure is shown below *(source: 2022 Activity Report, Eureka*):

Flux Vision Data ***10 million** overnight stays (+25%)*		**Gites and B&B on Airbnb and Abritel** ***307,797** nights booked (+21%)*	
71% of overnight stays (French customers)	**29%** of overnight stays (foreign customers)	**43%** average occupancy rate	**3.35** nights average length of stay
Hotels *556,872 overnight stays (+26%)*		**Open-air hotels** *187,890 overnight stays from April to September*	
485,050 overnights stays (French customers) *(+18%)*	**71,378** overnight stays (foreign customers) *(+110%)*	**102,210** overnigt stays (French customers) *(-10%)*	**85,670** overnight stays (foreign customers) *(+104%)*

4. OUTLOOK

Rail link: the new Paris-Normandy line (LNPN)

Réseaux Ferrés de France has decided to pursue the plans for a new railway line between Paris and Normandy linking the capital to Le Havre and Caen. The project meets multiple aims:

– to reduce travel time between Paris-Rouen, Paris-Le Havre and Paris-Caen;

– to improve passenger comfort for the people of Normandy and Ile-de-France;

– to increase rail freight capacity;

– to improve port services.

A number of route scenarios are under consideration, putting Paris at around 45 minutes from Rouen, 1 hour 18 minutes from Le Havre and 1 hour 15 minutes from Caen.

Inter-regional journeys will also be greatly improved: indeed, the journey time between Rouen and Caen could be halved to 45 minutes.

This project will boost the growth of the *Département de l'Eure* by creating nearly 10,000 sustainable jobs over 20 years. Commissioning is scheduled for 2025.

The Seine Axis: a development opportunity

The Seine Axis is an area straddling six *départements* including the Hauts-de-Seine, Yvelines, Val-d'Oise, Eure, Seine Maritime and Calvados. Identified in the Grand Paris project, this area forms the maritime gateway to the capital *Région* but it is also a valley offering a very rich natural and built heritage surrounding the Seine.

Formed into an association, the six member *départements* share a common vision for the development of the Seine Axis:

– drawing on the advantages of the Seine Axis to develop infrastructure;

– bringing new sectors to the fore in liaison with the training and research hubs; and

– contributing to the development of tourism and employment.

River link: the future port at Alizay

The "Grand Paris - Seine Axis" project involves logistical reorganization and the construction of new facilities. The new river port of Alizay forms part of this dynamic. Sponsored by the *Pôle Métropolitain* and the commission for the development of the Seine valley (*Commissariat pour le Développement de la Vallée de la Seine*), it is considered to be one of the greatest opportunities for the *Département de l'Eure*.

Located on the banks of the Seine, at a point where the flows converge, the 250 ha site benefits from the proximity of the route of the future A28-A13 motorway and two points of access to the railway network with the "Paris - Le Havre" and "Pont-de-l'Arche - Etrépagny - Paris" lines, thus giving the logistics platform a real multimodal character.

Superfast broadband infrastructure and information and communication technology services

Superfast broadband equipment in the Eure is entering a new phase. To secure the current broadband network and enable the development of superfast broadband (THD), the *Département de l'Eure* has through its combined syndicate (Eure Digital) installed more than 200 km of fibre-optic cable which will complete the backbone of the future superfast broadband network in the Eure. The project, adopted at the standing committee meeting of October 2012, is part of the plan for the development of superfast broadband in Normandy. The Eure's digital development masterplan aimed to deploy a network capable of covering 70% of the *euroise* population by 2020, complemented by the desire that 94% of households and businesses should have access by 2020 to quality broadband (8Mbit/s minimum). In 2023, 92% of the public network in favour of fibre optics to the home was built in the Eure *Département* (*source: https://www.eurenormandienumerique.fr/*).

The addition of these further 200 km to the already existing 400 km of fibre-optic cable has boosted the economic development and appeal of the Eure region. 6 Activity Zones ("**ZA**") have already been equipped with superfast broadband:

– ZA du Long Buisson in Evreux;

– ZA des Granges in Bernay;

– ZA du Thuit Anger;

– ZA des Mascarets in Pont-Audemer;

– ZA de Saint Sulfrant in Pont-Audemer;

– ZA des Burets in Pont-Audemer;

– ZA des Champs Chouettes in Saint Aubin sur Gaillon;

– ZA Ecoseine in Andelys;

– ZA Maison Rouge in Brionne;

– Activities Park of Roumois in Bourg Achard (launched in November 2016).

Similarly, it has also enabled works to be launched for the deployment of superfast broadband in 6 commune communities ("**CC**"): those of Pays de Conches, Pont-Audemer, Canton de Rugles, Pays du Neubourg, Bernay and its Surroundings and Gisors-Epte-Lévrière and to connect 34 middle schools to superfast broadband. In 2023, 65 schools are connected to very high speed broadband.

Access to superfast broadband is one of the priorities of the *Département*, which has already devoted almost 40 M€ to equip 90% of *eurois* households with superfast broadband and 100% by 2025.

Strengthening the aeronautics and space sector

The aeronautics and space industry is a great specialism of the Eure (2,700 industrial jobs) thanks to Snecma and TE Connectivity in particular, the presence of the airbase 105, numerous subcontractor enterprises as well as the support of the *Centre de Ressources Technologiques Analyses et Surfaces* in Val-de-Reuil. Their strength is based upon an AeroEspace sector of excellence which has been established in the *Région* with the aim of increasing the efficiency of businesses by pooling their ideas. The development of the former site of the ballistic and aerodynamic research laboratory (LRBA) in Vernon offers a unique opportunity to develop a major and highly innovative technological hub, to strengthen the space and aeronautics capabilities of the Seine Axis. It revolves around the presence of Safran Aircraft Engines which of itself represents a strategic industrial interest providing more than 1100 highly qualified jobs. Sustained by its position midway along the Seine Axis, at the interface between the Ile-de-France and Haute-Normandie regions, the site offers an availability of land and real estate enabling rapid deployment of not only research and manufacturing operations but also tertiary services. Relying on the environmental quality of the site, the project should enable the development of a 70 ha plot of land with all the characteristics of a technological campus (research laboratories, offices, cultural and sports amenities and residential space).

In addition, the setting of the site and its proximity to Giverny are major assets with a view to developing the tourism offer. This large-scale development project has been entrusted to a public company and aims to create more than 400 jobs.

Thanks to the scale of the plans, the "Space Platform" should give a strong resonance to the economic ambition of the "Seine Axis" project.

5. ACCOUNTING AND MANAGEMENT PRINCIPLES

5.1 Budgetary and accounting rules

The CGCT and the accounting classification systems applicable to local authorities determine the budgetary and accounting framework applicable to the *Département de l'Eure*, the major principles of which are as follows:

5.1.1 Principles governing budget presentation

Unity

The unity principle requires that all income and expenditure items appear in a single budgetary document, the general budget of the local authority. However other so-called ancillary budgets may supplement the general budget in order to trace the operations of certain departments. This is true of the *Département de l'Eure* which has 8 ancillary budgets for:

– the departmental children's home, the administrative canteen, preventive archaeology, transport and engineering 27; and

– the social and medico-social establishments and services which are local geriatric information and coordination centres dedicated to the elderly and handicapped: Pont-Audemer, Vernon and Evreux.

Universality

The universality principle implies that all income and expenditure operations are indicated integrally and without modification in the budget and that revenue finances expenditure without distinction.

5.1.2 Principles governing the adoption of the budget

Annuality

The annuality principle requires that the budget is defined for a period of 12 months from 1 January to 31 December and that each local authority adopts its budget for the following year before 1 January. The law allows a grace period until 15 April of the year to which the budget applies, or 30 April in local assembly election years.

Balance

The budgetary balance rule implies the existence of an equilibrium between a local authority's income and expenditure, on the one hand, and also between the various parts of the budget, in other words between the operating and investment sections. It implies the principle of true equilibrium which is an absolute "golden rule" for local authorities in that it forces local authorities to ensure at all times that debt is repaid using own resources.

Specialism

The principle of specialism of expenditure involves only authorising expenditure for a particular service and for a particular purpose. Therefore, credits are allocated to a department, or group of departments, and are specialised by chapter categorising expenditure according to their type or intended purpose.

Other principles

The principles for the preparation of local authority budgets are subject to control by the prefect (*Préfet*), in liaison with the *Chambre Régionale des Comptes*.

Budgetary and accounting instructions that apply to local authorities differ between the various levels of local authority. They have all recently been reformed in order to align themselves with the general chart of accounts (*plan comptable general*) through the application of a number of its main principles. Indeed it follows a system of accrual accounting, by double entry (matching sources and uses of funds) by an accountant of the *Trésor*. The accounting instruction applicable to the *Département* is M 57.

Local authorities have their own assets and budget. For the implementation of its powers, each local authority enjoys legally recognised financial autonomy. This financial autonomy is reflected in the annual vote on the primary budgets which identify revenues and authorise expenditure. The recorded transactions are then set out in the administrative accounts voted by the local authority. The budgets are prepared by the president of the local authority. The budget is a document that sets limitations on expenditure and evaluates revenue. During the year, supplemental or amending budgets may be necessary, in order to adjust expenditure and revenue to reflect their actual implementation.

5.1.3 The operating and investment sections

For all local authorities the budget is structured in two sections: the operating section and the investment section.

– The operating section includes all expenditure necessary for the operation of the local authority (general expenses, staff costs, ordinary management, interest on debt, amortisation expense, provisions) and all income that the local authority may receive from transfers of costs, provision of services, State endowments, duties and taxes, and reversals of provisions and amortisations, if any, made by the local authority.

– The investment section includes, under expenditure, debt repayments, equipment expenditure by the local authority (works in progress or indeed operations on behalf of third parties) and equipment grants and, under revenue, borrowings, equipment endowments and grants received. Article L.1612-4 of the CGCT imposes financial constraints on local authorities which prohibits them from borrowing to repay the principal on their debt (principle of true balance).

5.2 Essential controls

The law of 2 March 1982 abolished all upstream control of the acts of local authorities. The budgets voted by each local authority are now automatically enforceable from the date of their publication or notification and transmission to the prefect (*Préfet*), the State's representative in the *Département*. Controls are nevertheless the essential counterpoint to the responsibilities conferred. They are performed by the public auditor (*Comptable Public*), the *Préfet* and the regional chamber of accounts (*Chambre Régionale des Comptes*).

5.2.1 Transactional controls by the public auditor

Controls performed by the *Comptable Public* are governed by the provisions of articles L.1617-1 to L.1617-5 of the CGCT which applies to *département*s. Pursuant to article L.1617-1 of the CGCT, the *Comptable Public* is a public auditor of the State appointed by the Minister for the Budget.

The *Comptable Public* executes the financial transactions and maintains management accounts in which he records all of the local authority's expenditure and revenue. They verify that expenses are posted to the correct budgetary chapter and that the source of the revenue is lawful. They may not verify the suitability of any transaction. Indeed, they may not make any judgement on the policies adopted by local authorities because of their freedom of administration and, should they do so, the authorising officer (*ordonnateur*) may oblige the *Comptable Public*, in other words force them to make payment. Should the *Comptable Public* detect an unlawful act, they will reject the payment decided by the authorising officer. *Comptables* Publics may be held financially and personally liable for the payments that they make. Where the accounts are in order, the *Chambre Régionale des Comptes* signs-off on the *Comptable Public's* management and grants them discharge. If a problem occurs, the *Chambres régionales des comptes*, the *Cour des comptes* or the Finance Minister may place the *Comptable Public* in debit (*débet*), in other words issue an order to reverse the payment, which forces the *Comptable Public* to pay the relevant sum immediately from their own pocket.

5.2.2 Control of legality by the *Préfet*

Article L.3132-1 of the CGCT provides that the State's representative in the *département* shall refer to the administrative tribunal acts that it considers unlawful within two months of their transmission to the prefecture. Budgetary control of legality applies to the preparation, adoption and presentation of budgetary documents and their annexes.

5.2.3 Controls by the Chambre Régionale des Comptes

The law of 2 March 1982 also established regional chambers of accounts (*Chambres Régionales des Comptes*), staffed by life-appointed magistrates: this was to counterbalance the abolition of the upstream oversight of local authority acts. The powers and authority of these jurisdictions are prescribed by law and have been codified under articles L.211-1 et seq. of the French *Code des juridictions financières*. The powers of a *Chambre Régionale des Comptes* extend to all local authorities within its geographical jurisdiction, including communes, *département*s and *régions*, but also their public establishments. In this regard, *Chambres Régionales des Comptes* are bestowed with threefold powers of control. Firstly budgetary control, which replaced that performed by the *Préfet* prior to the law of 2 March 1982. Secondly, jurisdictional control the aim of which is to ensure the regularity of the transactions entered into by the *Comptable Public*. Thirdly, management control whose purpose is to verify the regularity of the income and expenditure of communes.

Pursuant to articles L.1612-1 to L.1612-20 of the CGCT, budgetary controls are performed in relation to the Primary Budget (PB), amendment decisions (DM) and the Administrative Account (AA). The *Chambre Régionale des Comptes* intervenes in four situations:

1/ where the PB is adopted out of time (after 15 April, except in deliberative assembly election years where the period runs until 30 April of the financial year) and if not transmitted within a period of 15 days, the *Préfet* must immediately notify the *Chambre Régionale des Comptes* which shall formulate proposals within one month for the settlement of the budget; the *Préfet* then settles the budget and declares it enforceable or cites express reasons for his decision if it differs from the proposals made by the Chambre *Régionale des Comptes*;

2/ if the adopted budget lacks true equilibrium (revenue does not match expenditure), three successive periods unfold:

– thirty days for the *Préfet* to refer the matter to the *Chambre Régionale des Comptes*;

– thirty days for the CRC to formulate its proposals on restoring budgetary equilibrium;

– one month for the local authority's deliberative body to rectify the original budget, failing which the *Préfet* shall himself settle the budget and render it enforceable or cite express reasons for his decision if it differs from the proposals made by the *Chambre Régionale des Comptes*;

3/ in the event of failure to record a mandatory expense, the *Chambre Régionale des Comptes* - to which the matter may be referred either by the *Préfet*, or by the *Comptable Public*, or by any interested party - duly notes such failure within one month of the referral and delivers a formal notice of demand to the relevant local authority; if such formal notice of demand has not been satisfied within one month, the *Chambre Régionale des Comptes* requests the *Préfet* to enter the expense in the budget and proposes, if necessary, that revenue be raised or an optional expenditure item be decreased to cover the mandatory expense. The *Préfet* then settles the budget and declares it enforceable or cites express reasons for his decision if it differs from the proposals made by the *Chambre Régionale des Comptes*.

4/ where execution of the budget is in deficit (where the sum of the results of the two sections of the Administrative Account is negative) by more than 5% or 10% of operating section revenue, depending on the size of the local authority, the *Chambre Régionale des Comptes* proposes restorative measures within a period of one month from the date of referral. Once these restorative measures have been applied to the budget, the *Préfet* delivers to the *Chambre Régionale des Comptes* the PB relating to the following financial year. If upon its examination of this PB, the *Chambre Régionale des Comptes* determines that the local authority has not taken adequate measures to reduce this deficit, it proposes the necessary measures to the *Préfet* within a period of one month. The *Préfet* then settles the budget and declares it enforceable or cites express reasons for his decision if it differs from the proposals made by the *Chambre Régionale des Comptes*.

The *Chambre Régionale des Comptes* judges all of the accounts of the public auditors of local authorities and their public establishments. This jurisdictional control is the founding mission of the *Chambres Régionales des Comptes*. It is a control of the regularity of the transactions performed by public auditors. It involves verifying not only the regularity of the accounts, but above all that the public auditor has properly performed all of the controls that they are obliged to make. Conversely, the law of 21 December 2001 on *Chambres Régionales des Comptes* and the *Cour des Comptes* prohibits any control of suitability. The *Chambre Régionale des Comptes* rules upon and acknowledges the accuracy of the accounts by its judgements, whether or not irregularities have been discovered.

The *Chambres Régionales des Comptes* also have a duty to control local authority management. The purpose of these controls is to examine the regularity and quality of a local authority's management. It examines not only the financial equilibrium of management operations and the resources employed for their implementation, but also the outcome achieved compared to the resources employed and the results of the actions undertaken. The *Chambres Régionales des Comptes* base their judgement on the regularity of the operations and the economics of the resources employed and not on the appropriateness or suitability of the actions undertaken by local authorities. The *Chambres Régionales des Comptes'* first priority is to encourage and assist local authorities in complying with the law in order to avoid any sanction.

5.2.4 Account certification trial

By inter-ministerial order dated 10 November 2016, the *Département de l'Eure* was selected to take part in a trial on the certification of accounts. The certification relates to:

- regularity: compliance of the financial statements with applicable rules and procedures;
- fairness: preparation of financial statements consistent with the knowledge that the persons responsible have of the reality and significance of the events recorded; and
- faithfulness of the accounts: application in good faith of accounting rules.

It is therefore an opinion on accounting quality supported by findings. The certifier assesses the financial statements without reaching any conclusion on the liability of the public auditor or of the *Département de l'Eure*. In this case, certification is not an alternative to the already existing forms of control of public accounts.

Certification pertains to the obligation that accounts should be reliable on a twofold constitutional (article 47-2 of the Constitution) and framework (Directive 2011/85 of 8 November 2011) basis. It is based upon an analysis:

- of the local authority's financial and accounting organisation;
- of the management processes having a significant impact on the accounts;
- of the local authority's financial information systems; and
- on the effectiveness of the internal control function.

Certification of the *Département*'s accounts is in two phases:

- a preparatory phase from 2017 to 2020 resulting in the preparation of a report on the ability of the local authority to begin the trial certification phase, under the aegis of the *Cour des Comptes* and the *Chambre Régionale des Comptes*;
- the actual certification phase from 2020 to 2022, under the aegis of the statutory auditors.

With regard to the preparatory phase, the year 2017 was devoted to an overall participation suitability assessment. The *Cour des Comptes* issued its interim report on this subject in January. In 2018, 2019 and 2020, targeted assessments were carried out on a time prioritised basis before the concluding report on the ability of the local authority to enter into the trial certification phase.

As regards phase two, the firm Mazars has, since 23 March 2020, as part of a public procurement process been awarded the mandate to certify the *Département*'s accounts for the financial years 2020, 2021 and 2022. Work with the firm on reviewing the opening balance sheet (prepared to 31/12/2019) commenced immediately upon notification of the award of the contract.

Certification offers the following main advantages:

- presenting a positive image to third parties;
- a guarantee of accounting quality and compliance with accounting rules;
- improved documentation and traceability of transactions; and
- securing and indeed improvement of processes.

5.3 Use of borrowing

*Département*s have complete and entire freedom to decide whether borrowing is appropriate. Indeed, pursuant to article L. 3336-1 of the CGCT which refers to article L.2337-3 of the same Code, *département*s may conclude borrowings. As provided in article L.3332-3 of the CGCT, the proceeds of borrowing form one of the non-tax revenues in the investment section of *département*s' budgets.

Borrowings may be used solely to finance investment, whether of specific equipment, works relating to such equipment or indeed acquisitions of durable goods treated as capital assets. Borrowings do not have to be expressly allocated to one or more investment operations specifically identified in the contract. They may be globalised and applied towards the overall financing requirement of the investment section.

Under no circumstances may borrowing be used to make up a shortfall in the operating section or a lack of own funds to reimburse debt (article L.1612-4 of the CGCT). Furthermore, unforeseen expenditure entered in the investment section of the budget cannot be financed through borrowing (article L.2322-1 of the CGCT by referral from article L.3322-1 of the same Code). Subject thereto, the proceeds of borrowings specified in the Primary Budget may be used to balance the investment section.

Article L.1612-1 of the CGCT provides that the executive of the local authority may, between 1 January of the financial year and the date of adoption of the budget, "order the collection of revenue", which does not however authorise entering into new borrowing agreements on the basis of revenue projections in the preceding budget, which would constitute a new commitment and not merely the collection of revenues legally committed to previously. Furthermore, this article specifies that "until the budget is adopted or until 15 April, if the budget is not adopted before such date, the local authority's executive may, with the authorisation of the deliberative body, commit, liquidate and mandate investment expenditure, within the limit of one quarter of the credits opened in the previous financial year, not including credits relating to debt repayment". These provisions do not concern borrowing which is a revenue for the purposes of this section. The deliberation resolving to enter into new borrowing may be deferred to the administrative judge, even if such decision is to be regularised in the next Primary Budget. It is only after the adoption thereof that the *Conseil Départemental* or, if so delegated to her/him, its President, may contract the borrowing.

The *Préfet* ensures compliance with the budgetary control rules specified in articles L.1612-1 to L.1612-9 of the CGCT. The prefectoral authority or any person with legal standing may contest the lawfulness of acts related to borrowing before the administrative judge.

Budgetary credits necessary for the repayment of debt, whether interest or principal, are assessed fairly in the budget. In the case of *départements*, finance costs, whether of interest or ancillary expenses, are applied to accounts chapter 66, as expenditure in the investment section. This must be covered by own funds, which is an essential requirement of budgetary equilibrium (article L.1612-4 of the CGCT). Debt service constitutes a mandatory expense, whether concerning the repayment of principal or interest on debt. The lender therefore has the right to use the ex officio expenditure entry and ordering procedures to secure payment of debt annuities in the event of default by the *département* (articles L.1615-15 and L.1612-16 of the CGCT). However, the entry and ordering of mandatory expenditure resulting from a final and non-appealable court decision against a *département*, are governed by article 1 of the law n°80-539 dated 16 July 1980 and articles L.911-1 and seq. of the French *Code de justice administrative* (article L.1612-17 of the CGCT). Furthermore, common law enforcement procedures (seizure mainly) cannot be brought against the *Département de l'Eure*.

5.4 5.4 Rating

The rating agency Moody's France SAS on 28 April 2023 has confirmed long-term Aa3 stable outlook, and Prime-1 short-term, ratings to the *Département de l'Eure*.

The *Département de l'Eure*'s ratings reflect a solid financial performance against the background of shrinking State endowments and increasing social expenditure, with moderate indebtedness and sound financial governance.

However, the rating agency points out "low" budget flexibility similar to all French *département*s, due to the nature of their powers, in terms of social action in particular, which offers little room for manoeuvre.

II. FINANCIAL INFORMATION

1. SUMMARY OF THE 2022 SINGLE FINANCIAL ACCOUNTS

The *Département* has applied for the experiment relating to the establishment of a single financial account within the framework laid down by Article 242 of French Law No.2018-1317 on finances for 2019.

The single financial account replaces the administrative account presented by the President of the *Conseil Départemental* and the management account drawn up by the Départment's Paying Officer.

This document has several purposes:

– promoting transparency and readability of financial reporting;

– improve the quality of accounts;

– simplify the administrative processes between the authorising officer and the accounting officer, without calling into question their respective prerogatives.

As formerly the administrative account, the CFU has a triple purpose and is an essential moment in the life of the *Département*:

– enabling budgetary execution, and thereby the actions taken during the financial year, to be assessed;

– enables a report to be prepared on the financial situation of the *Département* at 31 December of the preceding year;

– it leads to a determination of the accounting results, therefore allowing an assessment of the previous year's borrowing strategy.

Four highlights mark the year 2022:

– an increase in management expenditure of 6.8%, reflecting inflationary pressures, the increase in social spending (autonomy, child protection) and salary adjustment measures;

– a decrease in the operating surplus (excluding income from disposals), both the gross operating surplus at -12% and net operating surplus of -14%;

– a high level of actual equipment expenditure (133 M€), due in particular to the investment in schools;

– a slight increase in outstanding debt to 1.33% and thus increased to €322.6 million.

These four elements reflect the *Département*'s sound financial situation.

Above and beyond the constraints posed by the economic context, sound management of its finances is a prerequisite for the *Département*'s commitment to the *eurois*. It is from this perspective that, as from 2015, an ambitious and responsible financial strategy was deployed, represented in concrete terms once again by the 2022 single financial account.

Since 2015, the *Département* has made all necessary efforts to build the resilience necessary to face the economic and financial consequences of the inflationary pressures and to put counter-cyclical policies in place to contain them.

Thus, if the difficulties of supplying companies and the economic upheaval affecting certain sectors have led to the delay of a number of projects, the *Département* is still at the rendezvous of resilience.

Furthermore sound management ensures that the local authority has room for manoeuvre enabling it to meet commitments made to the *eurois*.

As such the sound management reflected in the 2022 financial year accounts gives security at two levels:

– security as regards the ability of the *Département* to bring to a successful fruition its multi-year investment programmes in the years to come;

– security as regards the *Département*'s financial ability to implement counter-cyclical policies to deal with the consequences of the current economic and political turbulence.

I- A year 2022 still marked by inflationary pressures and therefore a decrease in savings while leaving investment at a high level

A) The operating section: a significant increase in operating expenditure and an apparent stability of revenue

1- *An apparent stability of revenues due to the fall in disposal revenues*

Actual operating revenue amounted to 572.53 M€ in 2022 compared to 571.10 M€ in 2021. This is an increase of 0.2% compared to 2021. It should be noted that the proceeds of sale (in particular as a result of the merger resulting in the creation of Monlogement27) decreased by 95%, from €17 million to €0.804 million. As a reminder, the aforementioned merger also impacted capital expenditures and is therefore neutral on the overall balances. By neutralising this exceptional operation, operating revenues increased by 2.8%.

Thus, 2022 was marked by an amount of transfer duties for exceptional consideration: it amounted to €108.02 M compared to €83.81 M in 2020, an increase of 29%. The year 2022 has largely consolidated this surge, even if the landing is slightly lower than in 2021: 102.9 M€;

Below is a summary of the changes in actual operating revenue:

M€	AA 2021	CFU 2022	Change 21/22
Direct taxation (sub-total)	40.76	38.51	-5.5%
Indirect taxation (sub-total)	343.00	356.41	3.9%
Taxation (total)	383.75	394.92	2.9%
Equalisation	18.91	19.35	2.3%
State endowments	93.50	93.42	-0.1%
Social revenues	43.87	52.72	13.5%
Others	31.07	12.12	-57.5%
Total	**571.10**	**572.53**	**0.2%**

For each component of actual operating revenue, a more detailed breakdown explains the reasons for the change.

<u>**Direct taxation**</u>

Type of revenue in M€	AA 2021	CFU 2022	Change 21/22
Land tax on built properties (TFPB) (additional rolls)	0.42	0.01	-97%
Business value-added contribution (CVAE)	33.38	31.41	-6%
Utility companies flat rate tax (IFER)	0.99	1.13	14%
National individual resources guarantee fund (FNGIR)	5.97	5.97	0%
Sub-total	**40.76**	**38.51**	**-6%**

In 2022 direct tax revenue amounted to 38.51 M€ in 2022 compared to 40.76 M€ in 2021, a decrease of 6% mainly due to the change in the business value added levy.

Residually, the *Département* collected additional rolls in an amount of 0.01 M€. Due to the tax prescription rules, the *Département* will no longer receive this additional revenue.

The proceeds from the Business Value Added Contribution (**CVAE**) amounted to 31.41 M€ in 2022 compared to 33.38 M€ M€ in 2021, a decrease of 6%. This change can be explained by the fact that CVAE N is calculated with reference to N-2 data i.e. 2020, year of the health crisis, and that it also fluctuates depending on businesses' policy towards modulating interim CVAE payments made.

Similarly, Utility Companies Flat Rate Tax (**IFER**) also increased in 2022 (1.13 M€ compared to 0.99 M in 2021).

The amount in respect of the National Individual Resources Guarantee Fund (**FNGIR**), introduced following the reforms to the professional tax, is fixed. It therefore logically totalled 5.97 M€ as in 2021.

Indirect tax

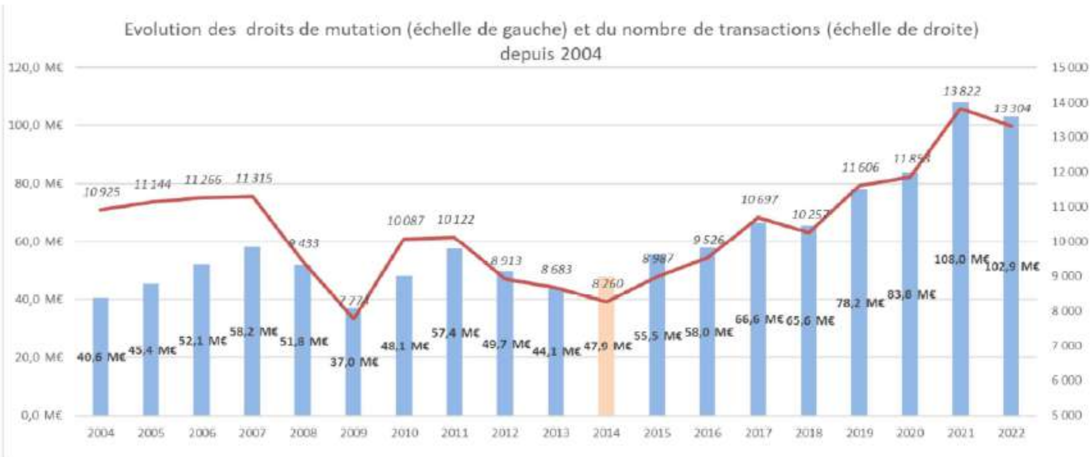
Type of revenue in M€	AA 2021	CFU 2022	Change 21/22
Transfer duties (DMTO)	108.02	102.90	-5%
VAT compensatory portion in respect of land tax (TF) transfer	116.85	128.05	10%
VAT additional portion	3.29	3.24	-1%
Special tax on insurance contracts (TSCA)	60.09	66.34	10%
Domestic tax on the consumption of energy products (TICPE)	41.82	42.34	1%
Development tax (TA)	5.69	5.40	-5%
End user electricity consumption tax (TCFE)	7.24	8.13	12%
Sub-total	**343.00**	**356.41**	**4%**

Indirect tax revenue increased by 4% in 2022 to reach 356.41 M€. The differing variations by type of revenue are explained below.

Transfer duty (**DMTO**) revenue tends to be cyclical. The explanatory factors for the evolution of DMTOs are the evolution of prices and the number of transactions in the territory. Conventionally, phases of moderate prices combined with attractive mortgage loan terms lead to phases where transaction numbers pick up. In 2022, the rise in rates, the constraints on bank loans and a price level calling for a correction started the decline of the real estate market.

DMTO revenue reflects the real estate market as underlined by the illustration below. The year in which the DMTO rate increased to 4.5% appears in light orange.

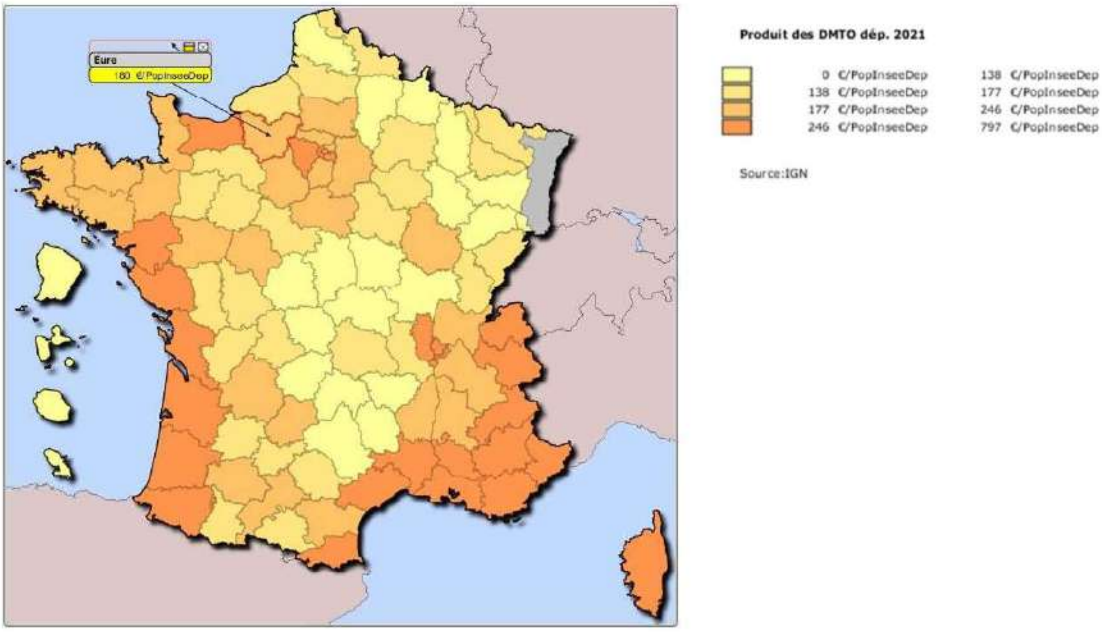
Change in transfer duties (left-hand scale) and number of transactions (right-hand scale) since 2004



There has been a decrease in DMTO, by an amount of 5.4 M€ compared to 2021, or - 5%.

In 2022, 13,304 transactions were recorded under the normal DMTO regime (4.5% rate) compared to 13,822 in 2021. The 3.75% decrease in the number of transactions greatly explains the 5% decrease in the proceeds of the DMTO.

As a reminder, the *Département* receives DMTOs per capita (i.e. 180 euros per capita in 2021) lower than the average of the *départments*, *i.e.* 249 euros.



DMTO Revenue dep. 2021

2022 was the second year for collection of the VAT portion. As a reminder, in 2021, it is equal to the land tax (TF) received in 2020 increased by the average for the additional rolls over the last three years and of the tax exemption compensation. It evolves in the same way as the VAT collected by the State, the latter paying a determined percentage at the time of the establishment of the aforementioned fraction. In 2022, the amount was €128.05 M, an increase of 10%.

The *Département* has benefited from an additional VAT portion established at national level at an amount of 250 M€. *Département*s are eligible for this portion subject to having an amount of DMTO per inhabitant in N-1 of below the national average and having a poverty rate of over 12% (source INSEE). The 250 M€ amount is split between eligible *Département*s by reference to a social fragility index (RSA, APA, PCH and income). In 2022, the amount is €3.24 M, a decrease of – 1%.

The Special Tax on Insurance Contracts (**TSCA**) is 10% higher than in 2022, with the amount collected equal to 66.34 M€ compared to 60.09 M€ in 2021. The trend depends in principle on changes in the cost of insurance contracts.

The Internal Consumption Tax on Energy Products (**TICPE**) is composed of a local fraction of a base on a national tax whose amount is evolving and a fixed share representing more than 67%. The TICPE collected by the *Département* increased in 2022 to reach 42.34 M€, compared to 41.82 M€ in 2021, i.e. a variation of 1%. This increase in the consumption of energy products in France can be explained mainly by the recovery in economic activity in France following the various lockdowns in 2020.

The sharp increase in electricity tax in 2022 of 12% is explained by the accumulation of temporarily overlapping schemes. Since 1st January 2022, the electricity tax has been "nationalised", with the State paying a share to the local authorities. This evolutionary repayment is €7.38 M in 2022. However, the *Département* collects the electricity tax on all consumptions made before 31 December 2021, i.e. an amount of €0.74 M collected in 2022. Thus, by combining the two elements, the *Département* received €8.13 million.

Development tax income amounted to 5.40 M€, a decrease of 5% compared to 2021 reflecting the evolution of the real estate market.

Equalisation funds

Type of revenue in M€	AA 2021	CFU 2022	Change 21/22
DMTO Equalisation Fund (FPDMTO) and Solidarity Fund	9.54	9.82	3%
Equalised compensation endowment (DCP)	7.96	8.28	4%
CVAE Compensation Fund	1.42	1.25	-12%
Sub-total	**18.91**	**19.35**	**2%**

Equalisation revenues increased in 2022 (+ 2%) rising from 18.91 M€ to 19.35 M€.

The payment in respect of the DMTO Equalisation Fund (**FPDMTO**) increased by 3% in 2022 to an amount of 9.82 M€. This change can be explained in particular by the larger national amount available for distribution than in 2021. In 2022, the FPDMTO amount available for distribution between *Départements* was 1,695 M€ compared to 1,600 M€ in 2021, an increase of 6%. This amount is then divided between departments according to different criteria.

The *Département* received 8.28 M€ in 2022 under the equalised compensation endowment (DCP) compared to 7.96 M€ in 2021, i.e. a variation of 4%. This allocation corresponds to a transfer of part of the property tax management fees. This equalized endowment thus benefits from the legislative revaluation of the property tax bases.

In 2022, the *Département de l'Eure* was eligible for the CVAE equalisation fund and received an amount of 1.25 M€, compared to 1.42 M€ in 2021, a decrease of -12%.

State endowments

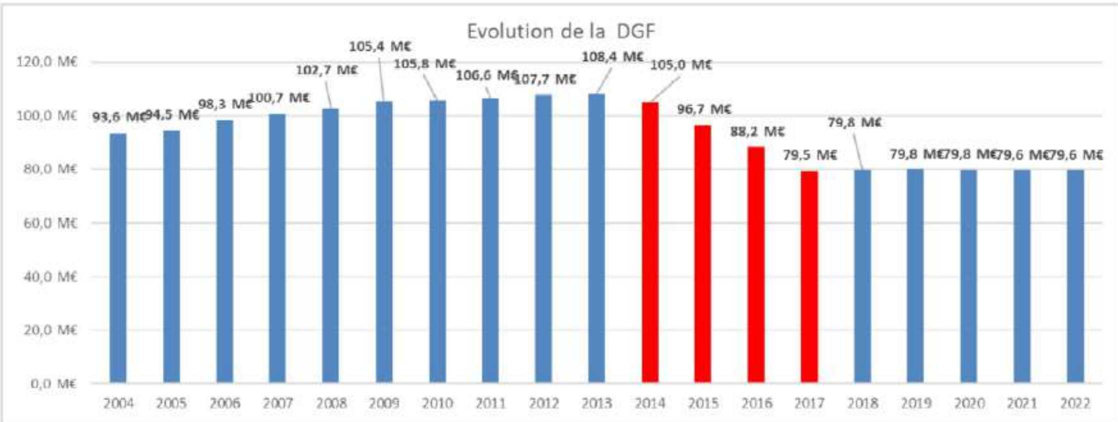
State endowments were relatively stable in 2022. They fell from 93.50 M€ to 93.42 M€. This slight fall is mainly the result of a decrease of the FCTVA and the DGF.

Type of revenue in M€	AA 2021	CFU 2022	Change 21/22
Global operating endowment (DGF)	79.61	79.55	-0.1%
General decentralisation endowment (DGD)	4.42	4.42	0.0%
Professional tax reform compensation endowment (DCRTP)	6.18	6.18	0.0%
FCTVA	0.31	0.28	-9.6%
Compensatory allowances	2.99	2.99	0.0%
Sub-total	**93.50**	**93.42**	**-0.1%**

In respect of the Global Operating Endowment (**DGF**) an amount of 79.55 M€ was received in 2022 compared to 79.61 M€ in 2021, a decrease of 0.1%, a consequence of the democratic trends in the *Département*, compared to elsewhere.

As a reminder, the dynamic change in DGF between 2004 and 2013 was structurally impacted by the implementation of the contribution towards repairing the public finances from 2014 to 2017, which represented a cumulative fall of 207 M€ between 2014 and 2022.

Changes in global operating endowment (DGF)



The general decentralisation endowment (**DGD**) remained stable with reference to 2022, amounting to 4.42 M€.

The Professional Tax Reform Compensation Endowment (**DCRTP**) amounted to 6.18 M€ in 2022, identical to the amount received in 2021.

The *Département* benefited from the VAT compensation fund in the operating section, in an amount equal to 0.28 M€ (0.31 M€ in 2021).

Compensatory allowances are stable at €2.99 M in 2022. These are adjustment variables within the standardised budget of State financial assistance to local authorities.

Social action revenues

Revenues related to social action increased by 14% to reach 52.72 M€ in 2022.

Type of revenue in M€	AA 2021	CFU 2022	Change 21/22
APA endowment	16.65	15.29	-8%
Law on societal adaptation to ageing	4.23	4.24	0%
Financiers' conferences	1.87	1.76	-6%
PCH Endowment	6.33	7.97	26%
MDPH Endowment	0.84	0.61	-27%
Integration mobilisation fund (FMDI)	4.23	4.24	0%
Filial financial responsibility	0.69	0.73	6%
Claims against estates	1.90	1.75	-8%
Beneficiary refunds	1.29	2.46	91%
MNA Compensation Fund	0.24	0.21	-14%
Indus RSA / APA / PCH	1.13	1.24	9%
European Social Fund	1.28	2.02	58%
Child protection strategy and poverty prevention plan	3.20	0.94	-71%
Revenue related to childhood and family	0.56	0.43	-23%
Other social revenue	2.00	8.83	342%
Sub-total	**46.43**	**52.72**	**14%**

The APA endowment and the revenues under the law relating to societal adaptation to ageing amounted to 19.53 M€ in 2022 compared to 20.88 M€ in 2021, which means a decrease of 6%.

As a reminder, the funds paid by the *Caisse Nationale de Solidarité pour l'Autonomie* (**CNSA**) depend on 4 criteria:

– the number of persons aged over 75 (50% weighting);

– APA expenditure (20% weighting);

– the number of households receiving RSA (5% weighting);

– tax potential (25% weighting).

Due to this weighting, the *Département* therefore receives a different provisional compensation amount each year with an adjustment in the following year. Also, in 2022, an adjustment of 1.82 M€ was applied in respect of 2021 or the management of the APA and in connection with the law on the adaptation of society to ageing and the management of the APA.

The Integration Mobilisation Fund (**FMDI**) is governed by strict budget limits also depending on various criteria (scale of RSA and integration expenditure). This fund is made up of three parts :

– an initial portion of 40% by way of compensation;

– a second portion of 30% by way of equalisation;

– a third portion of 30% for integration.

This item remains relatively stable to reach an amount of 4.24 M€.

The PCH endowment has increased by 26% unlike the MDPH which has decreased by 27%. This decline in the MDPH allocation is mainly explained by the non-cash receipt of the December allocation of €163,000. In addition, the 2021 balance collected in 2022 was €0.24 M less than in 2020.

In connection with the financiers conference, the CNSA paid an endowment of 1.76 M€ in 2022 for the purpose of implementing preventive initiatives and to finance the independent living residences fee, compared to 1.87 M€ in 2021, or - 6%. This fluctuation depends on the responses of the partners following the calls for projects launched on various themes contributing to the prevention of the loss of autonomy of the elderly and the actions actually carried out (85 actions financed in 2022 compared to 96 in 2021).

As regards the European social fund (**ESF**), a revenue of 2.15 M€ was received. Timing of the revenue depends, in fact, on the European programming timetable. Part of the amount due for operations planned and implemented under the 2014-2020 programming was therefore received, in accordance with the determinations of service provided made by the *Département*'s and the State's relevant departments.

Revenues derived from beneficiary refunds (elderly and handicapped persons) increased sharply with 2.46 M€ in 2022 compared to 1.29 M€ in 2021.

Revenues from claims against estates vary from one year to another since they depend on the dossiers being processed. They amounted to 1.75 M€ in 2022.

As regards revenues under contractual arrangements between the *Département* and the State as part of the national strategy for the prevention of poverty and Child protection and prevention, these increased to 0.94 M€ in 2022 compared to 3.2 M€ in 2021, a decrease of 71%. As a reminder, the budget allocated for these strategies is negotiated annually depending on the initiatives proposed and execution of past initiatives. As part of the certification of the accounts, the *Département* prorated the volume of revenue according to the months concerned in the 2022 financial year (3/12 for the Child Protection strategy for example). This distribution between 2022 and 2023 makes it possible to correlate the expenses incurred.

Whether in connection with RSA, APA or PCH, where the *Département* is informed that aid has been paid unjustifiably, it recovers such undue payments. In this regard an amount of 1.24 M€ was received in 2022 compared to 1.13 M€, or + 9%. This enables the right payments to be made.

Other revenue

Overall other revenues decreased by 57% due to a lower volume of disposals than in 2021.

The participation of families in catering and accommodation increased by 38% to reach the level existing before the health crisis, signalling a return to normal.

In 2022, income from disposals fell sharply by 16 M€ due to transfers of investment securities and fixed assets following the merger between Eure Habitat and Secomile to become Monlogement27 which amounted to 14.4 M€ in 2021. Note that this transaction was balanced in terms of expenditure and revenue.

Type of revenue in M€	**AA 2021**	**CFU 2022**	**Change 21/22**
Income from services, public land and miscellaneous sales	2.05	2.48	21%
Family contributions to catering and accommodation	1.37	1.89	38%
Disposals	16.86	0.68	-96%
Other extraordinary income	0.01	0.07	505%
Misc. income	5.45	5.51	1%
Financial income	0.20	0.28	42%
Changes in inventory	0.64	0.82	27%
Reversal of provisions	1.92	0.38	-80%
Sub-total	**28.51**	**12.12**	**-57%**

Other extraordinary income includes in particular revenues from insurance refunds and decided legal disputes. The level of this revenue is therefore logically particularly changeable. In 2022, it reached 0.07 M€ (0.01 M€ in 2021).

Miscellaneous revenue related to other contributions and grants received. The 2022 amount was 5.51 M€, a slight change of 1% compared to 2021 (5.45 M€).

Financial income increased compared to 2021 to an amount of 0.28 M€. This amount varies depending on the dividends paid by the companies of which the *Département* is a shareholder (in particular Monlogement27).

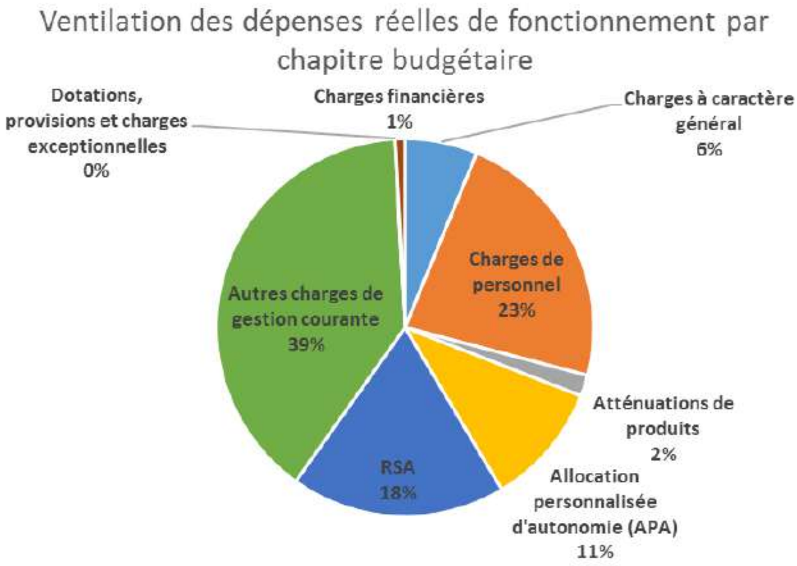
Changes in inventory amounted to 0.82 M€, and reversal of provisions to 0.38 M€ related to litigation risks and write-down of receivables.

2- *Actual operating expenditure on the rise controlled to preserve operating surplus*

In a context where operating revenues are almost stable, the significant increase in operating expenses has reduced the level of savings. Actual operating expenditure has increased very slightly by 6.8% in 2022 to 478.87 M€.

Ordinary operating expenditure amounted to 474.97 M€ in 2022 compared to 444.53 M€ in 2021. This includes general expenses in an amount of 29.79 M€, staff costs in an amount of 109.46 M€, income mitigation in an amount of 8.65 M€, social spending on APA (50.48 M€) and RSA (88.23 M€) and other ordinary management expenses of 188.06 M€.

Actual operating expenditure is calculated by adding interest on loans (3.85 M€) and extraordinary expenses (0.05 M€).



Changes in actual operating expenditure by budget heading

The evolution by budget chapter presented below makes it possible to highlight the most important variations

Accounts chapter	Item in M€	AA 2021	CFU 2022	Change 21/22
011	General expenses	27.34	29.79	9.0%
012	Staff costs (CD)	103.61	109.46	5.6%
014	Income mitigation	6.58	8.65	31.6%
016	Individual autonomy allowance (APA)	41.62	50.48	21.3%
017	RSA	90.08	88.23	-2.1%
65	Other ordinary management expenses	173.40	188.06	8.5%
68	Impairment and provisions	1.89	0.30	-84.1%
Ordinary operating expenditure		**444.53**	**474.97**	**6.8%**
66	Finance costs	3.75	3.85	2.6%
67	Extraordinary expenses	0.15	0.05	-64.8%
Total actual operating expenditure		**448.43**	**478.87**	**6.8%**

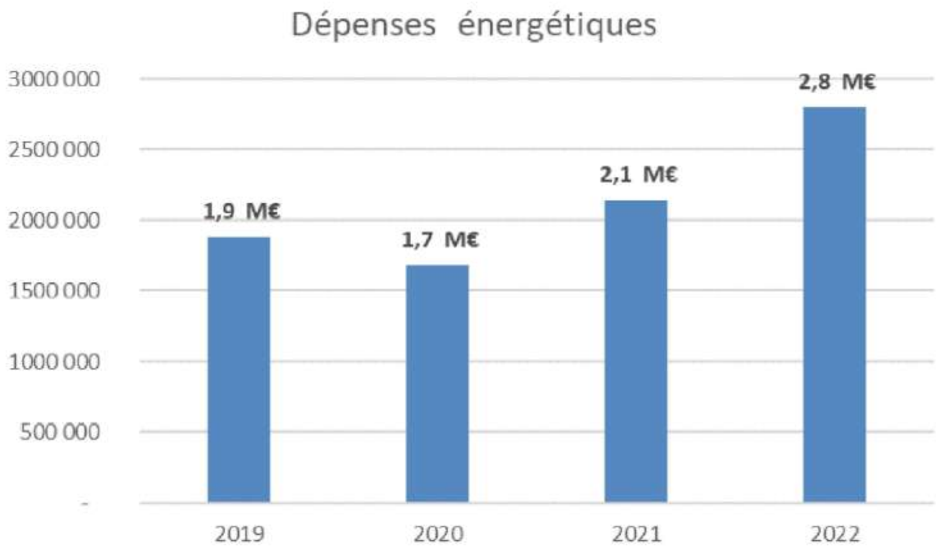
Developments mask a change in budget allocation practices. In accordance with Instruction 57, the personnel expenses related to the management of the APA and the RSA are to be charged to Sections 016-APA and 017-RSA and not to Section 012-Personnel Expenses.

The table below reprocesses to identify the changes in the three chapters concerned, ignoring the change in budget allocation practices:

Budget chapter	Item in M€	AA 2021	CFU 2022	M57 impact	CFU 2022 restated	Change 21/22 before reprocessing	Change 21/22 after reprocessing
012	Staff costs (CD)	103.61	109.46	1.38	110.84	5.6%	7.0%
016	Individual autonomy allowance (APA)	41.62	50.48	-0.42	50.06	21.3%	20.3%
017	RSA	90.08	88.23	-0.96	87.27	-2.1%	-3.1%
	Total	235.32	248.17	0.00	248.17	5.5%	5.5%

Before detailing expenditure by departmental policy, a focus can be made on the impact of inflation, particularly on general expenses. Compared to 2019, the impact is nearly €1 million, not counting the indirect effects on the endowments of colleges, the SDIS and social and medico-social institutions.

Energy costs



Taking the *Département*'s public policies as a reference, the breakdown is as follows:

In M€	AA 2021	CFU 2022	Change 21/22
Amount-constrained mandatory expenditure	149.71	157.63	5.3%
Amount non-constrained mandatory expenditure	172.11	187.41	8.9%
Voluntary expenditure	13.33	14.60	9.5%
Resources	109.53	115.39	5.3%
Finance costs	3.75	3.85	2.6%
Total	448.43	478.87	6.8%

The following tables provide detail of the relevant expenditure by policy area.

Amount constrained mandatory expenses

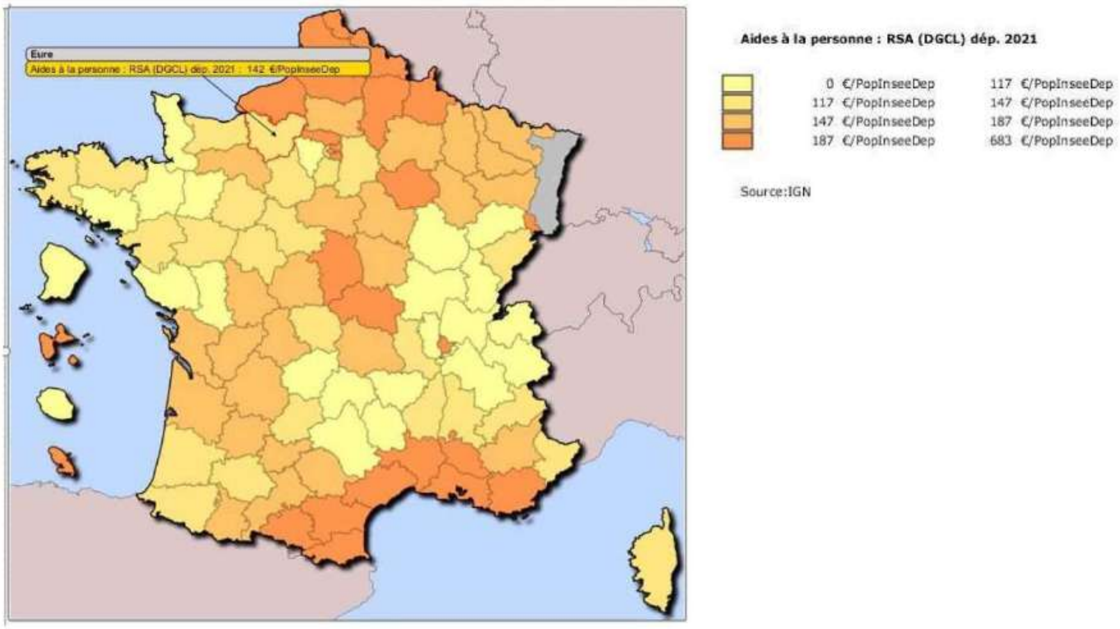
In M€	AA 2021	CFU 2022	Change 21/22
RSA (excluding HR)	85.33	83.21	-2.5%
APA (excluding HR)	41.57	49.98	20.2%
PCH	14.60	16.99	16.3%
Sub-total individual solidarity allowance (AIS)	**141.50**	**150.18**	**6.1%**
ACTP	3.40	3.39	-0.3%
RSA insertion actions excluding allocations and HR	4.76	4.05	-14.8%
APA other	0.06	0.00	-100.0%
Sub-total	**8.21**	**7.44**	**-9.3%**
Total	**149.71**	**157.63**	**5.3%**

Overall, mandatory expenses constrained in their amount have increased by 5.3% to an amount of 157.63 M€ (149.71 M€ in 2021).

The amount for RSA allowances decreased by 2.5% in 2022 to an amount of 83.21 M€. The main reason for this is the decrease in the number of RSA recipients under the scheme (13,150 recipients at the 4th quarter of 2019, 14,311 at the end of December 2020, 13,156 at the last quarter of 2022 according to consolidated data of the CNAF). Indeed, in 2020, due to the health crisis, a number of factors caused the increase in the number of recipients. The main reason was the impact of business closures and the ending of controls.

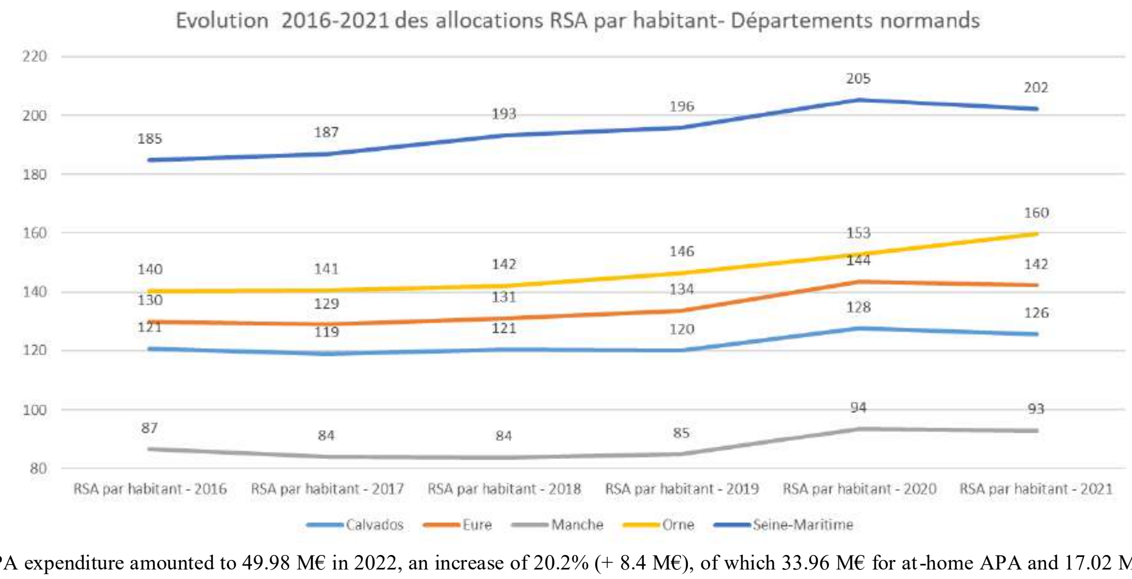
As a reminder, the *Département* of Eure displays, in 2021, an annual average of €142 in RSA allowances per capita compared to a national average of €167.

Personal assistance: RSA (DGCL) dep. 2021



In the Norman context, the evolution of per capita allocations in Europe is in line with the trend (excluding Orne), as shown in the graph below.

2016-2021 trend in RSA benefits per inhabitant - Normandy departments



APA expenditure amounted to 49.98 M€ in 2022, an increase of 20.2% (+ 8.4 M€), of which 33.96 M€ for at-home APA and 17.02 M€ for residential APA.

For at-home APA, there was a fall of +28% between 2021 and 2022. This is linked to the resumption of activity following the health crisis, the implementation of an hourly rate for home help services of €22 against an average of €18.72 in 2021 as well as the effects of Ségur which revalue the home help sector.

For residential APA, the increase was 7%. This change can also be explained by the impact of the health crisis as the occupancy rate for places in homes for the elderly (EHPAD) is higher than in 2021 and by the fact that dependency is taken into account.

PCH expenditure, in an amount of 16.99 M€, increased by 16.3% between 2021 and 2022, or 2.386 M€. This change was mainly related to PCH recipients over the age of 20 at an amount of 2.340 M€, and compared to those under the age of 20 at an amount of 0.46 M€. Three elements explain this evolution: the evolution of the number of beneficiaries, the implementation of an hourly rate for home care services of €22 compared to an average of €18.72 in 2021, as well as the impact of the effects of Segur, such as APA at home.

In 2022, the third person compensatory allowance (**ACTP**) represented 3.39 M€, or -0.3% less than in 2021 due to the gradual disappearance of this scheme.

Integration measures for RSA recipients (excluding allowances) fell by 14.8%, or 4.05 M€ in 2022 compared to 4.76 M€ in 2021. This expenditure mainly concerns assisted contracts and integration grants/subsidies. In 2022, the State requested stops in the prescription of assisted contracts for both the commercial and non-commercial sectors. The number of statutes of limitations for assisted contracts was therefore lower in 2022.

For information, the individual solidarity allowance (**AIS**) compensation in 2022 was as follows:

Expenditure in M€	**AA 2021**	**CFU 2022**	**Change 21/22**
Total AIS	**141.50**	**150.18**	**6.1%**
Revenue in M€	**AA 2021**	**CFU 2022**	**Change 21/22**
APA endowment	20.88	19.53	-6.4%
Integration mobilisation fund (FMDI)	4.23	4.24	0.3%
PCH Endowment	6.33	7.97	25.9%
TICPE portion	28.14	28.14	0.0%
TICPE (API)	7.75	7.75	0.0%
Total compensations	**67.32**	**67.63**	**0.5%**
Balance = expenditure - revenue	**74.18**	**82.55**	**11.3%**

The balance for which the *Département* remains liable has therefore increased by 11.3% compared to 2021, due to the decrease in social aid and the revenue earmarked for its funding. AIS increased by 6.1%, while compensation rose by 0.5.

<u>Amount non-constrained mandatory expenditure</u>

Mandatory expenses not constrained in their amount have increased by 8.9%.

Expenditure on integration and social action excluding RSA has increased passing from 3.60 M€ to 4.19 M€ in the 2021/2022 period.

In M€	**AA 2021**	**CFU 2022**	**Change 21/22**
Integration and social action excluding RSA	3.60	4.19	16.3%
Elderly citizens excluding APA	12.55	14.03	11.8%
Persons with a handicap excluding PCH and ACTP	46.39	52.02	12.1%
Children and family	69.67	74.92	7.5%
Mobility	4.79	4.74	-0.9%
Education	12.67	13.66	7.8%
SDIS	22.45	23.85	6.3%
Sub-total	**172.11**	**187.41**	**8.9%**

For elderly persons excluding APA, expenditure has increased by 11.8% to an amount of 14.03 M€ (12.55 M€ in 2021). This relates essentially to social aid and accommodation. This change can be explained mainly by the effects of the health crisis. Indeed, like residential APA, the number of persons placed in EHPAD decreased sharply in 2021 being lower than in 2020 and markedly lower in 2021 and a recovery has been seen in 2022.

Expenditure on persons with a handicap excluding PCH and ACTP increased by 12.1% in 2022. This related mainly to at-home care, accommodation costs and the endowment for the handicapped persons home (MDPH). This allocation increased by 126% (€915K) due to the elimination of the surplus over the past 2 years and it is for the *Département* to contribute to the current operating costs, including increased staff costs due to increasing activity. As a reminder, the CNSA's additional allocation adapts financial resources to human resources in order to ensure quality activity, but is insufficient to finance all positions.

Expenditure on children and families increased by 7.5% to 74.92 M€ in 2022 compared to 69.67 M€ in 2021. This increase is justified by the application of the Taquet law on the remuneration of family assistants, the Ségur impact on children's institutions, the evolution of the day prices of child-related medical and social institutions, the increase in activity (+ 4.8% more children) as well as the implementation of actions related to the national strategy for the prevention and protection of children.

Mobility covers roads and transport. Road operating expenses are almost stable with €4.74 M in 2022. It should be recalled that in 2021 an increase in the maintenance of the road network resulted in an increase of 18.3%. Thus, this level is maintained over 2022.

Education expenditure increased by 7.8%, with 13.66 M€ in 2022 compared to 12.67 M€ in 2021. This mainly included school grants, public and private schools operating endowments, new public schools maintenance expenditure for which the *Département* is directly responsible. The latter expenditure increased from 1.54 M€ in 2021 to 1.7 M€ in 2022. Furthermore, public schools endowments increased from 6.8 M€ in 2021 to 7.22 M€ in 2022.

Finally, the *Département*'s contribution to the fire and rescue services (SDIS) increased by 6.3% with 23.85 M€ in the operating section, which testifies to the significant investment made in public safety.

Voluntary expenditure

	AA 2021	**CFU 2022**	**Change 21/22**
Housing, Agriculture and Environment, Support for local areas, Economic and touristic appeal, digital	6.28	6.49	3.4%
Europe and international, Culture and sport	7.06	8.11	14.9%
Sub-total	13.33	14.60	9.5%

Voluntary expenditure increased by 9.5% to 14.60 M€ in 2022 compared to 13.33 M€ in 2021.

Housing expenditure has increased by 3.7% (1.75 M€ in 2022 compared to 1.69 M€ in 2021).

In terms of agriculture and support for local areas, expenditure has changed respectively by + 15.9% and +1.8%, to reach 0.86 M€ and 0.20 M€ in 2022 (resumption of the *Salon de l'Agriculture*, which did not take place in 2021 because of the COVID crisis). In the same vein, spending on the environment increased by 12% to €1.51 M in 2022, the increase being explained, among other things, by an increase in appropriations dedicated to studies on drinking water (+ €28K), support for the D27 in its ecological transition plan (+ €27K) and natural environments (+ €51K).

As regards economic and touristic appeal, expenditure fell by 6.2% to 1.99 M€.

Digital spending remains fairly stable (0.18 M€ in 2022 compared to 0.18 M€ in 2021) due to the continued contribution to Eure Digital.

This increase in cultural expenditure is related to the increase in the activity of the Directorate of Culture (more enhancement projects for the benefit of citizens, the general public and college students in particular are carried out directly by the Directorate), the increase in the quality of the projects carried out or changes in direction. For example, in 2022, the choice was made by elected officials to distribute to middle school students no longer a copyright-free book, but a contemporary book, resulting from the selection of the Book Eaters' Prize, the cost of which is necessarily greater.

In addition, the development projects of departmental cultural sites certainly generate larger investments, but also prefiguration phases of the projects that directly impact the operating budget (the typical example is the prefiguration of the luminous night trail in Harcourt).

Sports expenditure has slightly increased by 0.2% to 2.51 M€ in 2022 compared to 2.49 M€ in 2021. This variation is explained by a decrease in grants allocated to youth projects and associations under the former Call for Youth Projects (last edition of this support in this form in 2022), offset by an increase in expenses relating to the organization of a number of live sporting events by the Sports Directorate: UNSS Terre de jeux, preparation for the passage of the Olympic flame, sporting events for schoolchildren, etc.

Resources

In M€		AA 2021	CFU 2022	Change 21/22
Resources	Finances	11.11	9.87	-11.2%
	Heritage and logistics	7.47	8.05	7.8%
	Information systems	1.65	1.62	-2.0%
	Human resources	87.07	93.35	7.2%
	Documentation	0.03	0.03	0.9%
	Post	0.39	0.42	8.5%
	Legal affairs	0.77	0.75	-2.1%
	Communications and cabinet office	1.03	1.30	25.5%
	Sub-total	**109.53**	**115.39**	**5.3%**

Spending on resources has increased by 5.3% to 115.39 M€ in 2022.

Finance expenditure has decreased by 11.2% due to the evolution of provisions entered under cash transactions which decreased by -3.2 M€ between 2021 and 2022.

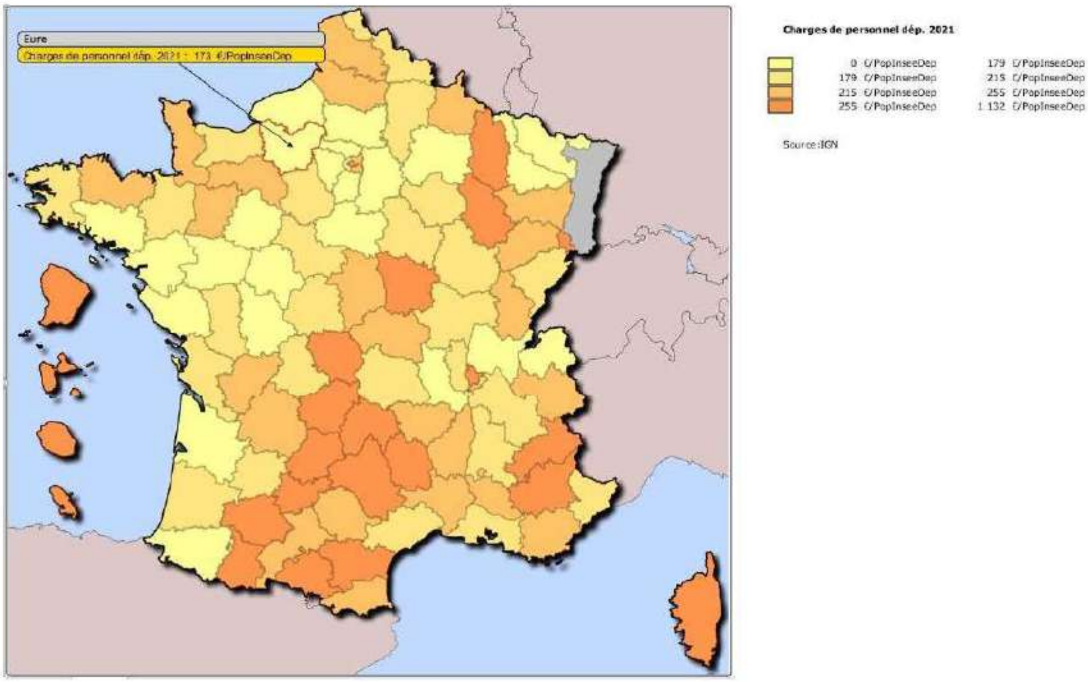
Human resources expenditure amounted to 93.35 M€ in 2022 compared to 87.07 M€ in 2021, an increase of 7.2%. 2022 was marked by many regulatory changes in terms of human resources aimed in particular at supporting the purchasing power of territorial agents such as:

- The payment of the inflation premium in January 2022;
- The increase on 1 January 2022 of the minimum civil service salary to the SMIC level,
- Several career upgradings for category C and B agents that resulted in index redesigns and seniority bonuses,
- The transposition of the *Ségur de la santé* agreements to certain employment frameworks in the medico-social sector of the territorial civil service,
- The revaluation of the index point on 1 July 2022,
- Reassessment of the compensation scheme for staff below the reference level.

The increase in staff costs is also explained by the increase in the number of apprentices, the creation of new permanent positions, and the recruitment of new project contract agents during the last quarter of 2022.

Staff social action amounted to 1.223 M€, training 0.591 M€ and travel costs 0.613 M€.

For the record, in 2021, the *Département* has staff costs per capita of €173 against an average of €238.



Staff costs dep. 2021

Spending on heritage and logistics amounted to €8.05 M in 2022, an increase of 7.8% due to the increase in fuel prices on the one hand and gas and electricity prices on the other.

Expenditure on information systems represented 1.62 M€ which is a decrease of -2%, with the two main items being IT maintenance (-46.4 k€ compared to 2021) and telecommunications (-13 K€ compared to 2021). The budget remains contained despite the large increases in the daily price of services and the many regulatory changes that have had to be incorporated.

Therefore, with actual operating revenue of 572.53 M€ and actual operating expenditure of 478.87 M€, the gross operating surplus amounted to 93.65 M€. With principal repayments of 20.78 M€, the net operating surplus was therefore 72.88 M€.

These were the amounts available to finance part of the *Département*'s investments in 2022.

B) The investment section: a significant level of investment

1- *Actual investment revenue increasing particularly as a result of borrowing*

Actual investment revenue for the 2022 financial year amounted to 56.38 M€. This included:

- own investment revenue (FCTVA, Departmental Investment Support Allocation (**DSID**), Departmental College Equipment Allocation (**DDEC**)) for €24.68 M;
- other investment revenues totalling 6.70 M€;
- a new loan taken out with the EIB for €25m.

The table below shows the changes in investment revenue between the 2021 and 2022 administrative accounts.

Category	Type of revenue in M€	AA 2021	CFU 2022	Change 21/22
State endowments	FCTVA	11.91	17.63	48.0%
	DDEC	3.79	3.79	0.0%
	DGE / DSID	4.42	3.26	-26.2%
Sub-total State endowments		**20.12**	**24.68**	**22.7%**
Others	Speed camera revenue	0.71	0.71	0.0%
	Grants/subsidies	4.47	3.18	-29.0%
	Loans	0.61	1.79	195.7%
	Misc. income	1.63	1.03	-37.1%
Sub-total Others		**7.42**	**6.70**	**-9.7%**
Total excl. borrowing		**27.54**	**31.38**	**14.0%**
Borrowing		**35.00**	**25.00**	**-57.1%**
Total		**62.54**	**56.38**	**-17%**

Definitive investment revenue

An amount of 24.68 M€ was received in State investment endowments, an increase of 22.7%. Within this total, an amount of 17.63 M€ (11.91 M€ in 2021) was recorded in respect of the VAT compensation fund, this increase being explained by the consistent increase in investment expenditure each year since 2016.

The departmental schools equipment endowment totalled 3.79 M€ (same amount as in 2021), and the Departmental Investment Support Endowment (**DSID**) 3.26 M€ (4.42 M€ in 2021). The decline in the DSID can be explained by the importance of the recovery plan in 2021.

DSID received in 2022 relates to the following:

– Rebuilding of the school Louise Michel in Bourneville Sainte Croix;

– Equalisation element of the DSID, therefore unconnected to any specific equipment project;

– "*La Seine à Vélo*" between Vernon and the Andelys;

– Major reconstruction and extension of the *Collège du Roumois* in Routot.

Other investment revenue

Other investment revenue includes the contributions and grants received from third parties (communes, businesses, State, …) and repayments of loans and advances. Whereas some of these revenues are recurrent, others are highly variable from year to year. In 2022, these miscellaneous revenues amounted to 6.70 M€, as compared to 7.42 M€ in 2021, a decrease of 9.7%. This change is due to:

– major payments, in 2021, of 2.59 M€ from the Commune de Mesnil-en-Ouche in connection with the delegation to the *Département* of project management responsibility for the works on the school campus in the commune;

– by the increase in participations for works and aids carried out on behalf of third parties (service of activity, delegated stone aids).

Advances and repayments of loans (to staff and companies) reached €1.79 M, including €1.22 M due to the loan of monlogement27 to the CDC.

New borrowings

In 2022, the *Département* borrowed an amount equal to 25.0 M€, compared to 35.0 M€ in 2021.

Having made principal repayments of 20.78 M€, the *Département* borrowed an amount of 4.2 M€ during the 2022 financial year. Outstanding debt at 31 December 2022 therefore stood at 322.6 M€.

By a combination of 72.88 M€ in net operating surplus and 31.38 M€ in actual investment revenue excluding debt, the *Département* therefore generated 104.26 M€ in own sources of finance to meet its investment efforts in 2022, totalling 135.70 M€ (excluding debt).

2- *A sharp increase in investment in line with commitments made*

Actual investment expenditure includes:

– equipment expenditure comprising:
    - expenditure on works for which the *Département* is the project owner. These are direct investments.
    - investment grants/subsidies paid by way of indirect investments.

– Other investment expenditure;

– repayment of principal on debt.

Between 2021 and 2022, actual investment expenditure increased by 10.5% to reach 156.47 M€ in 2022 compared to 174.79 M€ in 2021 (including repayment of principal on debt).

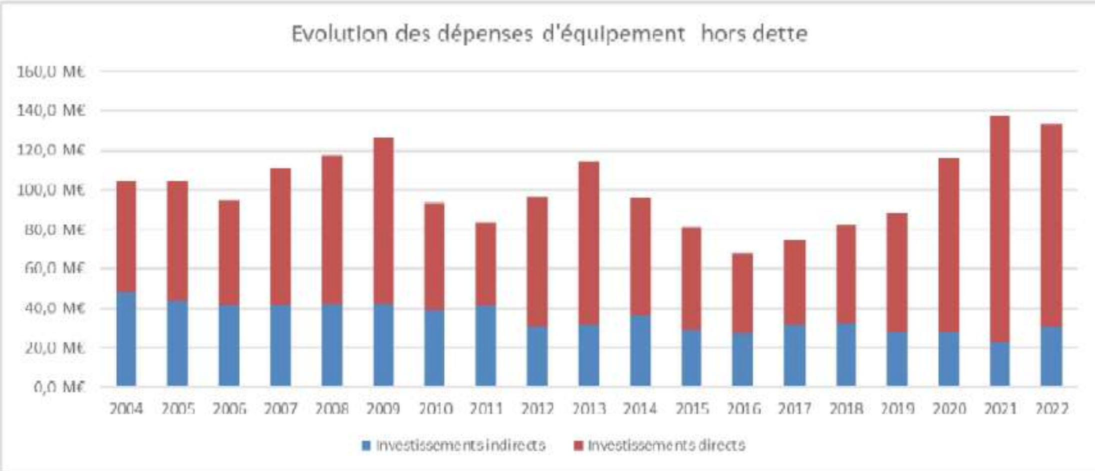
Equipment expenditure (excluding debt and finance costs) totalled 133.42 M€ in 2022 compared to 137.88 M€ in 2021. Indeed, the *Département* was able to finance this through its own resources in an amount of 76.8%.

In 2022, direct investment expenditure decreased by an amount equal to -11.3%. Indirect investment expenditure increased by 33% compared to 2021, mainly due to the EHPAD investment support programme. In 2022, €6.3m in grants were paid for this purpose.

In M€	**AA 2021**	**CFU 2022**	**Change 21/22**
***Département* equipment (Direct investment)**	**115.68**	**102.57**	**-11.3%**
Studies, software	7.04	6.48	-7.9%
Real property or tangible asset acquisitions	11.27	16.31	44.8%
Works	97.37	79.77	-18.1%
Of which schools	*70.76*	*49.41*	*-30.2%*
Of which roads	*17.88*	*24.07*	*34.6%*
Of which others	*8.73*	*6.30*	*-27.9%*
Non-*Département* equipment (Indirect investment)	**22.20**	**30.84**	**39.0%**
Equipment grants/subsidies	22.20	30.84	39.0%
Of which Superfast broadband	*0.40*	*0.58*	*45.5%*
Operations for third parties	**137.88**	**133.42**	**-3.2%**
Equipment expenditure	**0.00**	**0.00**	
Financial expenditure	**36.91**	**23.06**	**-37.5%**
Repayment of principal on debt	21.57	20.78	-3.7%
Other investment expenditure	15.34	2.28	-85.1%
Actual investment expenditure	**174.79**	**156.47**	**-10.5%**

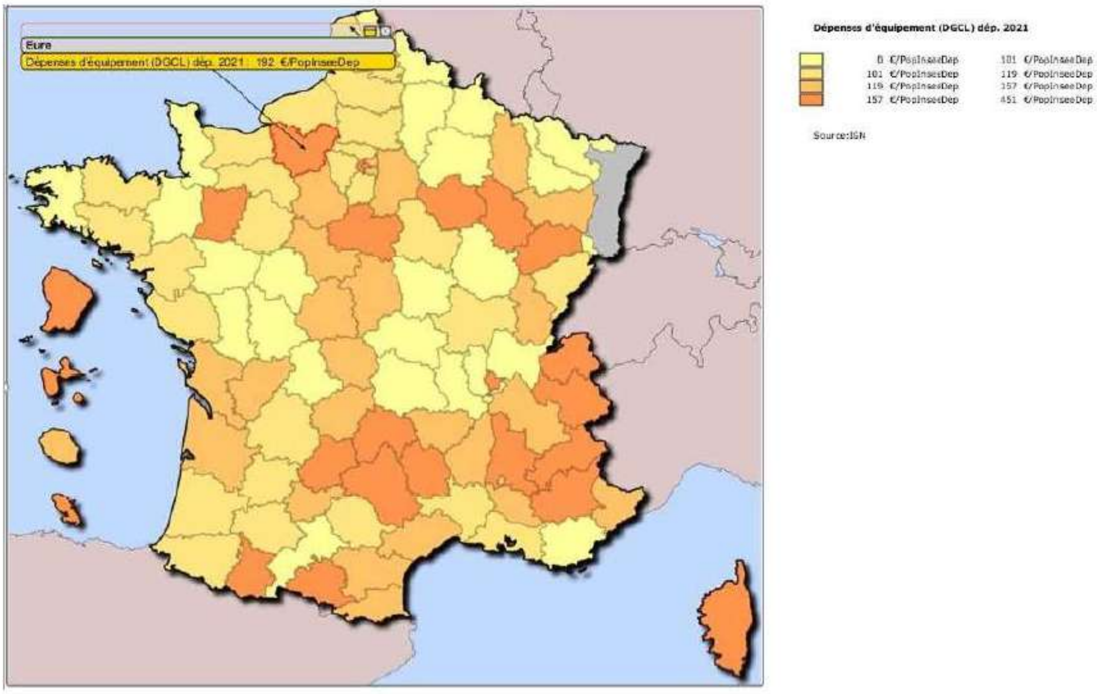
Investment under the AA 2022 stayed at a high historic level since 2004.

Changes in equipment expenditure (excluding debt)



This high level of investment should also be compared with the level of capital expenditure in other departments. For the record, in 2021, the *Département* of Eure has capital expenditure of €192 per capita compared to an average of €135.

Equipment expenditure (DGCL) dep. 2021



Investment under the *Département*'s various public policies in 2022 was as follows:

	2021	2022	Change 2021/2022
Autonomy, disability and access to healthcare	**366,597**	**6,338,999**	**n.a.**
Children and families	5,000	-	-100%
Integration and social action	62,453	12,837	-79%
Digital Elderly persons	299,144	6,323,161	n.a.
Resources, general resources and SDIS	**11,986,301**	**13,761,278**	**15%**
Resources (departmental buildings, IT)	10,294,921	11,787,634	14%
Civil security Housing	1,691,380	1,973,644	17%
Economic development, employment, tourism	**10,024,069**	**6,443,280**	**-36%**
Economic and touristic appeal	4,821,555	3,263,255	-32%
Regional engineering	4,802,514	2,597,975	-46%
Digital	400,000	582,050	46%
Education	**85,228,532**	**68,243,984**	-20%
Infrastructure, transport, agriculture, environment	**24,014,223**	**31,154,779**	**30%**
Agriculture	442,523	444,624	**0%**
Environment	2,704,624	3,412,597	26%
Mobility	20,867,075	27,297,558	31%
Youth, Sports, Culture and international relations	**3,788,459**	**4,458,345**	18%
Culture, archives	3,063,705	3,148,469	**3%**
Sports and youth	724,754	1,309,876	81%
Housing, dwellings, towns policy and social, solidarity and circular economy	**2,471,996**	**3,014,885**	22%
Equipment expenditure excluding debt and financial expenditure	**137,880,177**	**133,415,550**	**-3%**

Investment has to be considered over a cycle. The year 2022 was marked in particular by the continuation of a large number of works and the pursuance of large-scale projects under multi-year investment plans for schools, roads and old peoples' care homes (EHPAD).

Capital expenditure related to education accounts for 51% of capital expenditure. It will fall by 20% to 68.24 M€ in 2022 compared to 85.23 M€ in 2021.

Notable in this domain are the following main secondary schools building and restructuring projects which had a significant impact in 2022:

Schools	**Overall amount in €**	**Achievements before 2022**	**2022**	**Subsequent Credits**
Collège Bourneville ste Croix	25,988,336	10,824,856	8,506,180	6,657,300
Collège Louviers – Suzanne Lipinska	21,604,929	11,795,186	7,592,743	2,217,000
Collège Pont de l'Arche	19,432,970	10,313,601	6,549,368	2,570,000
Collège Le Val d'Hazey (Aubevoye)	17,236,941	3,082,680	6,101,261	8,053,000
Collège Routot	10,718,543	5,144,661	4,555,382	1,018,500
Collège Evreux Jean Rostant	20,521,346	16,458,805	3,753,042	309,500
Collège Bernay – Le Hameau	16,126,892	11,918,842	3,565,851	642,200
Collège Broglie (Chamblac)	13,707,812	6,560,731	2,227,082	4,920,000

As a reminder, in this regard in 2022, the following were delivered:

1-*Collège Le Hameau*, Bernay;

2-*Collège Jean Rostand*, Evreux (2nd phase);

3-*Collège Le Roumois*, Routot (2nd phase);

4-*Collège André Maurois*, La Saussaye;

5-*Collège Simone Signoret*, Le Val d 'Hazey (half board).

Schools upkeep and maintenance represented 7.62 M€ in 2022 compared to 4.52 M€ in 2021.

Support for private schools represented 0.31 M€. Schools equipment and materials represented 1.54 M€ (furniture, half-board materials, IT equipment...).

Support for commune school construction works amounted to 6.49 M€ in 2022 compared to 4.38 M€ in 2021.

As regards mobility, spending totalled 27.3 M€, up 31% compared to 2021. This entire sum relates to investment in the *Département*'s roads network.

The main expenditure items were as follows:

– network modernisation and renovation: 19.1 M€;
– study costs and work on art works: 2.2 M€;
– road routes of regional interest: 0.94 M€;
– road safety operations: 0.16 M€;
– Bac de Quillebeuf: 0.06 M€ ,
– contributions paid to local authorities: 0.7 M€;
– equipment and materials: 1.44 M€;
– urgent unforeseen works (relating to marl pits in particular): 1.25 M€;
– activity zone transport services: 0.7 M€.

The expenditure in favour of digital reached €0.58 M including subsidies paid to Eure Normandie Numérique and Eure-et-Loir Numérique.

Expenditure on housing amounted to 2.98 M€ in 2021, with:

– housing support grants in an amount of 1.33 M€;
– social housing support to the tune of 0.81 M€;
– housing improvement works support of 0.87 M€;

Agriculture accounted for 0.44 M€ in expenditure through the agricultural holdings investment grants and support for agricultural projects.

3.41 M€ was allocated to the environment, principally for sanitisation (1.26 M€), drinking water supplies (0.68 M€), assistance for surface water and river water management (0.38 M€), protection and enhancement of biodiversity (0.40 M€).

Support (and engineering) for local areas represented 2.6 M€ in 2022, a decrease of 46% with:

– urban development assistance in an amount of 183 K€ compared to 108 K€ in 2021;
– local planning and development totalling 2.4 M€ compared to 4.7 M€ in 2021 due to fewer requests for the payment of grants/subsidies under the under the local area contracts and the end of commitments under these schemes.

Economic and touristic appeal reached 3.26 M€ (-32%) with mainly support for cycle tourism development of an amount equal to 2.34 M€, relating to works performed on the "Seine à vélo" project and the departmental green lanes and cycle paths scheme.

Expenditure on the investment side on culture amounted to 3.15 M€ in 2022 compared to 3.06 M€ in 2021 (+ 3%). This amount can be explained by the grants/subsidies paid in respect of cultural amenities support (1.6 M€), the grants/subsidies paid towards the protection of historic public heritage (0.85 M€) and by the resources allocated to the *Département*'s cultural sites and their development projects (1.02 M€).

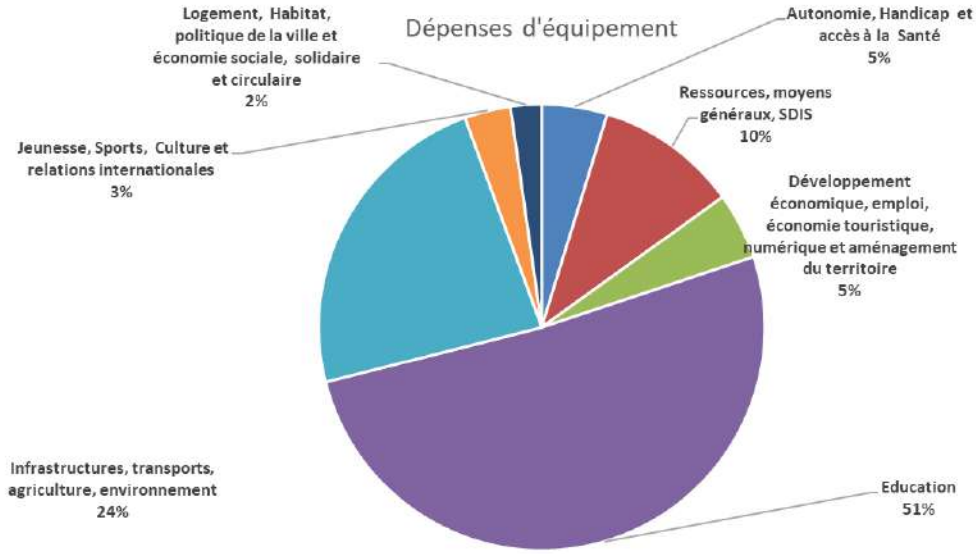
Spending on sports amounted to 1.31 M€ in 2022 compared to 0.72 M€ in 2021. This increase was mainly due to the significant payment of subsidies (balance or down payments) allocated to the renovation, extension, restructuring or construction of sports facilities in the territory (gyms, sports complexes, swimming pools, local sports grounds, etc.).

Finally, 8.65 M€ (+ 5.1%) was allocated to heritage and logistics, with the main expenditure items including:

– construction, restructuring and extensions of departmental buildings to the tune of 2.51 M€ of which mainly 0.53 M€ for operational centres and 0.76 M€ social centre (MD Saint-Louis Evreux, in particular), 0.59 M€ to build the Children's social care home in Bernay and 0.27 M€ for the restoration of the *Château d'Harcourt*;
– acquisition of vehicles, machinery and equipment: 3.35 M€;
– upkeep and maintenance of buildings: 2.47 M€;
– acquisition of furniture and equipment: 0.32 M€.

Spending on information systems amounted to 3.08 M€ (+52%).

Equipment expenditure



Autonomy, disability and access to healthcare
Resources, general resources and SDIS
Economic development, employment, tourism, digital economy and regional development
Education
Infrastructure, transport, agriculture, environment
Youth, Sports, Culture and international relations
Housing, dwellings, towns policy and social, solidarity and circular economy

The year-end financial position is particularly sound as a result of this 2022 budget execution.

3- *Programme authorisations (PA) per policy*

The total PA stock amounts to 993.17 M€ at 31 December 2022. During BS 2023 and BP 2024, a redesign of the APs will be carried out. A majority of PAs will be cleared to make way for new PAs (PPI 2023-2028).

The cover ratio refers to the ratio between the multi-year commitment level and the annual spending authorisation (mandating) capacity. The non-mandated spending out of total commitments made was 102.7 M€ which is a ratio of 0.77. In other words, the *Département*'s multi-year-commitment level is perfectly sustainable. On the other hand, it will continue to grow as the PPI (multi-year investment plans) progress.

In M€	**PA**	**COMMITTED**	**MANDATED END OF 2022**	**MANDATED 2022**	**COVER RATIO**
Agriculture	3.07	2.99	2.14	0.44	**0.90**
Economic and touristic appeal	75.75	29.93	22.81	3.51	**1.02**
Culture	38.27	24.94	13.16	3.15	**2.74**
Education	392.50	358.93	243.43	68.24	**0.69**
Environment	48.30	43.25	32.01	3.41	**2.29**
Housing	48.84	33.63	26.59	3.01	**1.34**
Territory Engineering	27.80	25.20	16.66	2.60	**2.29**
Integration and social action	1.16	1.02	0.55	0.46	**0.02**
Mobility	140.08	91.49	60.67	27.30	**0.13**
Digital	44.27	42.34	38.02	0.58	**6.42**
Elderly citizens	26.32	16.34	10.01	6.33	**0.00**
People with disabilities	0.01	0.00	0.00	0.00	**n,c**
Resources (departmental buildings, IT)	119.06	70.74	48.79	11.80	**0.86**

Civil Security	11.00	5.86	0.61	1.97	**1.66**
Sports & Youth	16.74	13.62	8.05	1.31	**3.26**
General Total	**993.17**	**760.28**	**523.50**	**134.13**	**0.77**

II- A particularly sound financial position at the end of the 2022 financial year

A) Operating surplus rates perfectly consistent with sound management standards

The *Département*'s savings decreased in 2022 under the effects of social revaluation measures and inflation. Operating surplus directly determines investment capacity. In other words, by protecting its operating surplus, the *Département* is providing itself with the resources to bring its multi-year investment programmes to successful fruition.

	AA 2015	**AA 2016**	**AA 2017**	**AA 2018**	**AA 2019**	**AA 2020**	**AA 2021**	**CFU 2022**
Actual operating revenue	516.67	514.42	495.17	500.54	511.38	526.16	571.10	572.53
Management expenses	456.30	450.55	431.06	434.02	433.70	434.06	444.68	475.02
Operating surplus	60.37	63.87	64.11	66.52	77.68	92.10	126.42	97.50
Operating surplus rate	***11.7%***	***12.4%***	***12.9%***	***13.3%***	***15.2%***	***17.5%***	***22.1%***	***17.0%***
Finance costs	4.02	4.26	3.73	3.67	3.99	3.89	3.75	3.85
Gross operating surplus	56.350	59.610	60.380	62.850	73.690	88.210	122.7	93.7
Gross operating surplus rate	***10.9%***	***11.6%***	***12.2%***	***12.6%***	***14.4%***	***16.8%***	***21.5%***	***16.4%***
Repayment of principal on debt	20.11	19.72	18.49	20.94	19.97	28.02	21.57	20.78
Net operating surplus	40.59	50.31	46.56	44.38	*60.34*	77.88	101.10	72.88
Net operating surplus rate	***7.9%***	***9.8%***	***9.4%***	***8.9%***	***11.8%***	***14.8%***	***17.7%***	***12.7%***
Actual investment revenue (excl. borrowing)	22.03	19.14	14.04	14.74	13.61	17.99	27.54	31.38
Actual investment expenditure excluding debt	82.41	69.2	75.42	82.72	89.56	116.04	153.22	135.70
Borrowing	30	5	18.5	30	40	55	35	25
Rate of financing actual investment expenditure through own resources	*75.99%*	*100.4%*	*80.35%*	*71.47%*	*82.57%*	*82.62%*	*83.96%*	*76.83%*
Operating surplus/annuity	2.7	3.1	3.1	2.8	3.5	3.4	5.0	4.0
Outstanding debt at 31 December - M€	**263.5**	**248.8**	**248.8**	**257.9**	**277.9**	**304.9**	**318.4**	**322.6**
Debt repayment capacity	**4.7**	**4.2**	**4.1**	**4.1**	**3.8**	**3.5**	**2.6**	**3.4**

Operating surplus represents the difference between ordinary operating income and ordinary operating expenditure. The operating surplus in 2022 stood at 97.50 M€ a decrease of 22.9% compared to 2021 (126.42 M€). This decrease is explained in particular by the exceptional disposal income of €14.4 million related to the merger that gave rise to the creation of Monlogement27. As a reminder, this operation is neutral overall, the operating income being balanced by an investment expenditure.

Gross operating surplus is the difference between actual operating revenue and actual operating expenditure. In 2022, the gross operating surplus decreased by 23.7% to reach 93.65 M€ (compared to 122.67 M€ in 2021).

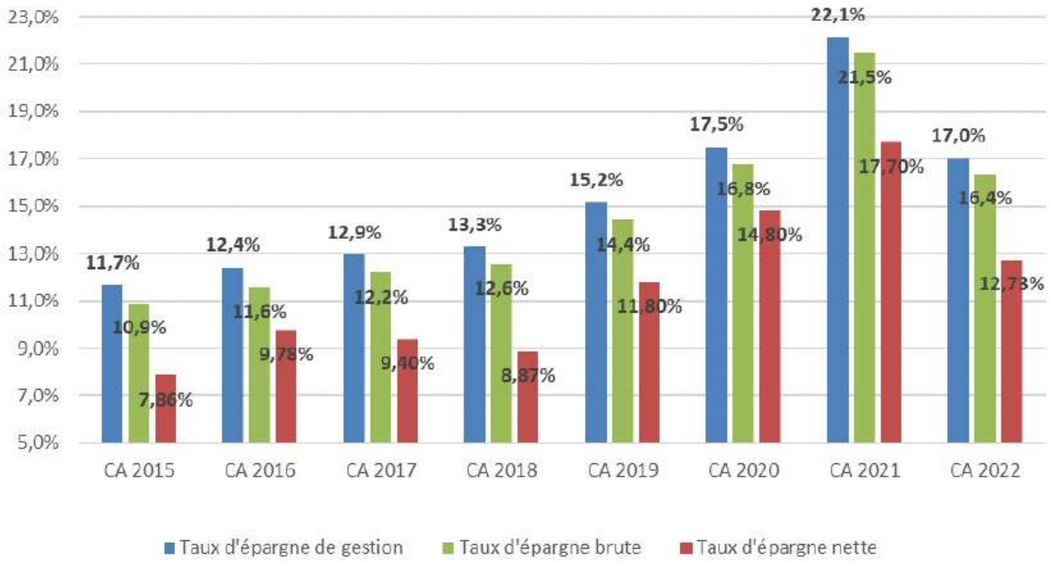
Net operating surplus is obtained after deducting annual debt principal repayments. This totalled 72.9 M€ in 2021 compared to 101.10 M€ in 2021, a variation of -27.9%.

The various operating surplus levels are however assessed principally through the operating surplus rates rather than their absolute value. Indeed, by comparing the surplus to actual operating revenue, an assessment can be made of:

- the degree to which the operating section or amount-constrained mandatory expenditure is under control, with reference to the relevant operating surplus;
- the capacity to generate resources to fund investment financing.

In accordance with sound management standards, the gross operating surplus rate must not be below 10%. In the Eure, it was 16.4% in 2022 compared to 21.5% in 2021. Between 2021 and 2022, the gross operating surplus rate has decreased by almost 5 points.

The net savings rate also decreased to 12.73% in 2022 from 17.70% in 2021.

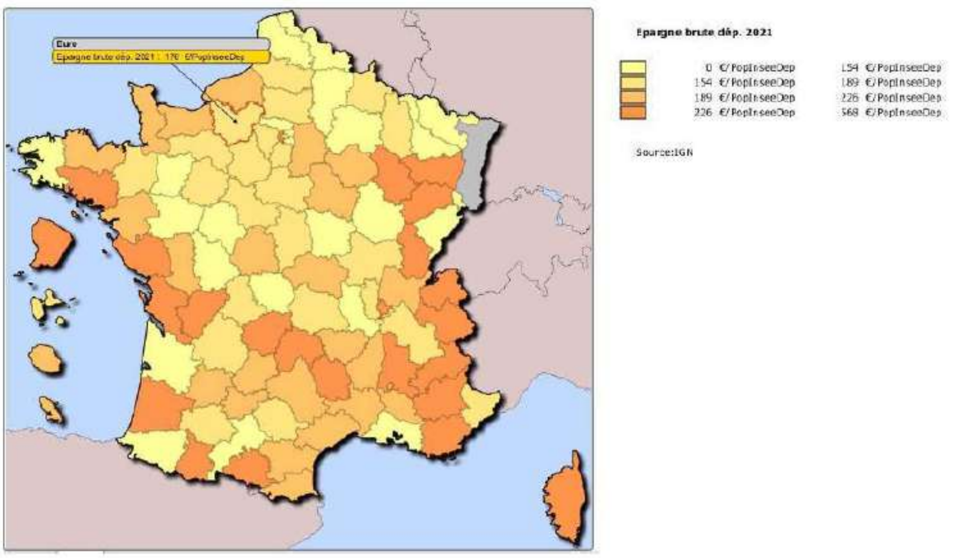


Management operating surplus rate - Gross operating surplus rate - Net operating surplus rate

Thus, 2022 allowed the maintenance of savings at a level higher than that observed before 2020.

For the record, in 2021, the *Département* has a gross savings per capita of €176 against a national average of €184.

Gross operating surplus dep. 2021



B) Ratios under control

Beyond the savings rates, the financial analysis ratios as of 31 December 2022 reflect a controlled situation both with regard to the *Département*'s funders and the budget management rules laid down by the State with regard to the Moody's Rating Agency.

This is true, firstly, for the debt ratios. The first of these is debt repayment capacity. Indeed the number of years necessary for the *Département* to repay its debt has slightly increased from 2.6 years to 3.4 years.

To put this indicator into perspective, note that:

– the *Département* is contractually bound with the European Investment Bank not to exceed 12 years under penalty of repayment of consolidated drawdowns;

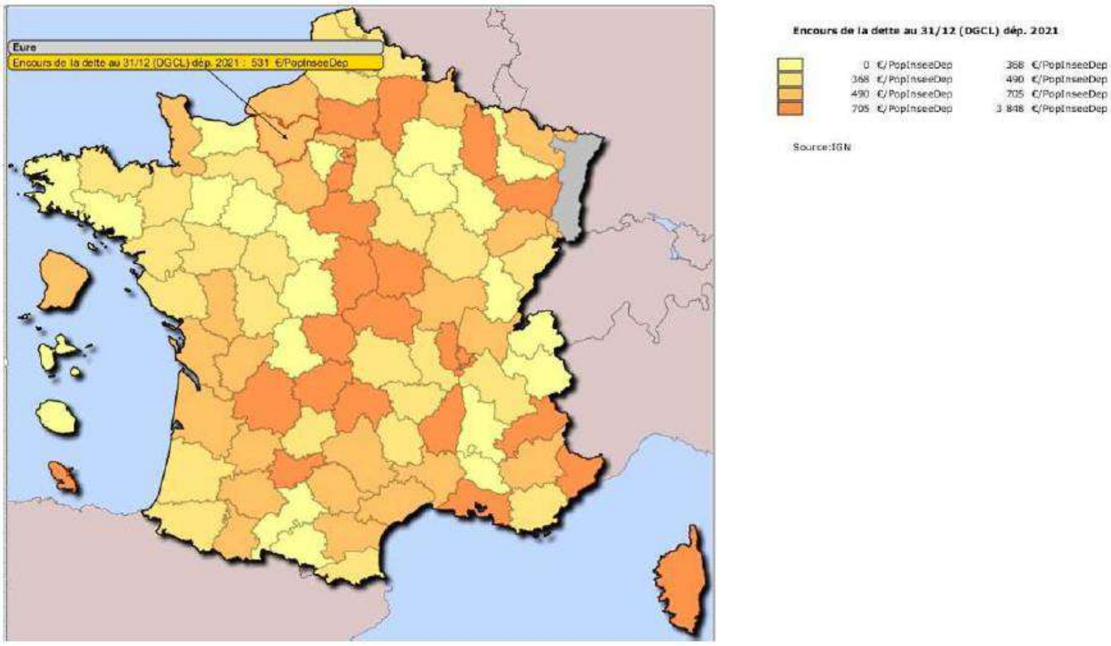
– the Executive has set a limit of 10 years, this level being considered as the solvency threshold for local authorities;

– the law n°2018-32 dated 22 January 2018 on programming of the public finances for the years 2018 to 2022 has set a national benchmark upper-limit not to be exceeded, which is 10 years for *département*s.

A second ratio, forming a contractual undertaking vis-à-vis the European Investment Bank, is that of operating surplus to annual debt repayments. This enables an assessment to be made of a local authority's structural capacity to meet its annual debt repayments, and therefore of its solvency. The *Département* must not fall below 1.3, which, in addition to being a contractual obligation, represents a real alert threshold. In 2022, the ratio stood at 3.93.

For the record, in 2021, the *Département* has an outstanding debt per capita of €531 per capita compared to a national average of €653.

Outstanding debt at 31/12 (DGCL) dep. 2021



Since 2015, the *Département* has been awarded the Aa3 rating by the Moody's rating agency, one step away from that of the State. Moody's points to a "prudent budgetary and financial management, a moderate level of debt and a secure liquidity profile" as well as a "strong financial performance in comparison with the other French departments".

III. <u>A significant closing result and preserving the community's margins of manoeuvre</u>

The closing result level has, in theory, to do with the issue of correct borrowing calibration. Indeed, except for taking advantage of market opportunities or anticipating rapid interest rate increases, the result represents borrowing mobilised early and therefore increased expenditure through the resulting loan finance costs.

In 2022, the *Département*'s overall cumulative result has not included technical adjustments to take account of the observations made by the statutory auditors.

The results were as follows:

ITEM	INVESTMENT 2022	OPERATING 2022	TOTALS 2022
REVENUE	219,335,773.25	621,681245.21	841017,018.46
Actual revenue	56,380,962.88	572,525,378.83	628,906,341.71
Non-budgetary (*d'ordre*) revenue	70,557,217.66	49155,866.38	119,713,084.04
Allocation (1068)	92,397,592.71		92,397,592.71
EXPENDITURE	214139,051.29	540,918,908.90	755,057,960.19
Actual expenditure	156,474,412.81	478,870,463.34	635,344,876.15
Non-budgetary (*d'ordre*)	57,664,638.48	62,048,445.56	119,713,084.04
FINANCIAL YEAR RESULT	5,196,721.96	80,762,336.31	85,959,058.27
PREVIOUS RESULTS	92 397 592,71	33 275 338,40	- 59 122 254,31
Investment expenditure (001)	92,397,592.71		
Operating revenue (002		33,275,338.40	
CUMULATIVE RESULTS	87,200,870.75	114,037,674.71	26,836,803.96

It is this latter result that shall be applied under the 2022 supplemental budget.

As in previous years, it is proposed that the overall operating result will be applied strictly towards covering the investment deficit.

2. SUMMARY OF THE 2021 ADMINISTRATIVE ACCOUNTS

The administrative account has a threefold purpose:

– enabling budgetary execution, and thereby the actions taken during the financial year, to be assessed;

– enables a report to be prepared on the financial situation of the *Département* at 31 December of the preceding year;

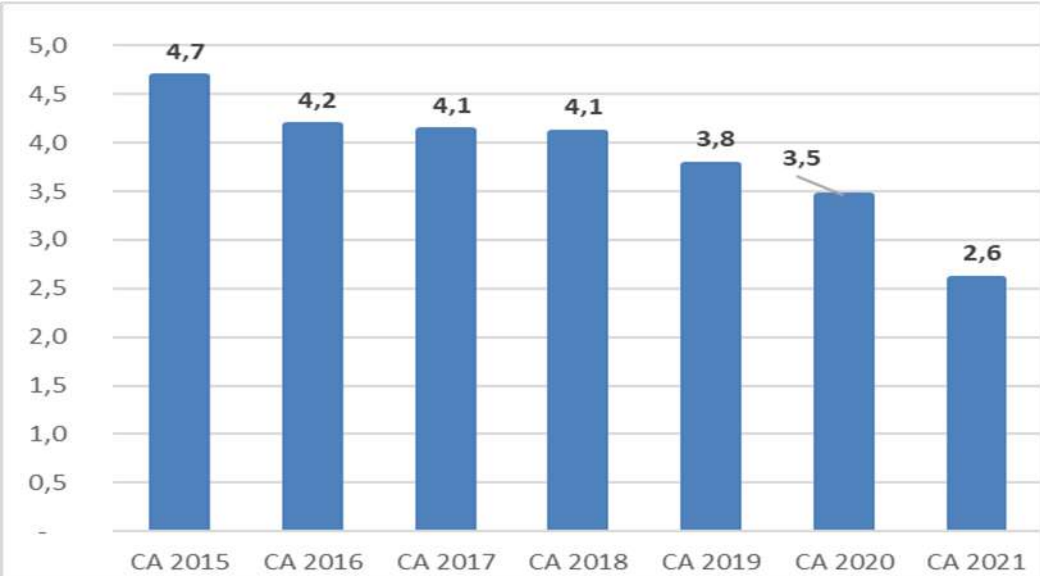
– it leads to a determination of the accounting results, therefore allowing an assessment of the previous year's borrowing strategy.

Three highlights marked the year 2021:

– an increase in the operating surplus, both the gross operating surplus at 39.1% and net operating surplus of 67.9%;

– an increase of 21.3% in actual investment expenditure, due in particular to the investment in schools;

– controlling debt, thereby maintaining debt repayment capacity at a historically low level (2.6 years compared to an average for *départements* of 4.5 years) the trend in which is shown below:



These three elements reflect the *Département*'s healthy financial situation.

Above and beyond any future local spending legislative framework, sound management of its finances is a prerequisite for the *Département*'s commitment to the "*eurois*". It is from this perspective that, as from 2015, an ambitious and responsible financial strategy was deployed, represented in concrete terms once again by the 2021 administrative account.

Since 2015, the *Département* has made all necessary efforts to build the resilience necessary to face the economic and financial consequences of the current health crisis and to put counter-cyclical policies in place to contain them.

Furthermore sound management ensures that the local authority has room for manoeuvre enabling it to meet commitments made to the *eurois*.

Indeed, in 2021, the *Département* both:

– increased operating surplus, with an increase of 39.1% in gross operating surplus and 67.9% in net operating surplus;

– boosted its investment efforts (excluding debt) by more than 37 M€, or 32%.

As such the sound management reflected in the 2021 financial year accounts gives security at two levels:

– security as to the ability of the *Département* to bring to fruition the multi-year investment programmes in the years to come;

– security as to the *Département*'s financial ability to implement countercyclical policies to deal with the consequences of the current health crisis.

I- 2021, a year still marked by the health crisis with nevertheless a sharp increase in operating surplus allowing increased investment to be financed

A) The operating section: controlled operating expenditure despite the health crisis and dynamic growth in revenue

1- *Actual operating revenue on the increase thanks to the dynamism of direct and indirect taxation*

Actual operating revenue amounted to 571.10 M€ in 2021 compared to 526.16 M€ in 2020. This is an increase of 8.5% compared to 2020. This can be explained mainly by the dynamic direct and indirect tax revenues.

Indeed the 2021 was marked by an exceptional amount of transfer duties (DMTO). This amounted to 108.02 M€ compared to 83.81 M€ in 2020, an increase of 29%.

2021 was also marked by the continued dynamism of real estate acquisitions.

Below is a summary of the changes in actual operating revenue:

M€	**AA 2020**	**AA 2021**	**Change 20/21**
Direct taxation (sub-total)	154.55	40.76	-73.6%
Indirect taxation (sub-total)	198.89	343.00	72.5%
Taxation (total)	353.45	383.75	8.6%
Equalisation	20.44	18.91	-7.5%
State endowments	93.90	93.50	-0.4%
Social revenues	43.29	43.87	1.3%
Others	15.09	31.07	105.9%
Total	**526.16**	**571.10**	**8.5%**

For each component of actual operating revenue, a more detailed breakdown explains the reasons for the change.

<u>Direct taxation</u>

Type of revenue in M€	**AA 2020**	**AA 2021**	**Change 20/21**
Land tax on built properties (TFPB) (in 2021, additional rolls)	116.34	0.42	-100%
Business value-added contribution (CVAE)	31.42	33.38	6%
Utility companies flat rate tax (IFER)	0.83	0.99	20%
National individual resources guarantee fund (FNGIR)	5.97	5.97	0.0%
Sub-total	**154.55**	**40.76**	**-74%**

In 2021 direct tax revenue amounted to 40.76 M€ compared to 154.55 M€ in 2020, a decrease of 74% due to the replacement of the land tax (direct taxation) with a VAT portion (indirect taxation).

Residually, the *Département* collected additional rolls in an amount of 0.42 M€. Due to the tax prescription rules, the *Département* will no longer receive this additional revenue.

CVAE revenue amounted to 33.38 M€ in 2021 compared to 31.42 M€ in 2020, an increase of 6%. This increase can be explained by the fact that CVAE N is calculated with reference to N-2 data and that it also fluctuates depending on businesses' policy towards modulating interim CVAE payments made.

Similarly, IFER) also increased in 2021 (0.99 M€ compared to 0.83 M in 2020).

The amount of FNGIR revenue, introduced following the professional tax reforms, is fixed. Accordingly, as in 2020, it amounted to 5.97 M€.

Indirect taxation

Type of revenue in M€	AA 2020	AA 2021	Change 20/21
Transfer duties (DMTO)	83.81	108.02	29%
VAT compensatory portion in respect of land tax (TF) transfer		116.85	
VAT additional portion		3.29	
Special tax on insurance contracts (TSCA)	60.63	60.09	-1%
Domestic tax on the consumption of energy products (TICPE)	41.45	41.82	1%
Development tax (TA)	4.51	5.69	26%
End user electricity consumption tax (TCFE)	8.49	7.24	-15%
Sub-total	**198.89**	**343.00**	**72%**

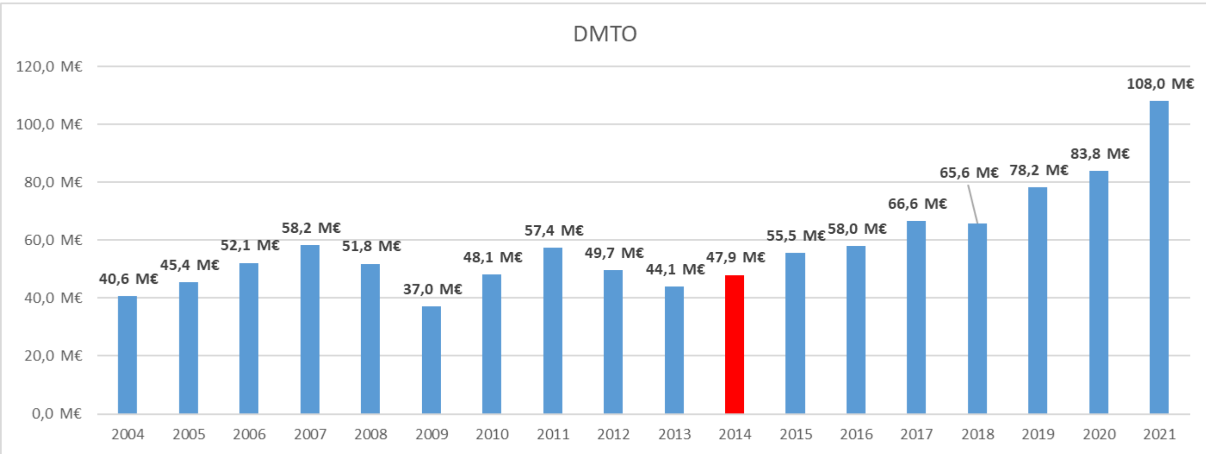
Indirect tax revenue increased by 72% in 2021 to an amount of 343 M€. This significant movement masks a change in scope already referred to. Beyond this change, the differing variations by type of revenue are explained below.

This revenue related to DMTO follows a cyclical pattern. Conventionally, phases of moderate prices combined with attractive mortgage loan terms lead to phases where transaction numbers pick up.

There has been a sharp increase in DMTO, by an amount of 24.2 M€ compared to 2020, or + 29%.

Despite the rise in real estate property prices seen in 2021, extremely low bank rates helped to sustain transaction numbers. In 2021, the *Département de l'Eure* benefited in this regard from the effects of the health crisis and lockdowns with an increase in demand and ultimately in completed acquisitions thanks to the appeal of the region in particular due to its geographical proximity to Paris. In 2021, 13,802 transactions were recorded under the normal DMTO regime (namely a rate of 4.5%) compared to 11,606 in 2019. This 19% increase combined with favourable price trends resulted in a historic DMTO level in 2021 of 108 M€.

DMTO revenue reflects the real estate market as underlined by the illustration below. The year in which the DMTO rate increased to 4.5% appears in red.



2021 was the first year for collection of the additional VAT portion. As a reminder, it is equal to the land tax (TF) received in 2020 increased by the average for the additional rolls over the last three years and of the tax exemption compensation. As a result, this revenue remained stable with reference to 2020.

The *Département* has benefited from an additional VAT portion established at national level at an amount of 250 M€. *Départements* are eligible for this portion subject to having an amount of DMTO per inhabitant in N-1 of below the national average and having a poverty rate of over 12% (source INSEE). The 250 M€ amount is split between eligible *départements* by reference to a social fragility index (RSA, APA, PCH and income).

The special tax on insurance contracts (**TSCA**) remains more or less stable with a decrease of 1% in 2021, with the amount collected equal to 60.09 M€ compared to 60.63 M€ in 2020. The trend depends in principle on changes in the cost of insurance contracts.

The internal tax on the consumption of energy products (**TICPE**) mechanism is similar to that of the TSCA with the local portion assessed on national tax. The TICPE collected by the *Département* increased in 2021 to reach 41.82 M€, compared to 41.45 M€ in 2020. This increase in the consumption of energy products in France can be explained mainly by the recovery in economic activity in France following the various lockdowns in 2020.

This sharp decrease in the electricity tax in 2021 is due to the attachment of the 4th quarter 2020 to the 2020 financial year as part of the accounts certification process. Indeed, in 2020, the 4th quarter of the 2020 financial year was attached (*rattaché*) and therefore also included, for accounting purposes, with the 2020 financial year. The 8.49 M€ therefore represent five quarters compared to four quarters in 2021. However the final amount for the 2020 financial year totalled 6.78 M€ and therefore in reality the 2021 financial year represents an increase of 6.7% compared to 2020.
Development tax income amounted to 5.69 M€, an increase of 26% compared to 2020 reflecting the robustness of the real estate market.

Equalisation funds

Equalisation-related revenues fell in 2021 (-7) from 20.44 M€ to 18.91 M€.

Type of revenue in M€	AA 2020	AA 2021	Change 20/21
Equalisation fund for DMTO and Solidarity Fund	11.25	9.54	-15%
Equalised compensation endowment (DCP)	7.75	7.96	3%
CVAE Compensation Fund	1.44	1.42	-2%
Sub-total	**20.44**	**18.91**	**-7%**

The payment in respect of the FPDMTO decreased by 15% in 2021 to an amount of 9.4 M€. This change can be explained in particular by the smaller national amount available for distribution than in 2020. In 2021, the FPDMTO amount available for distribution between *Département*s was 1,600 M€ compared to 1,798 M€, a decrease of 11%.

The *Département* received 7.96 M€ in 2021 in respect of the equalised compensation endowment (**DCP**) compared to 7.75 M€ in 2020.

In 2021, for the fourth consecutive year, the *Département de l'Eure* was eligible for the CVAE equalisation fund and received an amount of 1.42 M€, compared to 1.44 M€ in 2020, a decrease of -2%.

State endowments

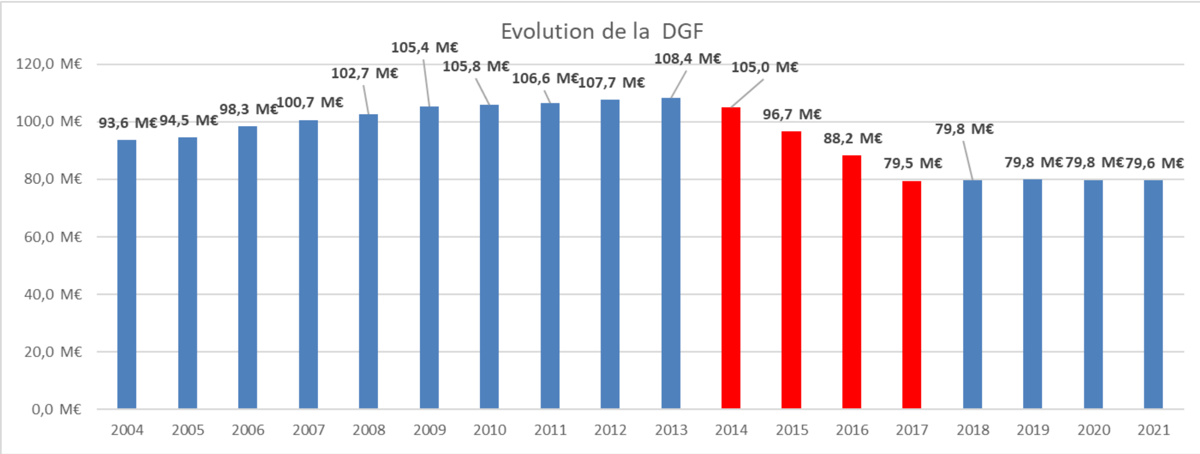
State endowments were relatively stable in 2021. They fell from 93.90 M€ to 93.50 M€. This slight fall is mainly the result of a decrease in compensatory allowances and of the DGF.

Type of revenue in M€	AA 2020	AA 2021	Change 20/21
Global operating endowment (DGF)	79.76	79.61	-0.2%
General decentralisation endowment (DGD)	4.42	4.42	0.0%
Professional tax reform compensation endowment (DCRTP)	6.22	6.18	-0.6%
FCTVA	0.27	0.31	13.6%
Compensatory allowances	3.22	2.99	-7.4%
Sub-total	**93.90**	**93.50**	**-0.4%**

In respect of DGF an amount of 79.61 M€ was received in 2021 compared to 79.76 M€ in 2020, a decrease of 0.2%, reflecting the democratic trends in the *Département,* compared to elsewhere.

As a reminder, the dynamic change in DGF between 2004 and 2013 was structurally impacted by the implementation of the contribution towards repairing the public finances from 2014 to 2017, which represented a cumulative fall of 207 M€ between 2013 and 2017.

Change in DGF



DGD for its part was stable with reference to 2021 and totalled 4.42 M€.

DCRTP stood at 6.18 M€ in 2021, a slight decrease compared to 2020.

For the fifth consecutive year, the *Département* benefited from the VAT compensation fund in the operating section with an amount of 0.31 M€ (0.27 M€ in 2020).

Compensatory allowances represented 2.99 M€ in 2021 compared to 3.22 M€ in 2020, a decrease of 7.4%. These constitute adjustment variables within the standardised envelope. Note also the disappearance of land tax exemption compensation resulting from its transfer to the communes.

Social action-related revenues

Revenues related to social action increased by 1% to an amount of 43.87 M€ in 2021.

Type of revenue in M€	AA 2020	AA 2021	Change 20/21
APA endowment	16.23	16.65	3%
Law on societal adaptation to ageing	1.67	4.23	152%
Financiers' conferences	1.77	1.87	5%
PCH Endowment	6.55	6.33	-3%
MDPH Endowment	0.72	0.84	16%
Integration mobilisation fund (FMDI)	4.09	4.23	3%
Filial financial responsibility	0.56	0.69	22%
Claims against estates	1.99	1.90	-5%
Beneficiary refunds	4.21	1.29	70%
MNA Compensation Fund	0.26	0.24	-7%
RSA undue payments	0.51	0.68	33%
APA undue payments	0.22	0.21	-4%
PCH undue payments	0.14	0.24	71%
European Social Fund	1.44	1.28	-11%
Child protection strategy and poverty prevention plan	2.91	3.20	10%
Sub-total	**43.29**	**43.87**	**1%**

BP 2012 BP 201
The APA endowment and revenues under the law on societal adaptation to ageing amounted to 20.88 M€ in 2021 compared to 17.91 M€ in 2020, representing a sharp increase of 17%.

As a reminder, the funds paid by the *Caisse Nationale de Solidarité pour l'Autonomie* ("**CNSA**") depend on 4 criteria:

– the number of persons aged over 75 (50% weighting);

– APA expenditure (20% weighting);

– the number of households receiving RSA (5% weighting);

– tax potential (25% weighting).

Due to this weighting, the *Département* therefore receives a different provisional compensation amount each year with an adjustment in the following year. Also, in 2021, an adjustment of 1.54 M€ was applied in respect of 2020 in connection with the law on the adaptation of society to ageing.

The Integration Mobilisation Fund ("**FMDI**") is governed by strict budget limits also depending on various criteria (scale of RSA and integration expenditure). This fund is made up of three parts:

– an initial portion of 40% by way of compensation;

– a second portion of 30% by way of equalisation;

– a third portion of 30% for integration;

– This item has increased slightly in the last few years to reach an amount of 4.23 M€.

The PCH endowment has decreased by 3% unlike the homes for the handicapped endowment ("**MDPH**") which has increased by 16%. This change can be explained by the new CNSA compensation mechanism for the operation of the MDPH in order to better match the resources allocated to the MDPH with their annually increasing activities.

In connection with the financiers conference, the CNSA paid an endowment of 1.87 M€ in 2021 for the purpose of implementing preventive initiatives and to finance the independent living residences fee, compared to 1.77 M€ in 2020, or + 5%. This increase has been made possible by the deployment of initiatives implemented as a result of calls-for-projects (96 initiatives financed in 2021).

As regards the European social fund ("**ESF**"), a revenue of 1.28 M€ was received. Timing of the revenue depends, in fact, on the European programming timetable. Part of the amount due for operations planned and implemented under the 2014-2020 programming was therefore received, in accordance with the service-provided determinations made by the *Département*'s and the State's relevant departments.

Revenues derived from beneficiary refunds (elderly and handicapped persons) decreased sharply, falling by 2.9 M€ with 1.29 M€ in 2021 compared to 4.21 M€ in 2020. This decrease can be explained by the introduction of the differential payment by all of the establishments located both within and outside the *Département*. The *Département* now only pays the difference between the expense and the revenue.

Revenues from claims against estates vary from one year to another since they depend on the dossiers being processed. They amounted to 1.9 M€ in 2021.

As regards revenues under contractual arrangements between the *Département* and the State as part of the national strategy for the prevention of poverty and Child protection and prevention, these increased to 3.2 M€ in 2021 compared to 2.91 M€ in 2020, an increase of 10%. As a reminder, the budget allocated for these strategies is negotiated annually depending on the initiatives proposed and execution of past initiatives. The revenue granted for the prevention of poverty strategy was greater in 2021 (+ 0.3 M€) compared to 2020 when a discount of 15% was applied due to under consumption of the allocated envelope.

Whether in connection with RSA, APA or PCH, where the *Département* is informed that aid has been paid unjustifiably, it recovers such undue payments. In this regard an amount of 1.13 M€ was received in 2021 compared to 0.87 M€, or + 30%. This enables the right payments to be made.

Other revenue

Type of revenue in M€	AA 2020	AA 2021	Change 20/21
Revenue from services, public land and miscellaneous sales	1.80	2.05	14%
Family contributions to catering and accommodation	1.59	1.37	-13%
Disposals	0.54	16.86	N.S
Other extraordinary income	0.07	0.14	118%
Misc. income	8.89	7.88	-11%
Financial income	0.08	0.20	134%
Changes in inventory	0.68	0.64	-5%
Reversal of provisions	0.31	1.92	527%

Sub-total	15.09	31.07	106%

Revenue from services, public land and miscellaneous sales has increased by 14% as a consequence of the sale of meals at the children's home (*Foyer Départemental de l'enfance*) and the pricing of school meals by La Cuisine Centrale. Family contributions to catering and accommodation ("**FARPI**") fell by 13%.
In 2021, income from disposals rose significantly due to transfers of investment securities and fixed assets following the merger between Eure Habitat and Secomile to become Monlogement27. This amounted to 14.4 M€ in 2021. Note that this transaction was balanced in terms of expenditure and revenue.

Other extraordinary income included revenue from insurance refunds and decided legal disputes. The level of this revenue is therefore logically particularly changeable. In 2021, it amounted to 0.14 M€ (0.07 M€ in 2020).

Miscellaneous revenue related to other contributions and grants received. The 2021 amount was 7.88 M€, a decrease of 11% compared to 2020 (8.89M€).

Financial income increased compared to 2020 to an amount of 0.20 M€. This amount varies depending on the dividends paid by the companies of which the *Département* is a shareholder (in particular Monlogement27).

Changes in inventory amounted to 0.64 M€, and reversal of provisions to 1.92 M€ related to litigation risks and write-down of receivables.

2- ***Actual operating expenditure controlled to preserve operating surplus***

Against a background where operating revenues have increased by 8.5% due in particular to stable endowments and the dynamic growth of DMTO, controlling operating expenditure has helped protect the operating surplus. At face value, actual operating expenditure has increased very slightly by 2.39% in 2021 to an amount of 448.43 M€.

Ordinary operating expenditure amounted to 444.53 M€ in 2021 compared to 433.96 M€ in 2020. This includes general expenses in an amount of 27.34 M€, staff costs in an amount of 103.61 M€, income mitigation in an amount of 6.58 M€, social spending on APA (41.62 M€) and RSA (90.08 M€) and other ordinary management expenses of 173.40 M€.

Actual operating expenditure is calculated by adding interest on loans (3.75 M€) and extraordinary expenses (0.15 M€).

Accounts chapter	Item in M€	AA 2020	AA 2021	Change 20/21
011	General expenses	25.15	27.34	8.72%
012	Staff costs	101.05	103.61	2.54%
014	Income mitigation	6.68	6.58	-1.62%
016	Individual autonomy allowance (APA)	41.82	41.62	-0.48%
017	RSA	90.97	90.08	-0.97%
65	Other ordinary management expenses	167.72	173.40	3.39%
68	Impairment and provisions	0.56	1.89	237.63%
Ordinary operating expenditure		**433.96 M€**	**444.53 M€**	**2.44%**
66	Finance costs	3.89	3.75	-3.58%
67	Extraordinary expenses	0.10	0.15	49.11%
Total actual operating expenditure		**437.95 M€**	**448.43 M€**	**2.39%**

Taking the degree of rigidity of the expenditure as a reference, the breakdown is as follows:

In M€	AA 2020	AA 2021	Change 20/21
Amount-constrained mandatory expenses	151.19	149.71	-1.0%
Amount non-constrained mandatory expenditure	164.95	172.11	4.3%
Voluntary expenditure	13.35	13.33	-0.1%
Resources	104.57	109.53	4.7%
Finance costs	3.89	3.75	-3.6%
Total	**437.95**	**448.43**	**2.4%**

The following tables provide detail of the relevant expenditure by policy area.

Amount constrained mandatory expenses

In M€	AA 2020	AA 2021	Change 20/21
RSA	86.44	85.33	-1.3%
APA	41.82	41.57	-0.6%
PCH	14.80	14.60	-1.3%
Sub-total individual solidarity allowance (AIS)	**143.06**	**141.50**	**-1.1%**
ACTP	3.60	3.40	-5.5%
RSA excluding allowance	4.54	4.76	4.8%
APA other	0.00	0.06	N.S
Sub-total	**8.13**	**8.21**	**1.0%**
Total	**151.19**	**149.71**	**-1.0%**

Overall, mandatory expenses constrained in their amount have decreased by 1% to 149.71 M€ (151.19 M€ in 2020).

The amount for RSA allowances decreased by 1.3% in 2021 to an amount of 85.33 M€. The main reason for this is the decrease in the number of RSA recipients under the scheme (14,311 recipients at the end of December 2020, 13,156 in September 2021). Indeed, in 2020, due to the health crisis, a number of factors caused the increase in the number of recipients. The main reason was the impact of business closures and the ending of controls.

APA expenditure amounted to 41.57 M€ in 2021, a decrease of 0.6% (- 0.2 M€), of which 25.7 M€ for at-home APA and 15.8 M€ for residential APA.

For at-home APA, there was a fall of -0.6% between 2020 and 2021. This was due to the health crisis.

For residential APA, the decrease was – 0.5%. This change can also be explained by the impact of the health crisis with a lower occupancy rate for places in homes for the elderly (EHPAD) than in 2020. In 2021, families continued to be reluctant to place their elderly members in EHPAD, which explains the lower occupancy rate.

PCH expenditure, in an amount of 14.60 M€, decreased by 1.3% between 2020 and 2021, or 0.198 M€. This change was mainly related to PCH recipients under the age of 20 at an amount of 0.127 M€, and those over the age of 20 at an amount of 0.071 M€.

ACTP represented, in 2021, 3.40 M€, or -5.5% less than in 2020.

RSA (excluding allowances) increased by 4.8%, or 4.76 M€ in 2021 compared to 4.54 M€ in 2020. This expenditure mainly included assisted contracts and integration grants.

For information, the individual solidarity allowance ("**AIS**") compensation in 2021 was as follows:

Expenditure in M€	AA 2020	AA 2021	Change 20/21
Total AIS	**143.06**	**141.50**	**-1.1%**

Revenue in M€	AA 2020	AA 2021	Change 20/21
APA endowment	17.91	20.88	16.56%
Integration mobilisation fund (FMDI)	4.09	4.23	3.33%
PCH Endowment	6.55	6.33	-3.38%
TICPE portion	28.14	28.14	0.0%
TICPE (API)	7.75	7.75	0.0%
Total compensations	**64.44**	**67.32**	**4.47%**

Balance = expenditure - revenue	**78.62**	**74.18**	**-5.65%**

The balance for which the *Département* remains liable has therefore decreased by 5.65% compared to 2020, due to the decrease in social aid and the revenue earmarked for its funding. Indeed the AIS decreased by -1.1% whereas their compensation increased by 4.47%.

Mandatory expenses not constrained in their amount

In M€	**AA 2020**	**AA 2021**	**Change 20/21**
Integration and social action excluding RSA	4.25	3.60	-15.2%
Elderly citizens excluding APA	13.41	12.55	-6.5%
Persons with a handicap excluding PCH and ACTP	43.09	46.39	7.7%
Children and family	67.11	69.67	3.8%
Mobility	4.05	4.79	18.3%
Education	11.52	12.67	9.9%
SDIS	21.52	22.45	4.3%
Sub-total	**164.95**	**172.11**	**4.3%**

Mandatory expenses not constrained in their amount have increased by 4.3%.

Expenditure on integration and social action excluding RSA has decreased by 15.2%, with 3.60 M€ in 2021 compared to 4.25 M€ in 2020.

For elderly persons excluding APA, expenditure has decreased by 6.5% to an amount of 12.55 M€ (13.41 M€ in 2020). This relates essentially to social aid and accommodation. This decrease can be explained mainly by the effects of the health crisis. Indeed, like residential APA, the number of persons placed in EHPAD decreased sharply in 2021 and the EHPAD rate of occupancy was markedly lower in 2021 than in 2020.

Expenditure on persons with a handicap excluding PCH and ACTP increased by 7.7% in 2021. This related mainly to at-home care, accommodation costs and the endowment for the handicapped persons home (MDPH). This endowment has increased by 126% (915 K€) due to the inclusion of the additional endowment of the CNSA to bring financial resources into line with human resources to ensure quality services.

Expenditure on children and families increased by 3.8% to 69.67 M€ in 2021 compared to 67.11 M€ in 2020. This increase can be explained by the implementation of initiatives as part of the national child protection and prevention strategy and the increase in the daily rates at children's medico-social institutions.

Mobility covers roads and transport. Operating expenditure on roads amounted to 4.79 M€ in 2021 compared to 4.05 M€ in 2020, an increase of 18.3% or 731 K€, which can be explained by increased road network maintenance, the change in respect of which between 2020 and 2021 was 581 K€.

Education expenditure increased by 9.9%, with 12.67 M€ in 2021 compared to 11.52 M€ in 2020. This mainly included school grants, public and private schools operating endowments, new public schools maintenance expenditure for which the *Département* is directly responsible. The latter expenditure increased from 0.779 M€ in 2020 to 1.54 M€ in 2021. Furthermore, public schools endowments increased from 6.48 M€ in 2020 to 6.938 M€ in 2021.

Finally, the *Département*'s contribution to the fire and rescue services (SDIS) increased by 4.3% with 22.45 M€ in the operating section, which testifies to the significant investment made in public safety.

Voluntary expenditure

	AA 2020	**AA 2021**	**Change 20/21**
Housing, Agriculture and Environment, Support for local areas, Economic and touristic appeal, digital	6.40	6.28	-1.9%
Europe and international, Culture and sport	6.95	7.06	1.5%
Sub-total	**13.35**	**13.33**	**-0.1%**

Voluntary expenditure has decreased by 0.1% with 13.33 M€ in 2021 compared to 13.35 M€ in 2020.

Housing expenditure has increased by 34.3% (1.69 M€ in 2021 compared to 1.28 M€ in 2020).

In terms of agriculture and support for local areas, expenditure has changed respectively by + 17.1% and +0%, to reach 0.74 M€ and 0.19 M€ in 2021. Conversely, environmental spending has fallen by -15.2% to reach an amount of 1.35 M€ in 2021 due to the ending of the drought plan in 2021 (294 k€ in 2020).

As regards economic and touristic appeal, expenditure fell by 7.6% to 2.13 M€. This decrease is due in particular to the ending of the land tax refund scheme for certain types of store in 2020 and to the provision of additional services.

Digital spending has decreased (0.18 M€ in 2021 compared to 0.41 M€ in 2020) due to the decrease in the contribution to *Eure Digital*.

Spending on culture increased by 4.6%. This can be explained in particular by changes in the operating expenditure of cultural sites and services in the *Département*.

Sports expenditure has also increased by 2.5% to 2.49 M€ in 2021 compared to 2.43 M€ in 2020. This change can be explained in particular by the increase in grants paid to sports organisations.

Resources

In M€	AA 2020	AA 2021	Change 20/21
Finances	7.74	11.11	43.6%
Heritage and logistics	9.41	7.47	-20.7%
Information systems	1.80	1.65	-7.9%
Human resources	83.63	87.07	4.1%
Documentation	0.03	0.03	-0.9%
Post	0.39	0.39	-0.5%
Legal affairs	0.71	0.77	8.4%
Communications and cabinet office	0.87	1.03	19.0%
Sub-total	**104.57**	**109.53**	**4.7%**

Spending on resources has increased by 4.7% to 109.53 M€ in 2021.

Finance expenditure has increased by 43.6% due in part to the reversal of provisions entered under cash transactions which increased by 1.4 M€ between 2021 and 2022.

Human resources expenditure amounted to 87.07 M€ in 2021 compared to 83.63 M€ in 2020, an increase of 4.1%. This increase can be explained by systematic replacements in schools and the increase in the number of apprentices and new recruits during the last quarter 2021.

Staff social action amounted to 1.099 M€, training 0.48 M€ and travel costs 0.613 M€.

Spending on heritage and logistics amounted to 7.47 M€ in 2021 which is a fall of 20.7% which can be explained by the purchasing of masks in 2020 for an amount of 2.534 M€, an expense that was not renewed in 2021.

Expenditure on information systems represented 1.65 M€ which is a decrease of 7.9%, with the two main items being IT maintenance (-77.8 k€ compared to 2021) and telecommunications (-64.38 k€ compared to 2021) with more demands placed on service providers in 2020 during the lockdowns.

Therefore, with actual operating revenue of 571.10 M€ and actual operating expenditure of 448.43 M€, the gross operating surplus amounted to 122.67 M€. With principal repayments of 21.56 M€, net operating surplus therefore totalled 101.11 M€.

These are the amounts that were available to partially finance the *Département*'s investments in 2021.

B) The investment section: a very significant level of investment

1- Actual investment revenue increasing particularly as a result of borrowing

Actual investment revenue for the 2021 financial year totalled 62.54 M€. This included:

- specific investment revenues (FCTVA, DSID, DDEC) in an amount of 20.12 M€;
- other investment revenues totalling 7.42 M€;
- new borrowings in an amount of 35 M€.

The table below shows the changes in investment revenue between the 2020 and 2021 administrative accounts.

Category	Type of revenue in M€	AA 2020	AA 2021	Change 19/20
State endowments	FCTVA	8.21	11.91	45.1%
	DDEC	3.79	3.79	0.0%
	DGE / DSID	1.19	4.42	271.4%
Sub-total State endowments		**13.19**	**20.12**	**52.6%**
Others	Speed camera revenue	0.71	0.71	-0.6%
	Grants/subsidies	2.29	4.47	95.5%
	Loans	0.41	0.61	46.9%
	Misc. income	1.39	1.63	17.0%
Sub-total Others		**4.81**	**7.42**	**54.2%**
Total excl. borrowing		**17.99**	**27.54**	**53.0%**
Borrowing		**55.00**	**35.00**	**-36.4%**
Total		**72.99**	**62.54**	**-14.3%**

Definitive investment revenue

An amount of 20.12 M€ was received in State investment endowments, an increase of 52.6%. Within this total, an amount of 11.21 M€ (8.21 M€ in 2020) was recorded in respect of the VAT compensation fund, this increase being explained by the consistent increase in investment expenditure each year since 2016.

The departmental schools equipment endowment totalled 3.79 M€ (same amount as in 2019), and the departmental investment support endowment (**DSID**) 4.42 M€ (1.19 M€ in 2020).

DSID received in 2021 relates to the following:

– Rebuilding of the school Louise Michel in Bourneville Sainte Croix;

– Equalisation element of the DSID, therefore unconnected to any specific equipment project;

– Works at the Mesnil-en-Ouche school campus;

– Major reconstruction and extension of the *Collège du Roumois* in Routot.

Other investment revenue

Other investment revenue includes the contributions and grants received from third parties (communes, businesses, State, …) and repayments of loans and advances. Whereas some of these revenues are recurrent, others are highly variable from year to year. In 2021, these miscellaneous revenues amounted to 7.42 M€, as compared to 4.81 M€ in 2020, an increase of 54.3%. This change can be explained by the payments from the Commune de Mesnil-en-Ouche in connection with the delegation to the *Département* of project management responsibility for the works on the school campus in the commune.

Advances and repayments of loans (to personnel and businesses) totalled 0.61 M€.

New borrowings

In 2021, the *Département* borrowed an amount of 35.0 M€, compared to 55.0 M€ in 2020.

Having made principal repayments of 21.56 M€, the *Département* incurred indebtedness during the financial year 2021 of an amount equal to 13.44 M€. Outstanding debt at 31 December 2021 stood at 318.4 M€.

By a combination of 101.1 M€ in net operating surplus and 27.5 M€ in actual investment revenue excluding debt, the *Département* therefore generated 128.6 M€ in own sources of finance to meet its investment efforts in 2021, totalling 153.23 M€ (excluding debt).

2- A sharp increase in investment in line with commitments made

Actual investment expenditure includes:

– equipment expenditure comprising:

- expenditure on works for which the *Département* is the project owner. These are direct investments.

- investment grants/subsidies paid by way of indirect investments.

– Other investment expenditure;

– repayment of principal on debt.

Between 2020 and 2021, actual investment expenditure increased by 21.3% to reach 174.79 M€ in 2021 compared to 144.05 M€ in 2020 (including repayment of principal on debt).

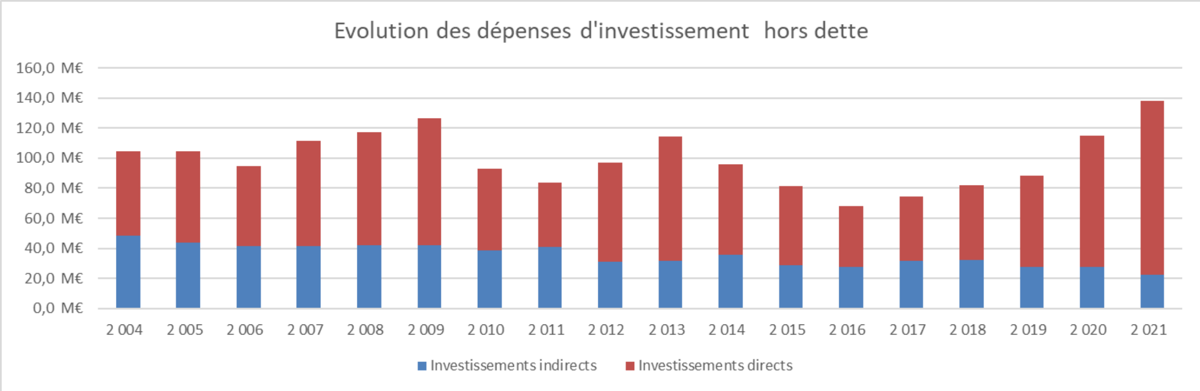
Equipment expenditure totalled 137.88 M€ in 2021 compared to 115.20 M€ in 2020. Indeed, the *Département* was able to finance an amount equal to 93% using its own resources.

In 2021, direct investment expenditure increased sharply by 33%. Indirect investment expenditure fell by 20% compared to 2020 in particular in terms of water management (sanitisation, surface waters, piping).

In M€	**AA 2020**	**AA 2021**	**Change 20/21**
***Département* equipment (Direct investment)**	**87.31**	**115.68**	**33%**
Studies, software	8.52	7.04	-17%
Real property or tangible asset acquisitions	13.93	11.27	-19%
Works	64.86	97.37	50%
Of which schools	*36.23*	*70.76*	*95%*
Of which roads	*18.49*	*17.88*	*-3%*
Of which others	*10.14*	*8.73*	*-14%*
Non-*Département* equipment (Indirect investment)	**27.89**	**22.20**	**-20%**
Equipment grants/subsidies	27.89	22.20	-20%
Of which Superfast broadband	*0.40*	*0.40*	*0%*
Equipment expenditure	**115.20**	**137.88**	**20%**
Equipment grants/subsidies received	**0.03**	**0.00**	**-100%**
Financial expenditure	**28.83**	**36.91**	**28%**
Repayment of principal on debt	27.99	21.56	-23%
Other investment expenditure	0.84	15.35	1732%
Actual investment expenditure	**144.05**	**174.79**	**21%**

Investment under the AA 2021 is at a historic level not seen since 2004.

Changes in equipment expenditure (excluding debt



Investment (excluding debt) under the *Département*'s various public policies was as follows in 2021:

In M€	AA 2020	AA 2021	Change 20/21
Schools	46.95	80.84	72.2%
Education excl. middle schools (grants/subsidies for communes)	6.40	4.38	-31.5%
Mobility	21.53	20.87	-3.1%
Digital	0.40	0.40	0.0%
Elderly citizens	1.65	0.30	-81.9%
Integration and social action	1.02	0.05	-93.1%
Housing	2.05	2.98	22.9%
Agriculture	0.32	0.44	39.3%
Environment	4.20	2.70	-35.7%
Support for local areas	3.60	4.80	33.3%
Economic and touristic appeal	6.65	5.27	-20.8%
Culture	2.64	3.06	16.0%
Sport	2.45	0.72	-70.4%
SDIS	0.57	1.69	196.2%
Heritage and logistics	11.54	8.23	-28.6%
Information systems	3.97	2.02	-49.2%
Human resources	0.02	0.03	27.7%
Legal affairs	0.06	0.03	-57.9%
Communications and cabinet office	0.01	0.01	-7.6%
Finance department / Miscellaneous	0.02	14.39	N.S
TOTAL	**116.07**	**153.23**	**32.0%**
Repayment of principal on borrowing	27.99	21.56	-23.3%
TOTAL	**144.06**	**174.79**	**21.3%**

Investment has to be considered over a cycle. The year 2021 was marked in particular by the commencement of a large number of works and the pursuance of large-scale projects under multi-year investment plans for schools, roads and old peoples' care homes (EHPAD).

It is therefore principally in the sphere of education that the works phase is increasing in importance with investment expenditure increasing by 60%, to reach 85.23 M€ in 2021, compared to 53.35 M€ in 2020.

Notable in this domain are the following main projects which had a significant impact in 2021:

Schools	Amount- €
MESNIL EN OUCHE (LA BARRE EN OUCHE) - COLLEGE JACQUES DAVIEL Building of new school (300 pupils) + infant + primary (capacity 300 pupils)+ boarding 20 places+ transport service	13,305,601
BERNAY-COLLEGE LE HAMEAU Total rebuild (400 pupils) with SEGPA + 3 dwellings + transport service	9,756,110
PONT DE L'ARCHE - COLLEGE HYACINTE LANGLOIS Total rebuild (800 pupils) + 3 dwellings + transport service	8,039,595
LOUVIERS - COLLEGE HAMELET Total rebuild (800 pupils) with SEGPA+ 3 dwellings + transport service	7,871,720
BOURNEVILLE SAINTE CROIX-NOUVEAU COLLEGE 800 Total rebuild (800 pupils) + 3 dwellings + transport service	7,830,752
LA SAUSSAYE-COLLEGE ANDRE MAUROIS Total rebuild (600 pupils) + 3 dwellings + transport service	7,716,616
BROGLIE (CHAMBLAC)-COLLEGE MAURICE DE BROGLIE Total rebuild (250 pupils) + 3 dwellings + transport service	5,259,886
EVREUX-COLLEGE JEAN ROSTAND Total rebuild (600 pupils) with SEGPA + 3 dwellings + transport service	4,441,689
ROUTOT-COLLEGE LE ROUMOIS Half-board rebuild + Restructuring of historic school (400 pupils)	4,412,788
LE VAL D'HAZEY (AUBEVOYE) - COLLEGE S. SIGNORET Half-board rebuild + Restructuring of historic school (600 pupils)	2,213,553

As a reminder, in this regard in 2021, the following were delivered:

1-*Collège Jacques Daviel*, Mesnil en Ouche;

2-*Collège Jean Rostand*, Evreux (1st phase);

3-*Collège Le Roumois*, Routot (1st phase);

4-*Collège Marcel Pagnol*, Gravigny (staff housing).

Schools upkeep and maintenance represented 4.52 M€ in 2021.

Support for private schools amounted to 0.29 M€. Schools equipment and materials represented 1.46 M€ (furniture, half-board materials, IT equipment).

Support for commune school construction works amounted to 4.38 M€.

As regards mobility, spending totalled 20.87 M€ down by 3.1% compared to 2020. This entire sum relates to investment in the *Département*'s roads network.

The main expenditure items were as follows:

– network modernisation and renovation: 12.31 M€;

– study costs and work on art works: 1.71 M€;

– road routes of regional interest: 2.45 M€;

– road safety operations: 0.45 M€;

– Bac de Quillebeuf : 0.47 M€ ,

– contributions paid to local authorities : 0.31 M€;

– equipment and materials : 1.28 M€;

– urgent unforeseen works (relating to marl pits in particular) : 0.67 M€;

– activity zone transport services: 0.86 M€.

Digital spending amounted to 0.4 M€ (similar to 2020) and involved the grant paid to Eure Normandie Digital.

Expenditure on housing amounted to 2.98 M€ in 2021, with:

– housing support grants in an amount of 0.75 M€;
– social housing support to the tune of 1.07 M€;
– housing improvement works support of 0.65 M€;
– housing solidarity fund: 0.48 M€.

Agriculture accounted for 0.44 M€ in expenditure through the agricultural holdings investment grants and support for agricultural projects.

2.70 M€ was allocated to the environment, principally for sanitisation (1.36 M€), drinking water supplies (0.49 M€), assistance for surface water and river water management (0.40 M€), protection and enhancement of biodiversity (0.45 M€).

Support for local areas represented 3.60 M€ in 2020, which is a decrease of 3.9% with:

– urban development assistance in an amount of 3.36 M€ compared to 3.09 M€ in 2019;
– local planning and development totalling 0.24 M€ compared to 0.66 M€ in 2019 due to fewer requests for the payment of grants/subsidies under the local development fund (FAT) (local area contracts).

Economic and touristic appeal reached 5.27 M€ (-20.8%) with mainly support for tourism development of an amount equal to 3.85 M€, relating to works performed on the "Seine à vélo" project and the departmental green lanes and cycle paths scheme.

Expenditure on the investment side on culture amounted to 3.06 M€ in 2021 compared to 2.64 M€ in 2020 (+ 16%). This amount can be explained by the grants/subsidies paid in respect of cultural amenities support (1.21 M€), the grants/subsidies paid towards the protection of historic public heritage (1.1 M€) and the resources allocated to sports facilities in the *Département* (0.65 M€).

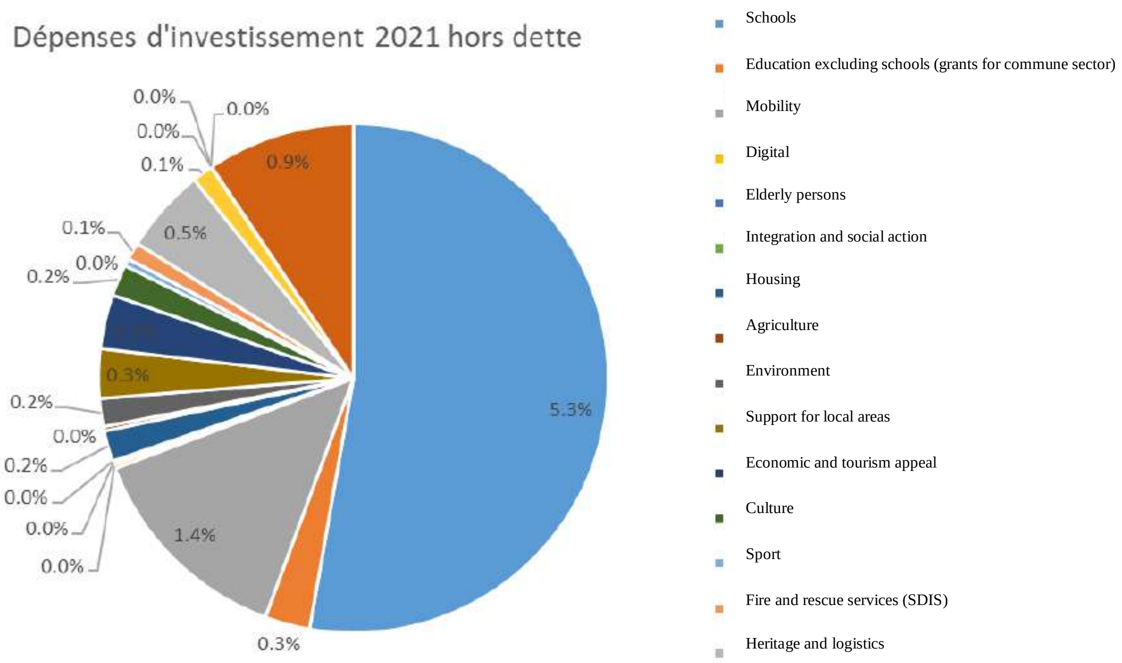
Spending on sports and leisure amounted to 0.72 M€ in 2021 compared to 2.45 M€ in 2020.

Finally, 8.23 M€ (- 28.6%) was allocated to heritage and logistics, with the main expenditure items including:

– construction, restructuring and extensions of departmental buildings to the tune of 3.53 M€ (of which mainly 2.24 M€ for operational centres and 0.58 M€ social centre studies and works (MDS de Bernay, in particular), 0.24 M€ to rebuild the Foyer Bois-Verlande) and 0.27 M€ for the restoration of the *Château d'Harcourt*;
– acquisition of vehicles, machinery and equipment: 3.05 M€;
– upkeep and maintenance of buildings: 1.55 M€;
– acquisition of furniture and equipment: 0.10 M€.

Spending on information systems amounted to 2.02 M€ (-49.2%). Compared to 2020, this fall can be explained by the sharp increase in 2020 due to the urgent acquisition of a large number of laptops and telephones to enable staff to work remotely and therefore ensure continuity of public services during the health crisis.

The breakdown of investment expenditure is as follows:



The year-end financial position is particularly sound as a result of this 2021 budget execution.

3- Programme authorisations (PA) by policy

En M€	AP	ENGAGE	MANDATE FIN 2020	MANDATE 2021	RATIO DE COUVERTURE
Collèges	310,07	269,04	134,44	79,10	0,70
Education hors collèges (dont subventions en faveur du bloc communal)	56,85	47,45	33,60	6,13	1,26
Mobilité	147,69	94,63	72,59	20,87	0,06
Numérique	44,08	42,34	37,62	0,40	10,80
Personnes âgées	14,91	10,78	9,82	0,30	2,21
Insertion et action sociale	2,82	2,69	2,14	0,56	0,00
Habitat	43,56	34,21	27,78	2,47	1,60
Agriculture	2,66	2,51	1,70	0,44	0,83
Plan de relance	5,00	0,04	0,00	0,00	n.c
Environnement	41,75	40,28	30,49	2,70	2,62
Appui aux territoires	34,87	29,99	19,63	4,80	1,16
Attractivité économique et touristique	86,52	24,35	19,02	5,27	0,01
Culture	20,94	17,62	11,09	3,06	1,13
Sport	16,72	12,55	9,42	0,72	3,31
SDIS et sécurité incendie	12,46	4,79	1,07	1,69	1,20
Patrimoine et logistique	76,20	57,37	44,08	8,23	0,61
Systèmes d'information	16,60	16,57	14,53	2,02	0,01
Ressources humaines	0,22	0,15	0,13	0,03	0,00
Affaires juridiques	0,12	0,11	0,09	0,03	0,00
Communication et cabinet	0,03	0,02	0,02	0,01	0,00
TOTAL	**934,07**	**707,49**	**469,26**	**138,83**	**0,72**

The cover ratio refers to the ratio between the multi-year commitment level and the annual spending authorisation (mandating) capacity. Out of the total commitments made, non-mandated spending was 99.4 M€ which is a ratio of 0.72. In other words, the *Département*'s multi-year-commitment level is perfectly sustainable. On the other hand, it will continue to grow as the multi-year investment plans (PPI) progress.

The amount of PA remaining to be financed at 31.12.2021 is 325.98 M€.

The total PA stock amounts to 934.07 M€ at 31 December 2021. At the time of the 2021 supplemental budget (SB 2021), the aged PA shall be decreased by an amount equal to the commitments made during the year 2021 (PA reductions).

II- <u>A particularly sound financial position at the end of the 2021 financial year</u>

A) Operating surplus rates perfectly consistent with sound management standards and improving markedly

The *Département*'s operating surplus improved in 2021. Whereas, operating surplus directly determines investment capacity. In other words, by protecting its operating surplus, the *Département* is providing itself with the resources to bring its multi-year investment programmes to successful fruition.

In M€	AA 2020	AA 2021	Change 20/21
Actual operating revenue	526.16	571.10	8.5%
Management income	525.16	551.98	5.1%
Actual operating expenditure	437.95	448.43	2.4%
Management expenses	433.40	442.64	2.1%
Operating surplus	91.76	109.35	25.05%
Finance costs	3.89	3.75	-3.6%
Gross operating surplus	88.21	122.67	39.1%
Gross operating surplus rate	***16.77%***	***21.48%***	
Repayment of principal on debt	27.99	21.56	-23%
Net operating surplus	60.22	101.11	67.9%
Net operating surplus rate	***11.45%***	***17.70%***	

Operating surplus represents the difference between ordinary operating income and ordinary operating expenditure. The operating surplus in 2021 stood at 109.35 M€, an increase of 25.05% compared to 2020 (91.76 M€). This increase can be explained by controlled operating expenditure, but also the growth in revenue in 2021.

Gross operating surplus is the difference between actual operating revenue and actual operating expenditure. In 2021, the gross operating surplus increased by 39.1% to reach 122.67 M€ (compared to 88.21 M€ in 2020).

Net operating surplus is obtained after deducting annual debt principal repayments. This totalled 101.11 M€ in 2021 compared to 60.22 M€ in 2020, an increase of 67.9%.

The various operating surplus levels are however assessed principally through the operating surplus rates rather than their absolute value. Indeed, by comparing the surplus to actual operating revenue, an assessment can be made of:

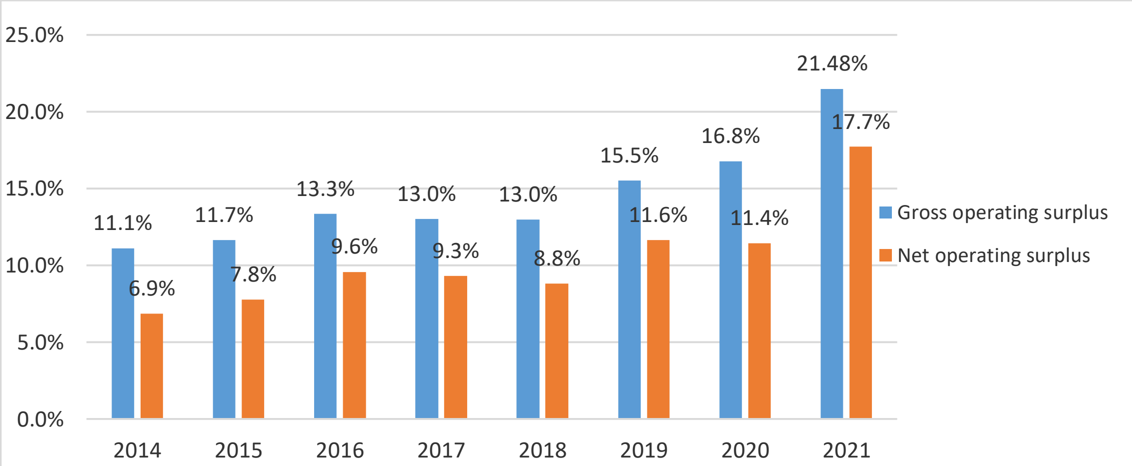
– the degree to which the operating section or amount-constrained mandatory expenditure is under control, with reference to the relevant operating surplus;

– the capacity to generate resources to fund investment financing.

In accordance with sound management standards, the gross operating surplus rate must not be below 10%. In the Eure, it was 21.48% in 2021 compared to 16.77% in 2020.

Between 2020 and 2021, the gross operating surplus rate has increased by almost 5 points.

The net operating surplus rate has also increased, from 11.45% to 17.7% in 2021, an increase of 6.3 points.



Indeed, 2021 has confirmed the trajectory for restoring the operating surplus that began in 2015 after the previous years' falls.

This sharp increase in the operating surplus allows a countercyclical policy to be pursued to promote economic recovery against the background of the current health crisis.

B) Ratios under control

Above and beyond the operating surplus rates, the financial analysis ratios at 31 December 2021 reflect a situation under control.

	AA 2020	**AA 2021**	**Change 21/20**
Actual investment revenue	17.99	27.54	53.07%
Actual investment expenditure excluding debt	116.07	153.22	32.00%
Borrowing	**55**	**35.00**	**-36.36%**
Rate of financing actual investment expenditure through own resources	***67.39%***	***83.96%***	
Operating surplus/annuity	2.88	4.32	50.07%
Outstanding debt at 31 December	304.93	318.37	4.41%
Debt repayment capacity	**3.5**	**2.6**	**-24.92%**

This is true, firstly, for the debt ratios. The first of these is debt repayment capacity. Indeed the number of years necessary for the *Département* to repay its debt has decreased from 3.5 years to 2.6 years.

To put this indicator into perspective, note that:

– the *Département* is contractually bound with the European Investment Bank not to exceed 12 years under penalty of repayment of consolidated drawdowns;

– the Executive has set a limit of 10 years, this level being considered as the solvency threshold for local authorities;

– the law n°2018-32 dated 22 January 2018 on programming of the public finances for the years 2018 to 2022 has set a national benchmark upper-limit not to be exceeded, which is 10 years for *département*s.

A second ratio, forming a contractual undertaking vis-à-vis the European Investment Bank, is that of operating surplus to annual debt repayments. This enables an assessment to be made of a local authority's structural capacity to meet its annual debt repayments, and therefore of its solvency. The *Département* must not fall below 1.3, which, in addition to being a contractual obligation, represents a real alert threshold. In 2021, the ratio stood at 4.32.

IV. A significant closing result helped by market opportunities enabling debt costs to be optimised and allowing the statutory auditors' (CAC) adjustment requests to be taken into consideration

The closing result level has, in theory, to do with the issue of correct borrowing calibration. Indeed, except for taking advantage of market opportunities or anticipating rapid interest rate increases, the result represents borrowing mobilised early and therefore increased expenditure through the resulting loan finance costs.

Indeed, this occurred in 2021: market opportunities meant that the *Département* mobilised borrowing over and above what was strictly necessary to take advantage of extremely favourable terms.

Furthermore, the *Département*'s overall cumulative result includes technical adjustments to take account of the observations made by the statutory auditors.

In 2021 the results, before technical adjustments, were as follows:

ITEM	INVESTMENT 2021 (without adjustment)	OPERATING 2021 (without adjustment)	TOTALS 2021 (without adjustment)
REVENUE	**210,693,009.75**	**622,106,576.47**	**832,853,586.22**
Actual revenue	62,537,013.65	571,102,301.87	633,639,315.52
Non-budgetary (*d'ordre*) revenue	83,952,349.14	51,058,274.60	135,010,623.74
Allocation (1068)	64,203,646.96		64,203,646.96
EXPENDITURE	**230,264,466.55**	**527,969,174.05**	**758,233,640.60**
Actual expenditure	174,789,725.82	448,433,291.04	623,223,016.86
Non-budgetary (*d'ordre*) expenditure	55,474,740.73	79,535,883.01	135,010,623.74
FINANCIAL YEAR RESULT	**- 19,571,456.80**	**94,191,402.42**	**74,619,945.62**
PREVIOUS RESULTS	**64,203,646.96**	**30,882,945.13**	**-33,320,701.83**
Investment expenditure (001	64,203,646.96		
Operating revenue (002		30,882,945.13	
CUMULATIVE RESULTS	**83,775,103.76**	**125,074,347.55**	**41,299,243.79**

These requests impact the result to be reintegrated as follows:

ITEM	INVESTMENT 2021	OPERATING 2021	TOTALS 2021
Error correction: provision for pre-2021 disputes and litigation	- 550 540.81		
Error correction: provision for pre-2021 time-savings-account (CET)	- 1 443 301.61		
Error correction: pre-2021 CNRACL	- 259 286.87		
Error correction: write down of pre-2021 claims	- 7 632 503.81		
UPDATED CUMULATIVE RESULT	**93,660,736.86**	**125,074,347.55**	**31,413,610.69**
Reversal of provision for litigation 2021 (CAC)		336,924.42	
Reversal of provision for write-down of claims 2021 (CAC)		261,659.14	
Reversal of provision for write-down of claims pre-2021 (CAC)	1,263,144.15		
UPDATED CUMULATIVE RESULT	**92,397,592.71**	**125,672,931.11**	**33,275,338.40**

It is this latter result that shall be applied under the 2022 supplemental budget.

As in previous years, it is proposed that the overall operating result will be applied strictly towards covering the investment deficit.

3. 2023 PRIMARY BUDGET

The Primary Budget ("**PB**") is in line with the 2023-2028 budget strategy and financial outlook debated on 9 December 2022.

He places himself under the sign of prudence and ambition.

Fiscal prudence is indeed in order with a historical peak in inflation linked to the conflict in Ukraine and its impacts in particular on the cost of energy. The rise in interest rates and the surge in social spending, combined with the expected drop in transfer taxes following the slowdown in the real estate market, are straining departmental finances.

The fundamentals nevertheless remain solid, the result of a rigorous management started in 2015 that gives the *Conseil Départemental* a sound financial base. Despite these economic difficulties, the course will therefore be held in particular on investments which will be at the same level as in 2021 and 2022 (more than €135 million spent each year).

The investment in colleges will not falter, with the planned delivery of four new colleges. The same applies to the road maintenance budget, of which the €5 million increase decided in 2022 is sustainable while the commitment to the SDIS of the Eure is reinforced with a participation (in operation and investment) increased by 6 M5e). The year 2023 will also mark the first year of the implementation of the new policy of support for the territories (€11m) and the operational launch of the ambition-health plan (€2M).

Very strong social measures (+ €11 million net of state compensation) also characterize this 2023 budget with the revaluation of medico-social and social professionals (*Ségur de la santé*), the increase in the GIR point, the compensation of the inflation suffered by social and medico-social institutions, the increase in the demand for care for the elderly and people with disabilities or the implementation of an emergency plan dedicated to child protection. The blocking of the school catering rate or the "energy boost" will also support the purchasing power of *eurois*.

Despite the deterioration of the financial environment, the *Département*'s gross savings represent at PO 2023 more than 8% of operating revenues. The outstanding debt barely increased in 2022, reaching €322 million at the end of the year, or 3.6 years of gross savings, and is expected to increase moderately in 2023. To secure the financial trajectory of the community, medium-term savings objectives have been set in operation (- €5m) and investment (- €15m). The strengthening of the financial control of satellite structures and a great vigilance on energy expenditure are also planned.

In total, the 2023 budget is balanced in expenditure and revenue at €976.3M, including €654.9M in operation and €321.4M in investment, including order movements. Investment loans excluding debt repayments amounted to €159.8M.

This budget reflects the priorities adopted during the budget orientation debate of 9 December.

It confirms the *Département*'s commitments to a high level of investment and support for its social policies, in a context where social revaluations, inflationary pressures, the rise in interest rates and the end of the high cycle of its transfer tax revenues are affecting financial balances.

Indeed, the draft 2023 primary budget indicates for the principal budget:

– A gross operating surplus of 48.8 M€ (compared to 69.3 M€ in PB 2022) and a gross operating surplus rate of 8.6%;

– A high level of planned investment expenditure of €159.8 million.

The presentation of the budget by chapter shall be as follows:

Investment

	Chap.	Chapter Wording	Principal budget
Non-recurring expenditure	041	Property transactions	25,927,000.00
	040	Transfer operations between sections	88,376,000.00
		Non-recurring expenditure	114,303,000.00
Actual expenditure	16	Loans and similar debts	47,269,047.00
	20	Intangible fixed assets	12,018,186.13
	21	Property, plant and equipment	25,816,110.18
	23	Construction in progress	77,619,369.43
	27	Other financial fixed assets	1,097,000.00
	204	Equipment grants paid	43,288,784.98
		Actual expenditure	207,108,497.72
Total Investment Expenditure			321,411,497.72
Non-recurring revenue	021	Transfer from the operating section	32,150,325.74
	041	Property transactions	25,927,000.00

	Chap.	Chapter Wording	Principal budget
	040	Transfer operations between sections	105,000,000.00
		Non-recurring revenue	163,077,325.74
Actual revenue	024	Proceeds from disposals of fixed assets	1,741,000.00
	10	Allocations, miscellaneous funds and reserves	15,552,000.00
	13	Investment grants/subsidies	11,921,434.31
	16	Loans and similar debts	128,352,700.67
	27	Other financial fixed assets	767,037.00
		Actual revenue	158,334,171.98
Total Investment Revenues			321,411,497.72

Operations

	Chap.	Chapter Wording	Principal budget
Non-recurring expenditure	023	Transfer to investment section	32,150,325.74
	042	Transfer operations between sections	105,000,000.00
		Non-recurring expenditure	137,150,325.74
Actual expenditure	011	General expenses	35,520,877.84
	012	Staff costs and similar expenses	116,697,448.00
	65	Other current management expenses	201,807,857.00
	017	RSA /RMI Adjustments	93,947,300.00
	016	APA	53,323,400.00
	6586	Operating costs of the groups of elected	454,000.00
	66	Finance costs	6,585,000.00
	67	Extraordinary expenditure	160,400.00
	68	Allocation to provisions and depreciation	300,000.00
	014	Income reduction	8,954,648.00
		Actual expenditure	517,750,930.84
Total Operating Expenses			654,901,256.58
Non-recurring revenue	042	Transfer operations between sections	88,376,000.00
		Non-recurring revenue	88,376,000.00
Actual revenue	70	Revenue from services, public land and miscellaneous sales	2374,080.00
	73	Taxes and duties	162,189,682.00
	731	Local taxation	243,937,000.00
	74	Operating subsidies	117,438,669.58
	017	RSA /RMI Adjustments	4,590,000.00
	016	APA	25,447,000.00
	75	Other current management income	7,625,195.00
	76	Financial income	193,630.00
	78	Reversals on amortisation, depreciation and provisions	200,000.00
	013	Transfer of expenses	2530,000.00
		Actual revenue	566,525,256.58
Total Operating Revenues			654,901,256.58

I- Operating revenues

An amount of 566.5 M€ is planned for operating revenues, an increase of 4.6% compared to the 2022 primary budget (541.5 M€). This increase in revenue is linked to four structural and cyclical factors:

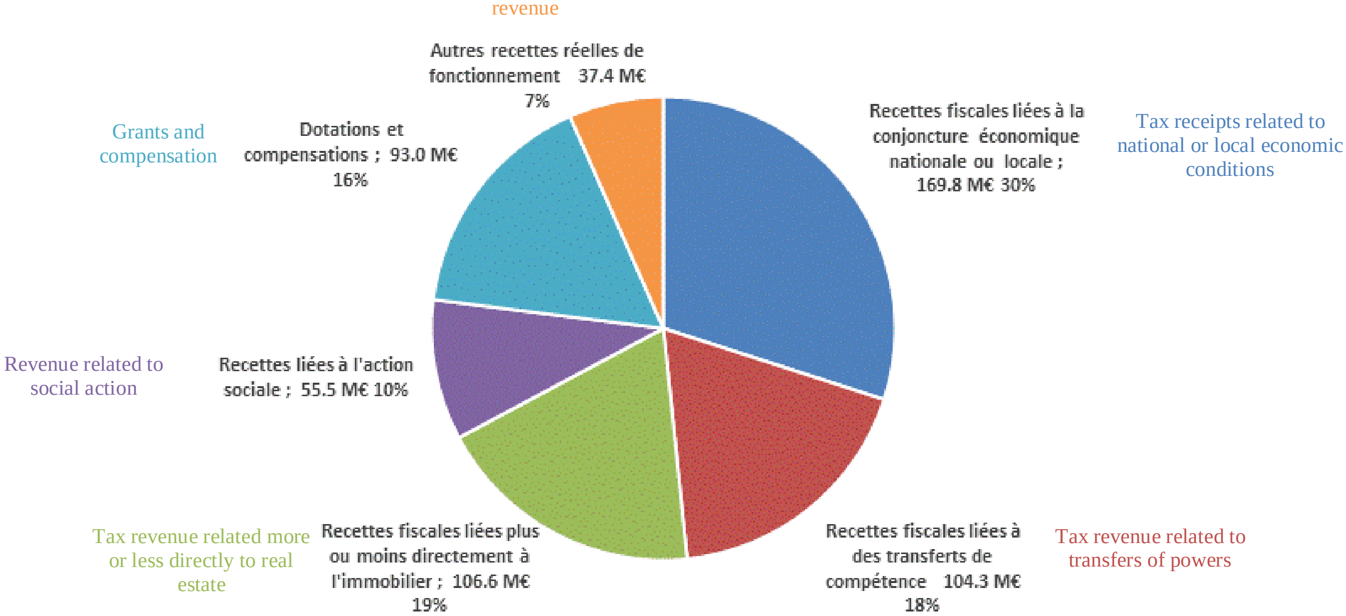
- a decrease in DMTOs planned compared to the 2022 budget (-2.36 M€ or – 2.5%), due to the downward trends observed at the end of 2022 and national trends;
- a favourable movement in terms of the VAT portion, given the uptick in consumption despite the continuing health crisis. This portion is provisionally increased by 8.6%, or 10.5 M€ in value;
- State endowments remain relatively stable, instead of the pre-2017 decrease, by virtue of the 2018 to 2022 public finances programming law dated 22 January 2018;
- an increase in social revenues of 21.6% or €9.8M.

In absolute terms, the overall increase in operating revenues amounts to 25 M€. VAT alone represents more than 42% of this increase for 2022.

Beyond their traditional budgetary presentation, actual operating revenue can be grouped together by reference to their shared characteristics:

- tax revenues linked to local or national economic conditions (mainly VAT);
- tax revenues linked to transfers of powers (TSCA and TICPE);
- tax revenues linked to a more or less direct extent to real estate (DMTO, TDA, electricity consumption tax);
- revenues linked to social action;
- endowments and compensations;
- other actual operating revenues

Allocation of revenue



A) <u>Tax revenues linked to economic conditions</u>

Tax revenues linked to economic conditions have increased by 7.0%. This overall trend masks contrasting changes:

- The VAT portion in compensation for the transfer of the land tax (TF) to the commune sector is forecast to trend upwards by 8.6% by the effect of the inflation and the 2023 growth forecast. For the Eure, this represents €10.5M;
- For 2023, it is anticipated that the *Département* will receive an additional VAT portion, calculated with reference to an indexed national envelope of 250 M€. In 2022, this revenue was notified for an amount of €3.29 M;
- Article 55 of the initial finance law for 2023 provides for the replacement of the business value added tax (CVAE) by a fraction of VAT. This fraction is determined based on the average of the contribution over the period 2020 to 2023 and the average of the balance of the CVAE National Equalisation Fund for 2020, 2021 and 2022. As such, the forecast for 2023 was calculated on the basis of the average of the CVAEs notified over the previous 4 years, *i.e.* €32.1 million. The point concerning CVAE's national equalisation fund is discussed below; and
- For the utility companies flat rate tax (IFER), the projection remains cautious in line with the amounts collected in 2022.

ITEM	BP 2022	PB 2023	Change PB23/PB22
TFPB / VAT Portion	122,856,570.00	133,400,000	8.58%
VAT additional portion	3,253,000.00	3,290,000	1.14%
CVAE	31,710,155.00	32,074,000	1.15%
IFER	800,000.00	1,005,000	25.63%
Sub-total direct taxation	***158,619,725.00***	***169,769,000***	***7.03%***

B) Tax revenues linked to transfers of powers

The special tax on insurance contracts (TSCA) changes markedly, with a forecast of 3.4%. It is the quid pro quo for three transfers of powers, costs or lost revenue (article 52, 53 of the 2005 finance law following the law on local responsibilities and freedoms and article 77 of the 2010 finance law following the local taxation reforms).

This source of revenue remains hard to predict, the amount entered for 2023 is in line with the amount received in 2022.

For the remainder, the domestic consumption tax on energy products (TICPE) is expected to remain virtually unchanged at 42.2 M€. This tax, essentially targeting petroleum products, has three components of which the two fixed elements are linked to RSA/RMI compensation. The final component varies depending on the consumption of the above-mentioned products. In 2023, the forecast is slightly higher in line with the amount collected in 2022.

ITEM	PB 2022 in Euros	PB 2023 in Euros	Change PB23/PB22
TSCA	60,000,000.00	62,040,000.00	3.40%
TICPE	42,000,000.00	42,210,000.00	0.50%
Sub-total transferred taxation	***102,000,000.00***	***104,250,000.00***	***2.21%***

C) Tax revenues linked to real estate

The following taxes concern real estate, whether at the time of its construction, disposal or use.

The volume of the development tax is constant compared to last year. This assessment is cautious reflecting the revenue collected in 2022. In addition, the reform of the development tax ("**TA**"), changing the due date for payment of this revenue, no longer by reference to the date on which the building permit was obtained, but rather to the date of completion, means that caution must be exercised with regard to the time lag before the tax is collected. This reform has been applicable since [1] September 2022.

The electricity tax is being gradually "nationalised". As from 2022, *département*s receive a "*Départementale"* portion of this tax the amount of which is calculated by reference to the income received in 2021, plus 1.5%, and to the change in the consumer price index (excluding tobacco) between 2019 and 2020. As of 2023, the allocated amount corresponds to the revenue received in 2022 plus the annual inflation recorded in 2022 and multiplied by the ratio between the quantities of electricity consumed in 2021 and 2020. The forecast in BP 2022 was conservative. Therefore, the 9.4% increase takes into account the 2022 year-end forecast. Given that this is the first year of implementation of the scheme, a prudent approach must be taken.

In 2021, 13,822 transactions were recorded under the normal DMTO regime (4.5% rate) compared to 11,853 in 2020. In October 2022, 13,468 transactions were completed over the previous 12 months. This beginning of decrease calls for a strong caution in view of the increase in interest rates. For BP 2023, although the variation from BP to BP of -2.45% may seem small, the prudence of this forecast is underlined in comparison with the 2022 landing at €102 million, *i.e.* an effective decrease of 8% in the expected product.

ITEM	PB 2022 in Euros	PB 2023 in Euros	Change PB23/PB22
Development tax (TA) (excl. TDCAUE/TDENS)	5,170,000	5,170,000	0%
Electricity tax	6,850,000	7,496,000	9.43%
DMTO	96,300,000	93,942,000	-2.45%
Sub-total real estate and other taxation	***108,320,000***	***106,608,000***	***-1.58%***

D) <u>Revenue linked to social action</u>

The increase in revenues related to social action is 21.6%, in particular in connection with the continued application of Ségur and child protection measures.

PCH and APA endowments have increased sharply due to the effect of the revenues partially compensating for the implementation of the base rate tariff of 23 € for at-home care and the financial upgrade for association at-home care (Amendment 43 and 44 of the association at-home care collective bargaining agreement). Compared to 2022, revenue partially offsets full-year expenditure.

The ESF is experiencing a significant decrease related to the implementation of the new 2021-2027 programming.

The increase in other revenues is mainly explained by the new compensation paid by the CNSA for autonomy (elderly, disabled people), in partial compensation for measures to upgrade the employees of host institutions.

ITEM	PB 2022 in Euros	BP2023 in Euros	Change PB23/PB22
ESF, ERDF	1,252,400	1,025,000	-18.16%
PCH Endowment	7,283,000	8,465,305	16.23%
MDPH Endowment	850,000	890,000	4.71%
APA endowment	22,926,000	25,147,000	9.69%
FMDI	4,090,000	4,090,000	0.00%
Impact Ségur, SAAD, Enfance, EHPAD		4,551,250	
Other social revenues (claims on estates, filial financial responsibility, financiers' conference, undue payments)	9,261,600	11,332,680	22.36%
Sub-total social action revenues	***45,663,000***	***55,501,235***	***21.55%***

E) <u>State endowments and compensation</u>

State endowments are maintained at the amount recorded and/or notified in 2022 (administrative account). Indeed, the 2018 to 2022 public finances programming law dated 22 January 2018 has brought an end to the uniform and cumulative reduction in endowments previously in place.

In 2022, an amount equal to 79.6 M€ was notified in respect of the global operating endowment (DGF). A similar amount is therefore entered in the 2023 primary budget. The effects of demographics may, at the margin, vary the amount received.

For the other endowments, stable or marginally different amounts compared to those received in 2022 are anticipated.

ITEM	PB 2022 in Euros	BP2023 in Euros	Change PB23/PB22
State global endowments	**84,028,631**	**84,020,000**	**-0.01%**
DGF	*79,606,827*	*79,600,000*	*-0.01%*
DGD	*4,421,804*	*4,420,000*	*-0.04%*
DCRTP	**6,150,000**	**6,027,000**	**-2%**
Compensatory allowances	**3,000,000**	**2,985,365**	**-0.49%**
Sub-total State endowments	***93,178,631***	***93,032,365***	***-0.16%***

F) <u>Other actual operating revenue</u>

Trends in this grouping are as diverse as its content.

The calculation of the DMTO equalisation fund, based in particular on financial potential and the relative DMTO level per inhabitant, calls for prudence with regard to how favourable trends develop in the *Département* compared to other *département*s. The amount 2023 reproduces the amount notified in 2022.

The CVAE equalisation fund will be included in the calculation of the VAT fraction granted following the deletion of the CVAE mentioned above. The BP 2023 amount is relatively close to the 2020-2022 average taken into account under Article 55 of the Finance Law for 2022.

The projected equalised compensation endowment (DCP) is similar to the amount received in 2022, whilst taking into account the effects of the reduction in the property tax assessment bases for industrial premises.

Other revenues, expected at €11.9 million, mainly relate to:

- revenue linked to schools in an amount of 3.1 M€;
- repayments linked to human resources management (assisted employment…) in an amount of 3.2 M€;
- Wealth management and reimbursement of expenses for €1.7m;
- Changes in inventories and provisions for a total amount of €880K;
- A conservative estimate of the energy safety net provided for in Article 113 of the Finance Law for 2023 (€875 K). This article provides that eligible departments may receive partial compensation to meet the increase in energy expenditure. The eligible departments are those suffering a loss of 15% of their gross savings and whose financial potential per inhabitant is less than twice that observed at the national level. As it stands, the data known to the *Département* suggests that it could claim this.

ITEM	**PB 2022 in Euros**	**BP2023 in Euros**	**Change PB23/PB22**
DMTO equalisation fund	8,500,000	9,822,861	15.56%
CVAE equalisation fund	1,200,000	1,344,000	12.00%
Equalised compensation endowment (DCP) (TFPB management expense)	7,500,000	8,363,000	11.51%
FNGIR	5,969,821	5,969,821	0.00%
Other operating revenues	10,529,219	11,864,975	12.69%
Sub-total other revenues	***33,699,040***	***37,364,657***	***10.88%***

G) <u>Budgetary presentation of actual operating revenue</u>

Following this overview by revenue category, the following is a presentation of the changes by budget chapter.

The changes in actual operating revenue by budget chapter are set forth in the table below which of course also integrates the revenues compensating for social measures (23 € base rate for the provision of APA services and amendments 43 and 44 of the "At-home" care collective bargaining agreement).

Chap.	**Revenue**	**PB 2022 in Euros**	**PB 2023 in Euros**	**Change PB23/PB22**
In €	**Actual transactions**			
70	**Income from services, public land and sales**	**2,198,080**	**2,374,080**	**8.0%**
731	**Direct taxation**	**242,830,155**	**243,937,000**	**0.5%**
73	**Duties and taxes**	**149,279,391**	**162,189,682**	**8.6%**
74	**Endowments, grants and contributions**	**109,408,776**	**117,438,670**	**7.3%**
75	**Other ordinary management income**	**7,421,466**	**7,625,195**	**2.7%**
13	**Expense mitigation**	**2,275,528**	**2,530,000**	**11.2%**

Chap.	Revenue	PB 2022 in Euros	PB 2023 in Euros	Change PB23/PB22
016	APA	23,226,000	25,447,000	9.6%
017	RSA	4,641,000	4,590,000	-1.1%
76	Financial income	0	193,630	-
77	Extraordinary income	0	0	-
78	Reversal of provisions	200,000	200,000	0.0%
Total actual revenue		541,480,396	566,525,257	4.6%

For the record, Chapter 731 includes the CVAE, the IFER, the DMTO, the development tax, the taxes on electricity consumption, on energy products and on insurance agreements. Chapter 73 includes indirect revenue from taxation or the like: National Guarantee Fund for Individual Resources, DMTO and CVAE Equalization Fund, Property Tax Management Fees, VAT.

The transfer of the property tax (direct taxes) and the allocation of a fraction of VAT led, in 2021, to change the structure of the budget in particular on Chapters 731 and 73. Indeed, the property tax was charged to Chapter 731 while the fraction of VAT, replacement revenue, is charged to Chapter 73.

II- Operating expenses marked by inflationary pressures

Actual operating expenditure in the 2023 primary budget amounts to 517.8 M€, compared to 472.2 M€ in the 2022 primary budget, which means an increase of 9.7%.

This budget has been prepared with regard to and against the background of persistent inflationary pressures, with INSEE having highlighted in November 2022 price growth of 6.2% over the last 12 months. Over two years, inflation should exceed 10%, given that this had not been anticipated at the time of the preparation of the BP 2022.

Chap.	Expenditure	PB 2022 in Euros	PB 2023 in Euros	Change PB23/PB22
	Actual transactions			
011	General expenses	31,917,846	35,520,878	11.29%
012	Staff costs and equivalent	106,053,589	116,697,448	10.04%
014	Income mitigation	6,985,000	8,954,648	28.20%
016	APA	47,685,000	53,323,400	11.82%
017	RSA	91,870,000	93,947,300	2.26%
65/6586	Other ordinary management expenses	182,978,649	202,261,857	10.54%
66	Finance costs	4,215,000	6,585,000	56.23%
67	Extraordinary expenses	193,444	160,400	-17.08%
68	Impairment and provisions	300,000	300,000	0.00%
Total actual expenditure		472,198,528	517,750,931	9.65%

The presentation by chapter is marked by a change relating to the allocation of staff costs. Instruction M57 specifies that certain staff costs related to the management of the RSA and the APA must be charged to the relevant chapters (016 and 017) and not to chapter 012 - Staff costs and similar costs. This change in allocation represents a total amount of €1.41 M.

By restating the change in allocation, we can reconstruct the evolution of staff costs as follows:

Chap.	Expenditure	PB 2022 in Euros	PB 2023 in Euros	Change PB23/PB22
012	**Staff costs and equivalent**	**106,053,589**	**116,697,448**	**10.04%**
016-017	**Personnel expenses related to the management of the RSA and APA**		**1,415,200**	
Total		**106,053,589**	**118,112,648**	**11.37%**

As regards changes recorded without restatement, significant movements include:

– The RSA (benefits and integration measures), with a significant decrease of 2.3%, related to the aforementioned allocation changes of €425 K, a foreseeable revaluation of the RSA, the end of the support schemes for companies related to the crisis and the reform of unemployment insurance. It also naturally takes into account the expected positive impact of integration policies, and the support provided to its partners in this area;

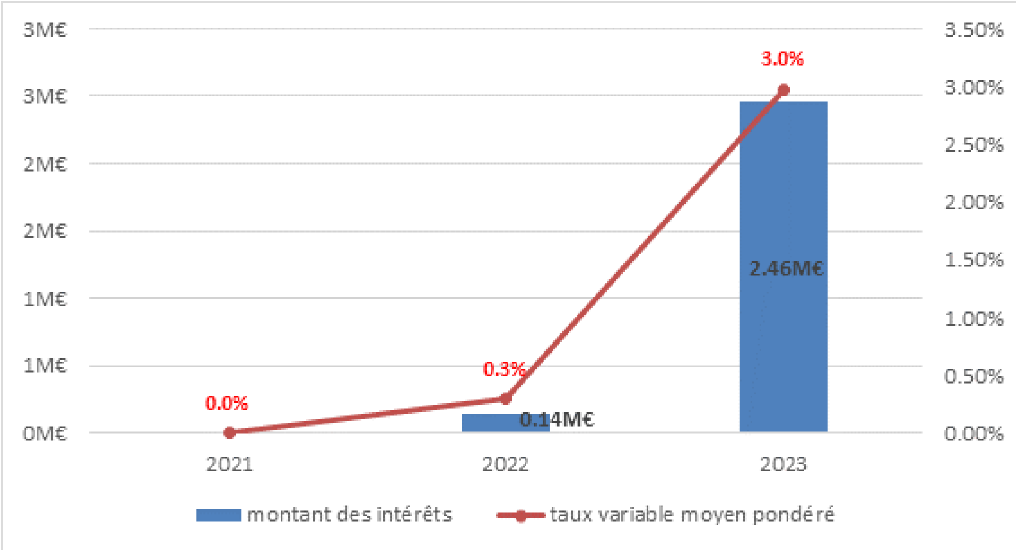
– The APA, with an estimated increase of 11.8% related to the aforementioned social measures with a full-year impact (amendment 43 and basic tariff) and to the aforementioned allocation changes of €990 K;

– General expenses, with an increase of 11.3%, *i.e.* +3.6 M€ as a result of the various measures referred to below:
    - Increase in energy expenditure within the meaning of the safety net of €2.9 million;
    - Increase in the cost of transport (adapted transport, travel costs) due in particular to the increase in the cost of fuel, the creation of 8 Ulis classes and the increase in the bream of mileage costs;

– Other current management expenses, an increase of 10.6% or €19.3 million due to:
    - Increased support for child protection, for an increased amount of €4.9m, including the taking into account of Segur, inflation and the upgrading of structures;
    - Aid to the elderly and people with disabilities of + €4.8 million, mainly for living expenses (+ €3.1 million) including inflation and disability compensation (+ €1.6 million);
    - The necessary revaluation of allocations to colleges, for €4.4m, in order to cope with the increase in energy costs;
    - An increased contribution of €2.9M in favour of the SDIS, within the framework of the firefighters project 2022-2027 and the consequences of inflation.

– Staff costs (including family assistants) increase by 10%, due in particular to the increase in the value of the public service point, a revaluation of social workers partly compensated by the State (Ségur compensation, child contracts, poverty and public service of integration and employment), the effects of the Taquet law on family assistants and a revaluation of the compensation scheme;

– Finance costs have increased by 56.2% from PB to PB, under the effect of an anticipated interest rate increases for future borrowings. This sharp rise should be seen in relation to the low interest rate environment experienced in previous years. The graph below shows the evolution of average variable rates:



Amount of interests - Weighted average floating rate

All these elements testify to an extreme attention paid to the operating expenses of the *Département*. The fair allocation of its scarce resources is indeed a priority.

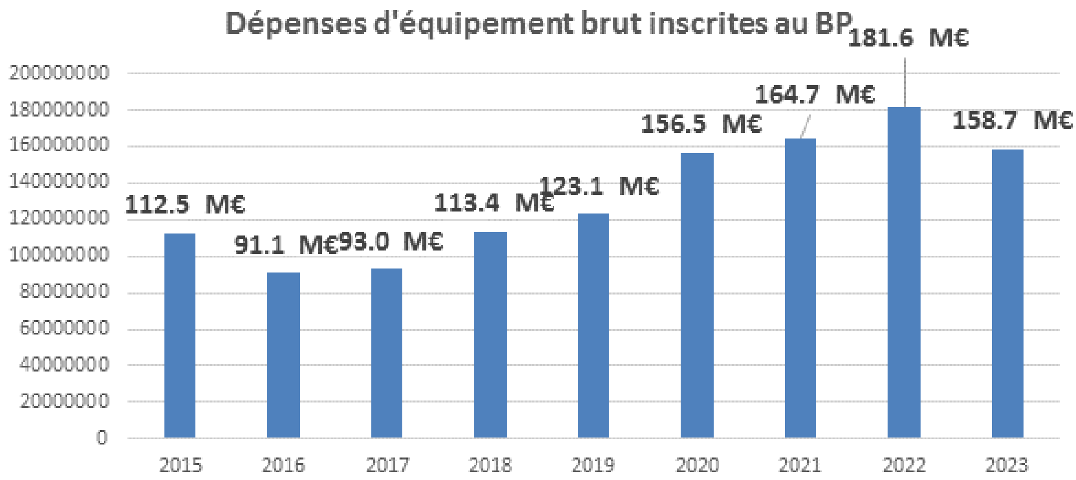
III- Investment expenditure increasing, a reflection of the *Département*'s fulfilment of its commitments

In terms of investment, the proposed 2023 primary budget reflects, in budget appropriations, the continuation of projects launched for the most part under the previous mandate. After a process of analysis and planning, the various multi-year investment plans (PPI) translate into a very high level of investment credits: 181.6 M€ for equipment expenditure compared to 164.7 M€ in the 2021 primary budget, an increase of 10.26%.

Chap.	Expenditure	PB 2022 in Euros	PB 2023 in Euros	Change PB23/PB22
	Actual transactions			
EQUIPMENT EXPENDITURE		**181,636,208**	**158,742,451**	**-12.60%**
DEPARTEMENT EQUIPMENT (Direct investments)		**139,555,091**	**115,453,666**	**-17.27%**
20	Intangible fixed assets	11,946,335	12,018,186	0.60%
21	Tangible fixed assets	23,635,864	25,816,110	9.22%
23	Current assets	103,972,892	77,619,369	-25.35%
NON-DEPARTEMENT EQUIPMENT (Indirect investments)		**42,081,117**	**43,288,785**	**2.87%**
204	Equipment grants/subsidies paid	42,081,117	43,288,785	2.87%
FINANCIAL EXPENDITURE		**22,769,000**	**22,366,047**	**-1.77%**
13	Investment grants/subsidies	0	0	-
16	Borrowings and equivalent debts (excluding prepayment of CDC loan)	21,106,940	21,269,047	0.77%
26	Holdings and related debt claims	60	-	-100%
27	Other financial fixed assets	1,662,000	1,097,000	-34.00%
Total actual expenditure		**204,405,208**	**181,108,498**	**-11.40%**
Actual investment expenditure excluding debt		**183,298,268**	**159,839,451**	**-12.80%**

After a process of analysis and planning, the various multi-year investment plans (PPI) translate into a very high level of investment credits. Despite a decrease of 12.6%, which mainly reflects a peak that the *Département* experienced in 2022, capital expenditure of €158.7M remains at a historically high level, as shown in the histogram above.

Gross equipment expenditure entered in the PB



A presentation by delegation highlights the strong points of BP 2023:

K€	Expenditure under departmental control			Equipment subsidies paid			Total capital expenditure		
	BP 2022	BP 2023	Change	BP 2022	BP 2023	Change	BP 2022	BP 2023	Change
Health, poverty prevention, elderly and handicapped persons	151	220	46%	4,608	8,156	77%	4,759	8,376	76.0%
Urban planning, housing, dwellings, towns policy and revitalisation of town centres	0	0		3,064	3,832	25%	3,064	3,832	25.1%
Education, schools and youth	78,874	52,229	-34%	1,578	3,168	101%	80,452	55,397	-31.1%
Families, child protection and gender equality	50	50		0	0		50	50	0.0%
Nature and countryside protection, circular economy, water cycle and biodiversity	553	1014	83%	3,877	3,124	-19%	4,430	4,138	-6.6%
Culture, heritage, public libraries, archives and international relations	5,023	4139	18%	3,020	2,822	-7%	8,043	6,961	-13.5%
Local planning and development, digital, recovery plan and local authority support	0	0		14,098	10,158	-28%	14,098	10,158	-77.9%
Energy transition, risk prevention, buildings and automobile fleet	15,588	18,457	-6%	250	0	-100%	19,338	18,457	-7.0%
Agriculture, rural affairs and animal well-being	10	10	0%	542	482	-11%	552	492	-10.9%
General affairs, social dialogue, finance and sport	3,221	2,709	-16%	3,995	5,212	30%	7,216	7,921	9.8%
Mobility and roads infrastructure	31,785	36,424	15%	2,478	3,699	49%	34,262	40,123	17.1%
Tourism and local appeal and economic relations	0	0		2,661	1,319	-50%	2,661	1,319	-50.4%
Security and prevention of antisocial behaviour	300	201		1,910	1,318	-31%	2,210	1,519	-31.3%
Total	139,555	115,454	ira	42,081	43,289	3%	181,636	158,742	-12.6%

The 3% increase in equipment subsidies paid, i.e. €1.2m, is mainly due to the following reasons:

1. An effort to support the 2022-2027 firefighters plan, with a stronger contribution in investment in favour of the SDIS, increased to €3 million;

2. Continuation of PPI-EHPAD with a 63% increase;

3. A strengthening of the *Département*'s interventions on the streets of the municipalities.

On project management expenditure (chapters 20, 21 and 23), the significant decrease of 17.4% is mainly concentrated on the payment appropriations of the 2017-2023 college plan, in connection with the programming of the works and the high level of expenditure in 2022.

IV- <u>Investment revenue : relative stability from PB to PB</u>

We can note a slight increase in investment revenue, excluding borrowing, of 6.16% explained by:

- An increase in proceeds from disposals amounting to €1.741 million, concerning in particular a plot of land in Nonancourt, part of a former barracks in Louviers, a plot of land of a former college in Vernon;
- An increase in FCTVA revenue (VAT compensation fund) linked to the significant investment made in year N-1;
- An relative stability in investment grants/subsidies, in particular the DSID allocated by the State;
- A decrease in loan bookings in view of the overall balance of the budget and the management of the investment.

Chap.	Revenue	PB 2022	PB 2023	Change PB22/PB21
	Actual transactions			
10 (except 1068)	**Capital of external origin: FCTVA**	15,000,000	15,552,000	3.68%
024	**Proceeds from disposals of fixed assets (income)**	1,031,000	1,741,000	68.87%
13	**Equipment grants/subsidies received**	11,558,993	11,921,434	3.14%
23	**Current assets**	-		-
26	**Holdings and receivables related to holdings**	-		-

27	**- Loan repayment**	652,511	767,037	17.55%
Total of actual revenue excluding borrowing		**28,242,503**	**29,981,471**	**6.16%**
16	**Loans and similar debts**	106,880,836	102,352,701	-4.24%
Total actual revenue		**135,123,339**	**132,334,172**	**-2.06%**

The use of borrowing, in decline, will naturally be complemented by the self-financing effort to finance the *Département*'s investments.

V- <u>2023 primary budget balance</u>

The *Département*'s 2023 primary budget is balanced at an amount equal to 976.3 M€, of which 654.9 M€ in the operating section and 321.4 M€ in the investment section. Indeed, the investment section accounts for more than 35% of budget entries, and this is despite the weight of social expenditure. This fact reflects in actions and in figures the priority placed by the executive on investment.

	ITEM	**PB 2022 in Euros**	**PB 2023 in Euros**	**Structure**	**Change 2023/2022**
Expenditure	**OPERATING**	**628,356,396.45**	**654,901,256.58**	**67%**	**4.22%**
	Actual transactions	**472,198,527.76**	**517,750,930.84**	**74%**	**9.65%**
	Non-budgetary (d'ordre) entries	*156,157,868.69*	*137,150,325.74*		*-12.17%*
	INVESTMENT	**336,281,208.09**	**321,411,497.72**	**35%**	**-4.42%**
	Actual transactions	**204,405,208.09**	**181,108,497.72**	**26%**	**-11.40%**
	Neutral movements (mixed)	*26,000,000.00*	*26,000,000.00*		*0.00%*
	Non-budgetary (d'ordre) entries	*105,876,000.00*	*114,303,000.00*		*7.96%*
	TOTAL EXPENDITURE	**964,637,604.54**	**976,312,754.30**	**100%**	**1.21%**
	Actual transactions	**676,603,735.85**	**698,859,428.56**		**3.29%**
	Neutral movements (mixed)	*26,000,000.00*	*26,000,000.00*		*0.00%*
	Non-budgetary (d'ordre) entries	*262,033,868.69*	*251,453,325.74*		*-4.04%*

	ITEM	PB 2022 in Euros	PB 2023 in Euros	Structure	Change 2023/2022
Revenue	**OPERATING**	**628,356,396.45**	**654,901,256.58**	**67%**	**4.22%**
	Actual transactions	**541,480,396.45**	**566,525,256.58**	**81%**	**4.63%**
	Non-budgetary (d'ordre) entries	*86,876,000.00*	*88,376,000.00*		*1.73%*
	INVESTMENT	**336,281,208.09**	**321,411,497.72**	**31%**	**-4.42%**
	Actual transactions	**135,123,339.40**	**132,334,171.98**	**19%**	**-2.06%**
	Neutral movements (mixed)	*26,000,000.00*	*26,000,000.00*		*0.00%*
	Non-budgetary (d'ordre) entries	*175,157,868.69*	*163,077,325.74*		*-6.90%*
	TOTAL REVENUE	**964,637,605.54**	**976,312,754.30**	**100%**	**1.21%**
	Actual transactions	**676,603,735.85**	**698,859,428.56**		**3.29%**
	Neutral movements (mixed)	*26,000,000.00*	*26,000,000.00*		*0.00%*
	Non-budgetary (d'ordre) entries	*262,033,868.69*	*251,453,325.74*		*-4.04%*

The financially neutral movements amounting to €26 million are those relating to debt management, in particular financing operations or revolving loan operations. The most significant movements in terms of variation are as follows:

– Decrease in the transfer from the operating section to the investment section;

– Increase in asset transactions in investment expenses and revenues to allow the accounting of transfers to the symbolic euro;

– Integration of credits required for active debt and cash management.

Order transactions are by nature balanced in expenses and revenues. The table specifies, by identical color, the balance of the flows and the object of the order operations.

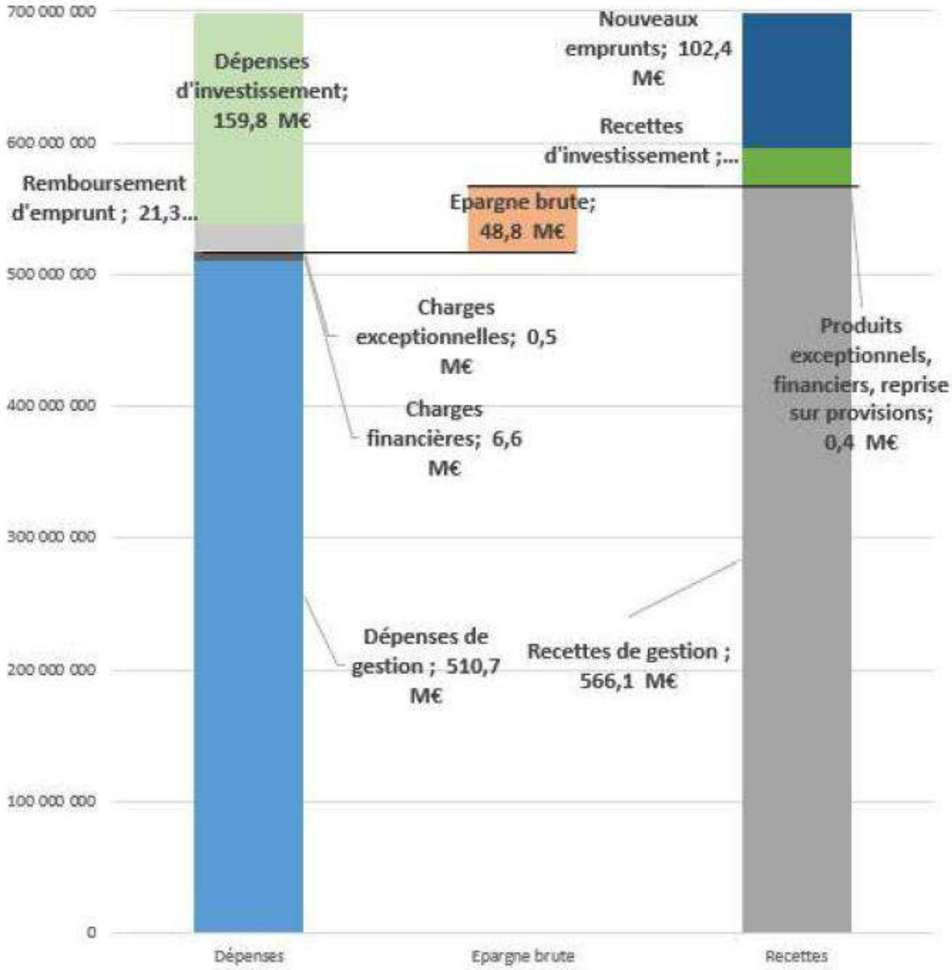
		Expenditure		Revenue	
		Item	**Amount**	**Item**	**Amount**
OPERATING	**Transfers between the two sections**	Depreciation and amortisation	105,000,000.00	Share of grant transferred to income statement	10,376,000.00
		Transfer to the investment section	32,150,325.74	Neutralisation of certain depreciations	78,000,000.00
		Sub-total operating	**137,150,325.74**	**Sub-total operating**	**88,376,000.00**
INVESTMENT		**Expenditure**		**Revenue**	
		Item	**Amount**	**Item**	**Amount**
		Share of grant transferred to income statement	10,376,000.00	Amortizations	105,000,000.00
		Neutralisation of certain depreciations	78,000,000.00	Transfer from the operating section	32,150,325.74
	Transfers within the section	Borrowings with a cash line	2,927,000.00	Borrowings with a cash line	2,927,000.00
		Account-to-Account Transfers within the Investment Section	23,000,000.00	Account-to-Account Transfers within the Investment Section	23,000,000.00
		Sub-total investment	**114,303,000.00**	**Sub-total investment**	**163,077,325.74**
		Total	**251,453,325.74**		**251,453,325.74**

From an indicators point of view, this 2023 primary budget reveals:

– A gross operating surplus of 48.8 M€ and a gross operating surplus rate of 8.61%;

– A net operating surplus of 27.5 M€ and a net operating surplus rate of 5%.

Financial equilibrium table (excluding non-budgetary *(d'ordre)* entries and neutral movements)



Investment expenditure **New borrowings**
Borrowing repayment **Gross operating surplus** **Investment revenue**

Extraordinary expenses **Extraordinary income, financial income, reversal of provisions**
Finance costs
Management expenses **Management income**
Expenditure Gross operating surplus Revenue

Between the 2022 BP and 2023 BP, the financial indicators are aware of the changes mentioned below:

In M€	PB 2022	PB 2023
Actual operating revenue	541.48	566.53
Management expenses	467.98	511.17
Operating surplus	**73.50**	**55.36**
Operating surplus rate	***13.6%***	***9.8%***
Finance costs	4.22	6.59
Gross operating surplus	**69.28**	**48.8**
Gross operating surplus rate	***12.79%***	***8.61%***
Repayment of principal on debt	21.11	21.27

In M€	PB 2022	PB 2023
Net operating surplus	**48.17**	**27.51**
Net operating surplus rate	***9%***	***5%***
Actual investment revenue	28.24	29.98
Actual investment expenditure excluding debt	183.30	159.84
Borrowing	106.88	102.35
Actual operating expenditure	472.20	517.75

Gross savings decreased by €20.5 million from BP to BP, or nearly -29.6%. This decrease is explained by the different elements of variation mentioned in the table below:

Gross perating surplus BP 2022 - M€	**69.3**
Energy Expenditure	-2.9
Net impact Social Revenues and Expenditures	-10.9
Finance costs impact	-2.4
DMTO loss	-2.4
Provision of public colleges (including energy)	-4.3
Operational contribution to SDIS	-2.9
Other impacts including personal	-5.4
VAT portion	10.5
Gross operating surplus BP 2023	**48.8**

And, it should be noted that, since the beginning of the previous mandate, the real budgetary situation of the *Département*, measured by administrative account data, has improved as shown by the following ratios (2021 remains a particular year marked by the creation by merger of Monlogement27 leading to a balanced operation in €14 million in operating revenues and capital expenditure):

	AA 2015	**AA 2016**	**AA 2017**	**AA 2018**	**AA 2019**	**AA 2020**	**AA 2021**	**Draft AA 2022**
Actual operating revenue	516.67	514.42	495.17	500.54	511.38	526.16	571.10	567.33
Management expenses	456.30	450.55	431.06	434.02	433.70	434.06	444.68	474.96
Operating surplus	60.37	63.87	64.11	66.52	77.68	92.10	126.42	92.37
Operating surplus rate	***11.7%***	***12.4%***	***12.9%***	***13.3%***	***15.2%***	***17.5%***	***22.1%***	***16.3%***
Finance costs	4.02	4.26	3.73	3.67	3.99	3.89	3.75	3.99
Gross operating surplus	56.35	59.61	60.38	62.85	73.69	88.21	122.669	88.38
Gross operating surplus rate	***10.9%***	***11.6%***	***12.2%***	***12.6%***	***14.4%***	***16.8%***	***21.5%***	***15.6%***
Repayment of principal on debt	20.11	19.72	18.49	20.94	19.97	28.02	21.572	21.11
Net operating surplus	40.59	50.31	46.56	44.38	60.34	77.88	101.097	67.27
Net operating surplus rate	***7.86%***	***9.78%***	***9.40%***	***8.87%***	***11.80%***	***14.80%***	***17.70%***	***11.86%***
Actual investment revenue (excl. borrowing)	22.03	19.14	14.04	14.74	13.61	17.99	27.537	29.88
Actual investment expenditure excluding debt	82.41	69.2	75.42	82.72	89.56	116.04	153.22	135.12
Borrowing	30.00	5.00	18.50	30.00	40.00	55.00	35.00	25.00

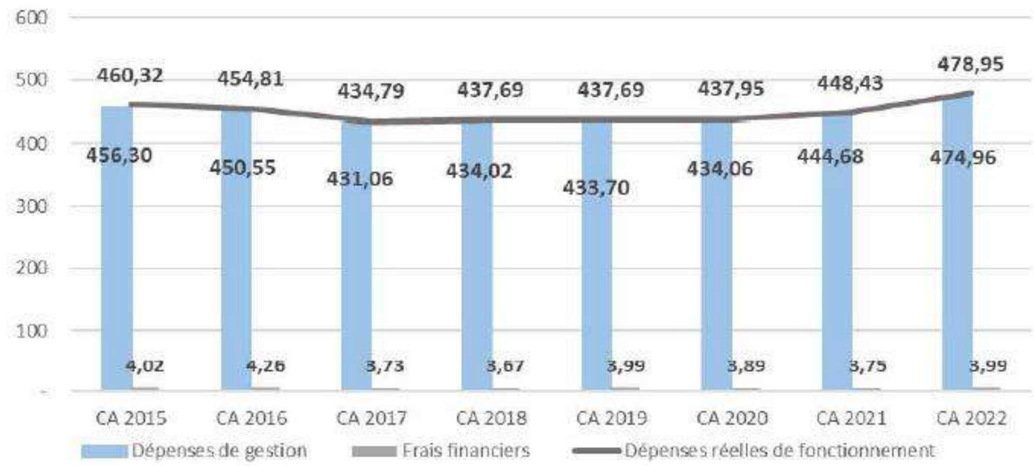
Rate of financing actual investment expenditure through own resources	*75.99%*	*100.36%*	*80.35%*	*71.47%*	*82.57%*	*82.62%*	*83.96%*	*71.90%*
Operating surplus/annuity	2.7	3.1	3.1	2.8	3.5	3.4	4.993	3.681
Outstanding debt at 31 December - M€	**263.53**	**248.82**	**248.82**	**257.89**	**277.92**	**304.9**	**318.37**	**322.26**
Debt repayment capacity	**4.7**	**4.2**	**4.1**	**4.1**	**3.8**	**3.5**	**2.6**	**3.6**

The *Département*'s financial situation has therefore improved:

Management expenses have remained relatively stable until 2021 (excluding transfer of transport powers in 2017) and finance costs have been contained, which has helped to limit the increase in actual operating expenditure:

Since 2019-2020, gross savings have risen to a high level, thanks in particular to the dynamics of transfer tax revenues.

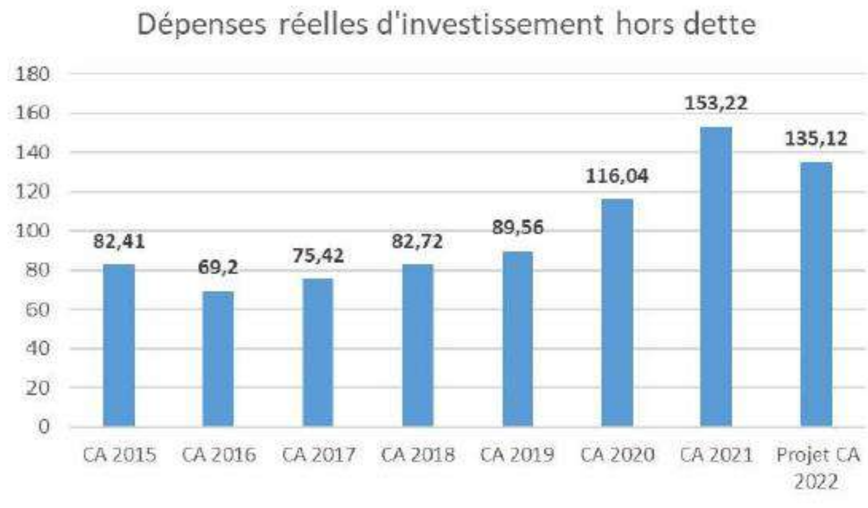
Change in management expenses, finance costs and actual operating expenditure since 2015



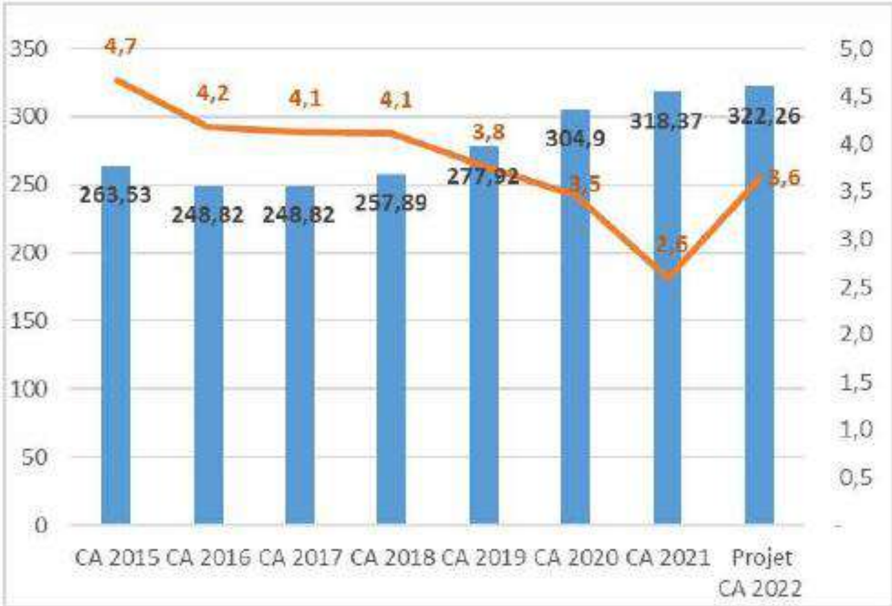
Management expenses **Finance costs** **Actual operating expenditure**

Actual investment expenses excluding debt were marked by high levels over the last three years (note that for 2021 excluding Monlogement27 operation, investments amounted to €139m).

Actual investment expenditure excluding debt



Deleveraging capacity and financial solvency remain at satisfactory levels. The histogram shows the outstanding debt at the end of the year and the debt reduction capacity curve in terms of years of gross savings:



For further detail on the budgetary implementation of the *Département*'s policies, see below a presentation of the *Département*'s various actions financed by the budget submitted for voting purposes.

This presentation of BP 2023 excluding neutral movements related to debt, is sequenced by delegation of vice-presidency in the table below.

Delegations	**Operating (in Euros)**		**Investment (in Euros)**	
Amounts in euros	**Expenditure**	**Revenue**	**Expenditure**	**Revenue**
Culture, heritage, public libraries, archives and international relations	5,836,520	319,100	6,960,946	400,000
General affairs, social dialogue, finance and sport	148,819,030	499,647,677	29,210,197	117,913,524
Local planning and development, digital, recovery plan and local authority support	706,791	0	10,158,228	0
Health, poverty prevention, elderly and handicapped persons	144,094,148	46,238,735	8,405,662	0
Employment, integration, the social and solidarity economy and economic relations	95,122,300	5,590,000	0	0
Agriculture, rural affairs and animal well-being	870,000	0	419,819	0
Nature and countryside protection, circular economy, water cycle and biodiversity	1,810,700	4,595,000	4,138,032	470,000
Energy transition, risk prevention, buildings and automobile fleet	9,430,042	1,706,120	18,457,457	5,480,544
Education, schools and youth	19,197	3,240,125	55,396,879	5,104,998
Mobility and roads infrastructure	506	500,000	40,122,880	1,456,893
Urban planning, housing, dwellings, towns policy and revitalisation of town centres	5,288,750	1,605,000	4,348,812	1,267,000
Security and prevention of antisocial behaviour	440,000	0	1,518,704	0
Families, child protection and gender equality	79,996,668	2,967,500	55,000	2,000
Tourism and local appeal	3,380,784	116,000	1,843,883	239,214
Total	**517,750,931**	**566,525,257**	**181,108,498**	**132,334,172**

Through this budget, the *Département* responds to its public service missions to its fellow citizens, particularly in the areas of solidarity, education, security, culture or support for its partners. On the other hand, the *Département* continues its investment plan for the benefit of colleges, roads, heritage sites, and continues to support its territories.

The proposals for budget entries testify to the extreme attention paid to the management of departmental public funds. This rigorous management, renewed since the previous mandate, allows the *Département* today to have significant room for manoeuvre and the means of its ambitions for the Euro area.

4. 2022 DEBT REPORT

Introduction

Pursuant to a decision dated 3 February 2023, the Assembly of the *Département* authorised the President to finance the investments specified in the budget and to manage debt and cash flow. The Chairman informs the Board of the acts taken in this regard in accordance with Article L.3211-2 of the French *Code Général des Collectivité Territoriales*.

The *Département*'s financial and budgetary strategy rests on three pillars:

– no tax increases;

– controlling debt;

– investing for the future of the *Département de l'Eure*.

2022 debt management operations have directly contributed to the latter two objectives, namely controlling debt and enabling a level of investment financing consistent with that desired by the majority in the *Département*.

I- Controlled and optimised debt

1. The *Département*'s debt position at 31 December 2022: a moderate increase of 4.2 M€ in outstanding debt, given the *Département*'s investment efforts

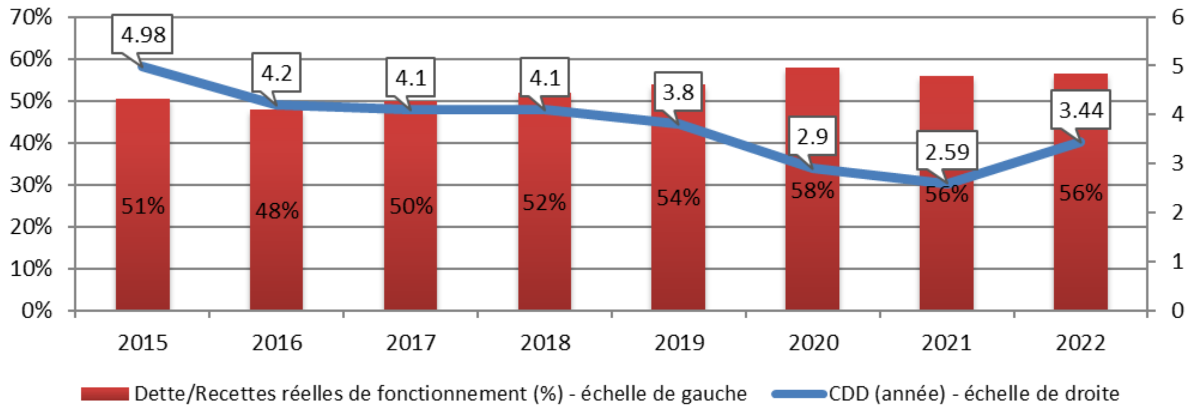
The *Département*'s outstanding debt increased in 2022 compared to 2021, by 4.2 M€ to reach 322.6 M€. The increase in borrowing is essentially due in 2022, as in 2020 and 2021, to the increase in investment efforts.

In fact the *Département* borrowed an amount equal to 25 M€ and repaid 20.8 M€ during the 2022 financial year. Accordingly, outstanding debt increased by 4.2 M€.

In addition, the level of capital repayment of debt to the tune of €20.8M is down €0.76 M compared to 2021 (€21.56 M).

Over the long term, the *Département*'s debt trajectory has remained identical, characterised by peaks towards the completion of multi-year investment programmes (PPI) and troughs at the launch of the PPI. However, the level of the *Département*'s indebtedness at the end of 2022 remains moderate having regard to sustainability indicators and by comparison to this type of local authority. As an example, the *Département* has a debt stock per capita of €531 per capita compared to a national average of €653.

Whereas debt levels can be assessed in terms of absolute value, the ratio of outstanding debt to actual operating revenue, and even more so to gross operating surplus, enables the extent to which debt is under control to be assessed. The graphic below shows changes in the *Département*'s outstanding debt compared not only to actual operating revenue, but also to gross operating surplus, since 2015:



Debt/actual operating revenue (%) – left axis - Debt repayment capacity (year) – right axis

It would appear that debt is sustainable and under control.

– debt as a proportion of actual operating revenue is contained;

– debt repayment capacity remains below the national benchmark limit specified under the 2018 to 2022 public finances programming law n°2018-32 dated 22 January 2018 which is 10 years;

2. A diversified debt portfolio

Having taken into account all borrowings and debt principal repayments, the *Département*'s debt portfolio contains 39 lines of borrowing compared to 38 in 2021. This change is the result of the conclusion of 2 new borrowings and 1 loan maturing during the 2022 financial year. With regard to loans outstanding at 31 December, the breakdown is as follows:

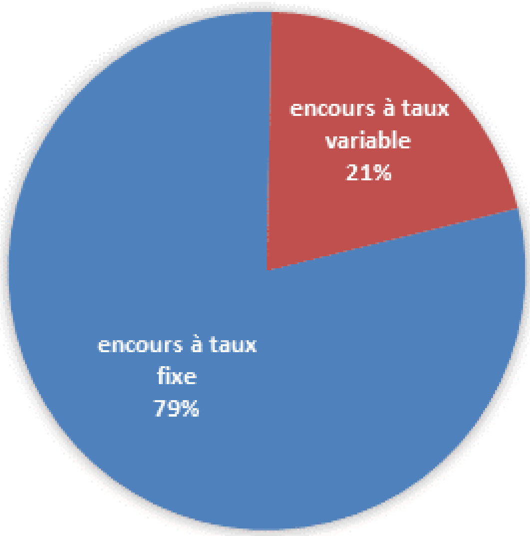
- 26 fixed rate borrowings in an overall amount of 255.36 M€ (266.52 M€ in 2021);
- 13 variable rate borrowings totalling 67.22 M€ (51.85 M€ in 2021).

The *Département* employs an interest rate risk management instrument ("vanilla swap") which protects it against rising interest rates. This instrument is linked to a variable rate borrowing of 4 M€ at the end of 2022.

2.1 Optimal debt portfolio distribution combined with a defensive strategy

The fixed-variable weighting of the *Département*'s debt portfolio is based on anticipated future changes in interest rates. The *Département* adopts a cautious strategy to minimise the cost of debt whilst limiting the effects of a potential market trend reversal. However, this strategy involves an optimal distribution of the debt portfolio between fixed rate borrowings and variable rate borrowings to offer the *Département* the best possible cost/risk combination.

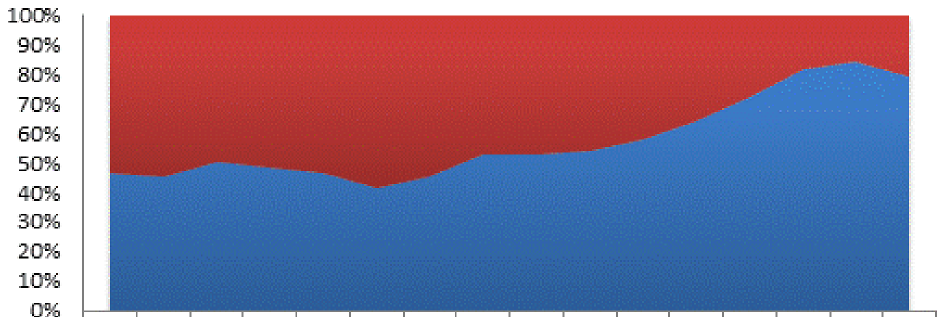
The rate exposure of the debt, taking into account hedging instruments (vanilla swap), is as follows:



Interbank variable rate = 21% § Fixed rate debt = 79%

The post-swap interest rate profile, in other words the distribution between fixed rate and variable rate debt, is 79%/21% compared to 84%/16% in 2021. This is a high level of protection of outstanding debt. This 5 point increase in favour of floating rates can be explained firstly by the repayment in 2021 of a fixed rate loan which represented a proportion of 2.2%, and secondly by the single borrowing made in 2022, exclusively at floating rate. From the point of view of the management strategy, it is an optimal composition allowing the Collectivity to have a comfortable margin of manoeuvre in view of the high level of the current fixed rates calling rather for the continuation of this strategy of partial variability of the outstanding amount.

The graphic below shows the distribution of the consolidated debt portfolio since 2007.



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Taux variable	53%	55%	50%	52%	53%	58%	55%	47%	47%	46%	42%	36%	28%	18%	16%	21%
Taux fixe	47%	45%	50%	48%	47%	42%	45%	53%	53%	54%	58%	64%	72%	82%	84%	79%

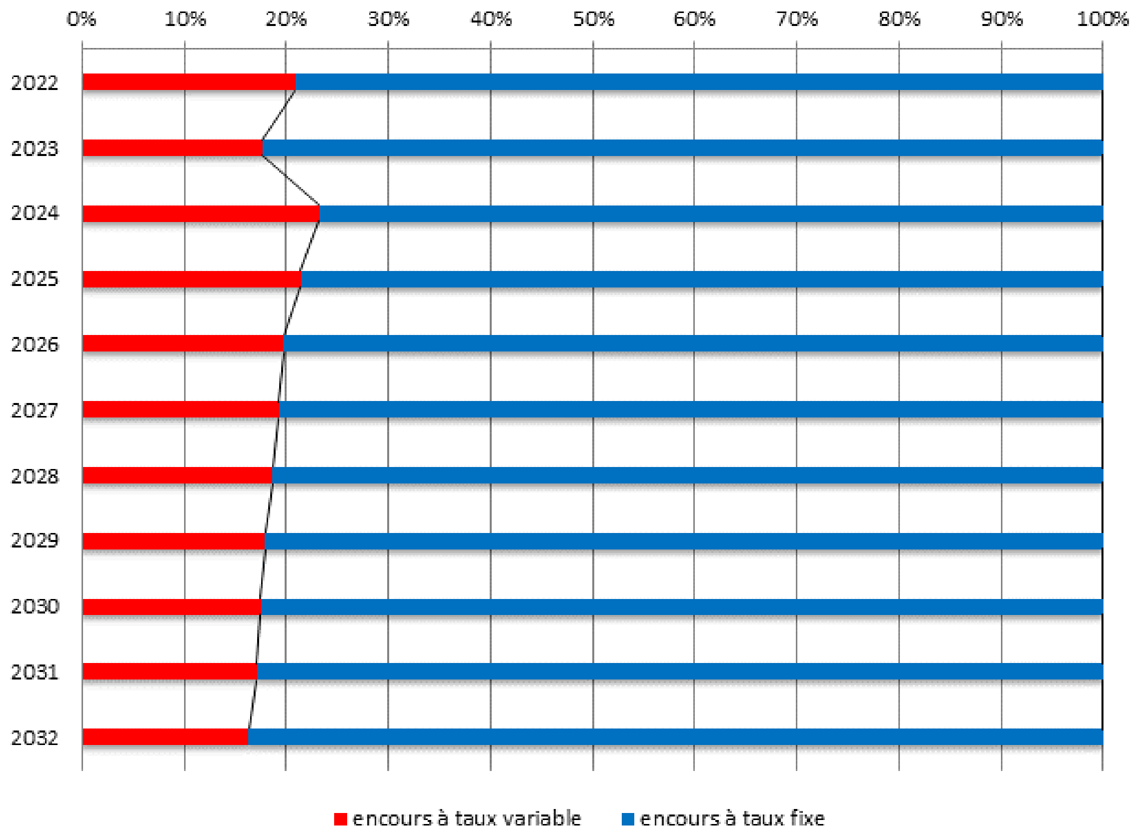
Floating rate
Fixed rate

The recurrent predominance of fixed-rate debt is twofold:

- a longer residual term than the variable rate debt due in particular to the existing issues redeemable in full at maturity (in fine) (86% of the fixed rate debt);
- until the end of the 1st quarter of 2022 and the sharp rise in rates that followed, the level of long rates was well below their historical average, which argued for a consolidation of new loans rather at fixed rates. The latter point has helped strengthen the cost/risk profile of the debt portfolio.

An analysis of the *Département*'s interest rate risk also requires analysing the debt extinguishment profile taking into account the derivative instrument. The trend is towards stability in the distribution between fixed-rate and variable-rate outstandings. All things being equal, fixed rate debt will account for 84% of consolidated debt by 2032.

The graphic below shows the change in each rate risk category over the next few years:

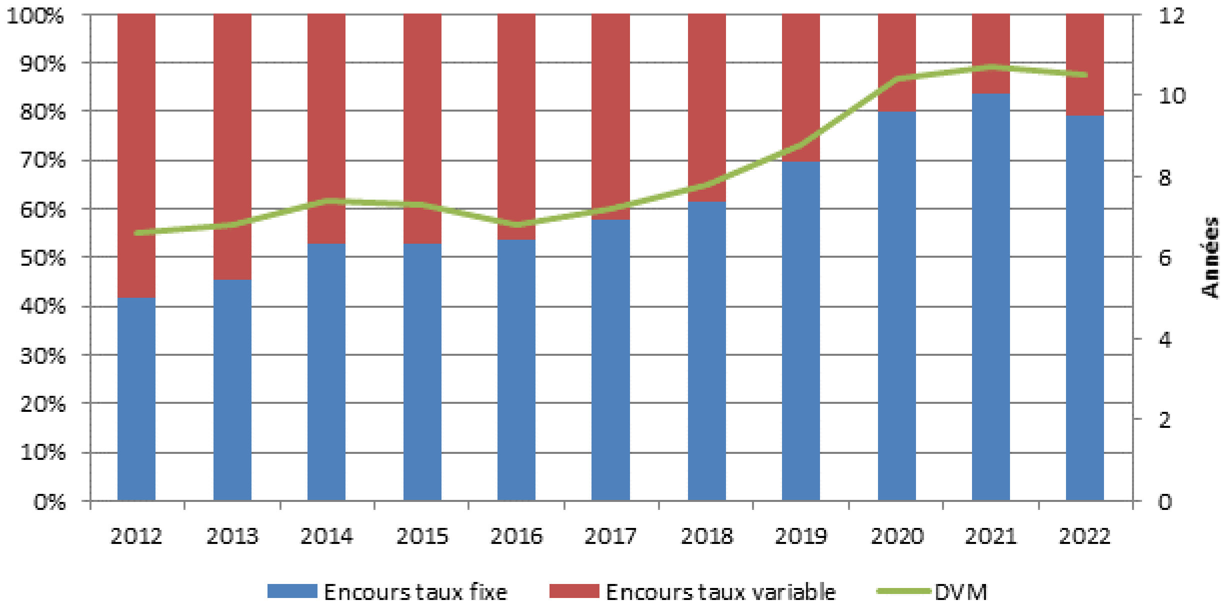


Outstanding fixed rate - Outstanding floating rate

The maintenance of a majority share of fixed risk in the *Département*'s outstanding debt is mainly due to debenture loans with *final* amortization, which are exclusively at a fixed rate. Nevertheless, the current socio-economic context (high inflation, geopolitical tensions) and its consequences on the financing markets require more flexible debt management. Indeed, the very high level of fixed rates leads to a re-examination of their systematic use. In addition, as the market expectations of most financial institutions are falling rates, it seems appropriate to consider a greater use of variable rates in order to benefit from them.

2.2 Debt more resilient to rising interest rates

The average life of debt ("**ALD**") reached 10.5 years in 2022 compared to 10.7 years in 2021. It has therefore decreased by 0.2 years in 2022 and increased by 3.2 years since 2015. This trend since 2015 is the result of the lengthening of the average life of fixed rate debt through bond issues in particular since 2013. Indeed, the average life of fixed rate debt (excluding hedging instrument) is 10.11 years (8.6 years in 2015).



Outstanding fixed rate - Outstanding floating rate - Average life of debt

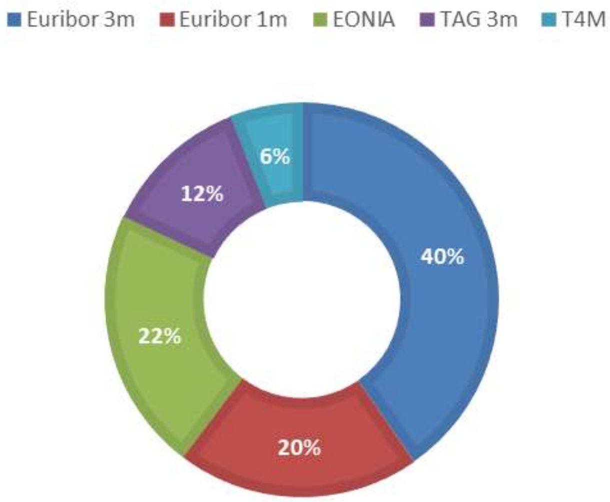
As the graphic below shows, the lengthening of the average life of debt has not been to the detriment of debt costs. Conversely, the average rate on fixed rate debt has decreased sharply over the period. The average rate on debt has also fallen by 40 basis points between 2015 and 2022. This fall has represented an annual finance cost saving of 1.1 M€ based on the average outstanding debt total of 280 M€ between 2015 and 2022. Indeed, this result reflects both the defensive and optimised nature of the *Département*'s debt portfolio.

Average life fixed rate debt - Average rate on fixed rate debt - Average rate on debt

2.3 Very sound and effective variable rate debt

Variable rate debt (67.2 M€ at the end of 2022) is essentially linked to benchmarks of very short duration (less than or equal to 3 months) in order to take full advantage of the opportunities offered by the gradient of the rate curve. Given its proportion within the debt portfolio, it helps to achieve the objectives set by the Executive of controlling operating expenditure.

The graphic below shows the various benchmarks used at the end of 2022:



The variable rate debt minimises the finance costs paid by the *Département*. The rate paid on the variable component of the *Département*'s debt remains low. This variable rate debt performance is summarised in the table below:

Breakdown of variable rate debt	Outstanding at end 2022 (M€)	Average rate
Interbank variable rate debt	67.2	0.42%
Average rate	**67.2**	**0.42%**

2.4 Fixed rate debt also effective under attractive market conditions

Fixed rate debt represents 255.36 M€, or 79% of overall outstanding debt. This part has decreased by 4 points compared to 2021, a decrease equivalent to 11.14 M€. Since the amounts due are known, this part of the debt presents no risk of variation in terms of finance costs. The rate terms applicable to the fixed rate debt are as follows:

Breakdown of fixed rate debt	Outstanding at end 2022 (M€)	Average rate
Conventional bank loans	13.9	3.73%
EIB loans	40	0.46%
Bond debt, private placements	201.5	1.20%
Total	**266.5**	**1.32%***
***weighted average rate**		

2.5 Diversification of debt through distribution between lenders

The distribution of outstanding debt at 31 December 2022 between the *Département*'s various financial partners is as follows:

Lending institution (millions of euros)	2022
Bond issue financing and private placement	201,50M€
European Investment Bank (EIB)	65,00M€

Lending institution (millions of euros)	2022
Caisse d'épargne de Normandie	14,18M€
Crédit Foncier	2,62M€
Crédit Agricole Mutuel Normandie Seine	4,00M€
Dexia	12,58M€
La Banque Postale	6,47M€
Natixis	1.98 M€
Société financière de la Nef	3.54 M€
Crédit coopératif	2.13 M€
Société de Financement Local	8.1 M€
Société Générale	0,50M€
Total	**322,59M€**

Bond issues and private placements are the *Département*'s primary source of financing. Overall, these represent around 62.5% of total outstanding debt:

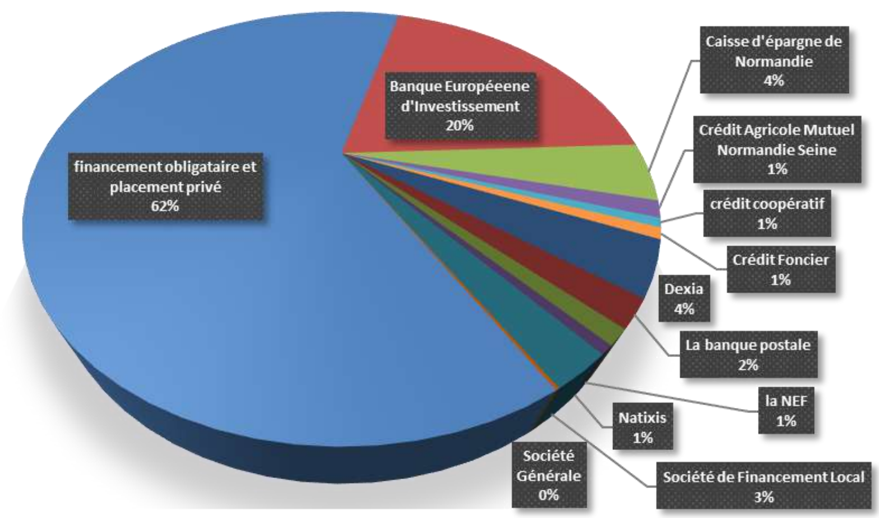
– bond issues in an amount of 186.5 M€;

– one private placement of an amount equal to 15.0 M€;

Conventional bank loans amounted to 56.1 M€ or 17.4 % of outstanding debt. The leading traditional lender (excluding the DEXIA loan) is the Caisse d'Épargne Group with an outstanding amount representing 4.4% of the *Département*'s debt.

The EIB, as a non-conventional lender, represents 20.15% of total outstanding debt.

The graphic below shows the weighting as a share of outstanding debt of the various sources of financing:



Bond issues and private placement - European Investment Bank

Given that Dexia's loan production has ended, the weighting of this bank within the debt portfolio can only decrease.

Categorisation of the *Département*'s debt by type of financing shows a debt portfolio that is diversified between bank lending and disintermediated financing.

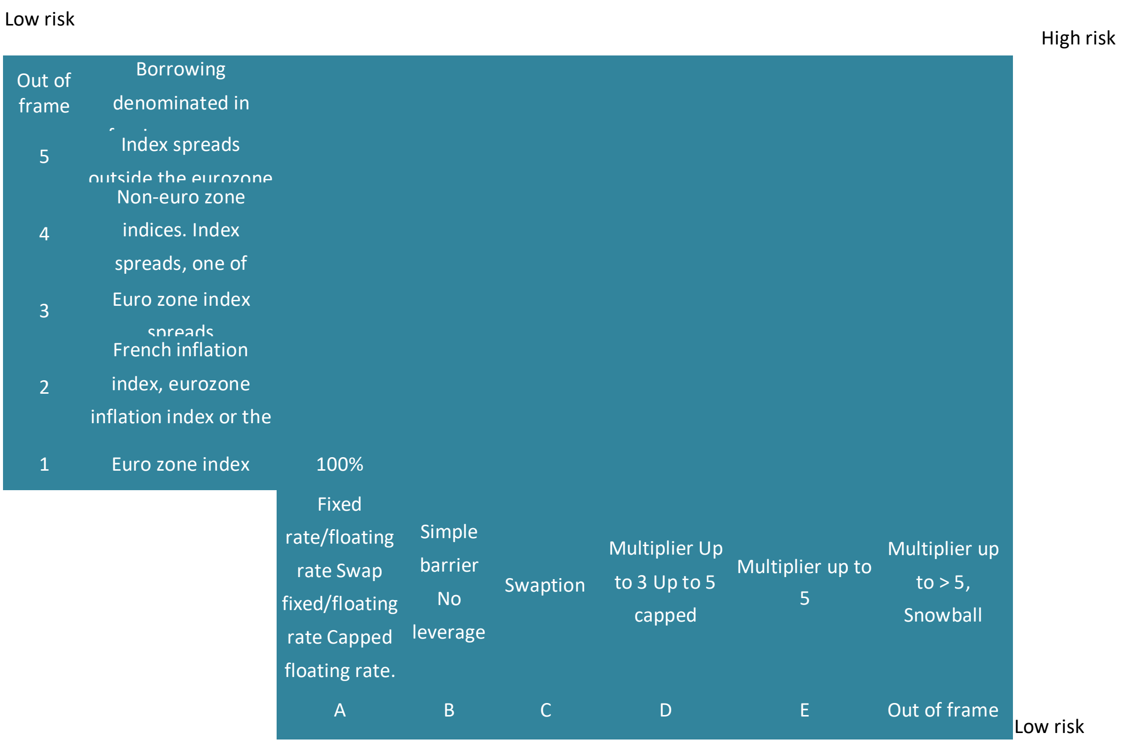
Type of financing (in millions of euros)		2022
Disintermediated financing		**266.5**
	Bonds	186.5
	Private placement	15.0
	EIB	65.0
Bank lending		**56.09**

2.6 The *Département*'s debt falling exclusively within Category 1A under the Gissler Charter

With a view to risk management, the *Département* complies with the code of good conduct laid down by the Ministry of Finance, with the various elected representative bodies and the banks. Set forth in the circular dated 26 June 2010, the charter classifies the risks associated with banking products depending on their underlying indices (from 1 to 6) and their structure (from A to F).

The following table shows the breakdown of the *Département*'s outstanding debt using the Gissler Charter classification system:

Breakdown of departmental debt according to the Gissler nomenclature



According to this Charter, the *Département*'s debt is both simple and very low risk. All outstanding debt is either fixed or variable rate (Euro zone index) with no so-called "toxic" products.

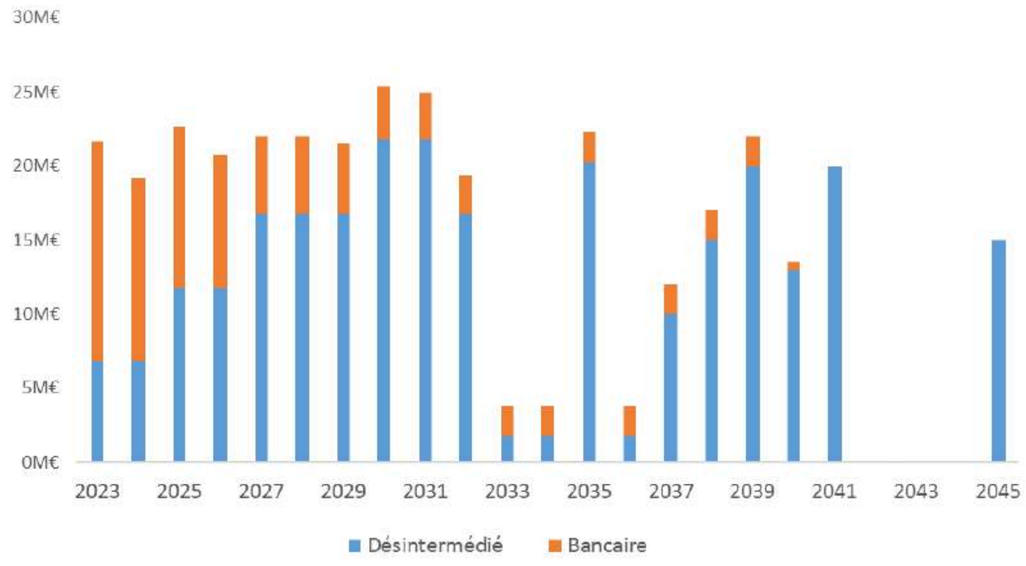
3. Managed repayment profile to minimise refinancing risk

Refinancing risk is specific to debt management. It involves the risk that debt repayment may generate unusually high costs or, in extreme cases, that refinancing may not be possible. In these circumstances, rigorous management of the debt repayment profile is necessary to limit this risk.

The smoothing of the debt amortisation profile helps maintain a healthy room for manoeuvre to spread future payment obligations and therefore minimise the volatility of the debt repayment timetable.

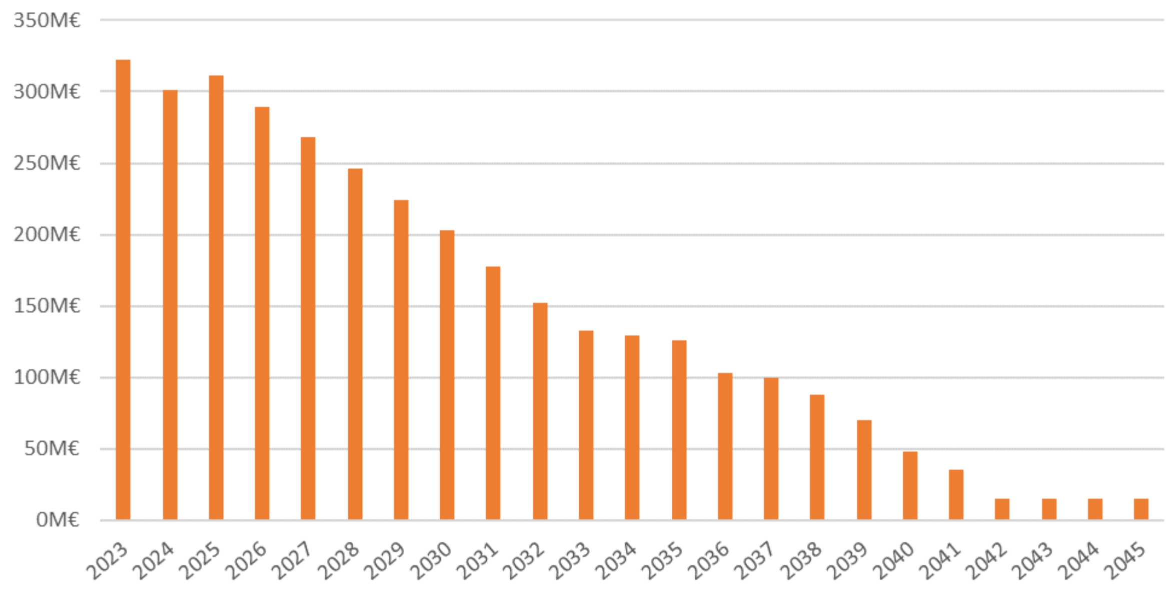
As part of bond debt management strategy, the *Département* carefully manages the redemption timetable. This strategy helps reduce liquidity and refinancing risks.

The graphic below shows the debt principal repayment timetable distinguishing between the principal to be repaid on traditional bank loans and that to be redeemed on bond issues, private placements and loans from the European Investment Bank ("**EIB**") repayable in full at maturity.



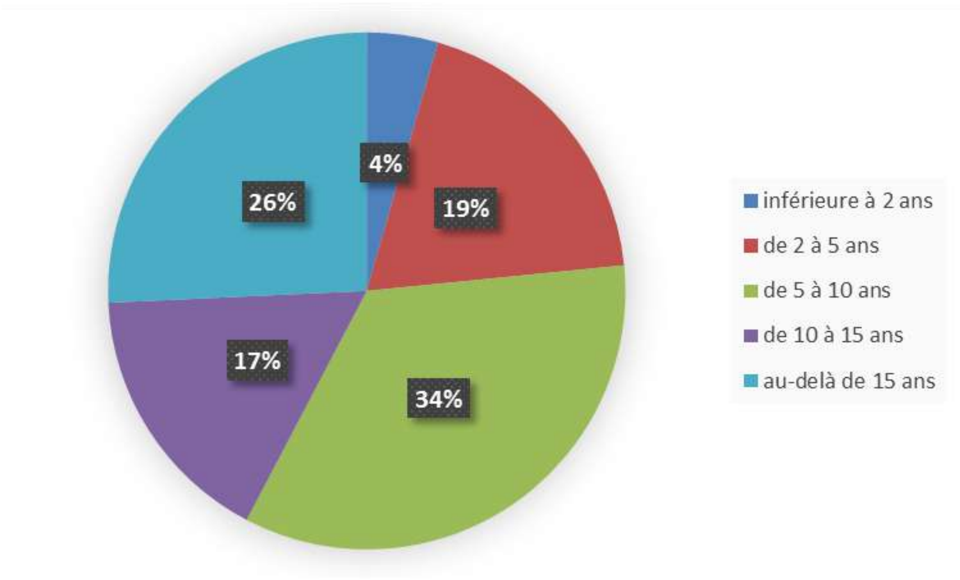
Disintermediated Banking

This timetable indicates the following debt repayment profile:



All things being equal, the *Département*'s outstanding debt will be fully extinguished by 2046.

A breakdown of outstanding debt by residual term to maturity provides a finer interpretation of the debt extinguishment profile. 34% of the outstanding debt has a residual term of between 5 and 10 years, compared to 32% in 2021. This trend can be explained by the lengthening of the residual term to maturity of debt through new longer-term financings. The graphic below shows the distribution of outstanding debt by term to maturity at 31/12/2022:



Below 2 years
From 2 to 5 years
From 5 to 10 years
From 10 to 15 years
Beyond 15 years

4. Optimised finance costs

4.1 Contained interest

In 2022, interest on debt paid on the due date amounted to 3.77 M€ excluding the effect of the hedging instrument, up 0.03 M€ compared to 2021 (3.74 M€). The controlled increase in financial costs in a context of a sharp increase in key rates reflects the competitive level of the *Département*'s cost of financing.

Against this background of high short-term rates, the variable rate debt burden remains limited, to 0.27 M€ *i.e.* 7.12% of the overall debt burden for a total amount of outstanding floating rate debt of 67.23 M€ at 31 December 2022.

The fixed cost paid under the derivative instrument (vanilla swap) amounted to 0.16 M€ compared to 0.19 M€ in 2021. Note that this amount also takes into account the additional premium paid by the *Département* in respect of the negative rates on the receiving leg.

The following table provides a summary of all elements of the *Département*'s debt costs at 31 December 2022:

In millions of euros	2016	2017	2018	2019	2020	2021	2022
OUTSTANDING DEBT (A)	**3.85**	**3.50**	**3.42**	**3.7**	**3.78**	**3.55**	**3.61**
Fixed rate debt (66111)	3.60	3.32	3.25	3.55	3.63	3.46	3.34
Variable rate debt (66111)	0.25	0.18	0.17	0.15	0.15	0.0015	0.27
HEDGING INSTRUMENT (B) = (6688) - (7688)	**0.33**	**0.31**	**0.28**	**0.25**	**0.22**	**0.19**	**0.16**
Interest paid (6688)	0.33	0.31	0.28	0.25	0.22	0.19	0.16
Interest received (7688)	0.00	0.00	0.00	0.00	0.00	0.00	0.018
TOTAL (A+B)	**4.18**	**3.81**	**3.70**	**3.95**	**4.00**	**3.74**	**3.77**

5. A sustainable debt whose cost remains optimized

Like-for-like, the *Département*'s debt position is both moderate and optimised. At the end of 2022, it is characterised by:

– an average interest rate on debt of 1.23% (1.17% in 2021). Indeed, the average rate on the *Département*'s debt has slightly increased by 6 bps compared to 2021;

– a debt repayment capacity of 3.44 years compared to 2.59 years in 2021. Nevertheless, this is well below the national benchmark limit specified under the 2018 to 2022 public finances programming law n°2018-32 dated 22 January 2018 which is 10 years;

– proven debt sustainability thanks to:

- a debt/actual operating revenue ratio of 56%;
- an interest costs/operating expenditure ratio limited to 0.79%;
- an operating surplus/debt annuity ratio of 3.93, significantly above the risk threshold (<1.3);
- a debt per inhabitant ratio of 538.09 €.

6. A strategy for security and optimisation

From an operational point of view, the *Département*'s debt management strategy addresses three issues:

- calibrating the amount borrowed to the debt trajectory set by the Executive;
- the opportunity to arbitrage between various sources of financing;
- securing the financing requirement.

Whereas, securing financing and minimising its cost implies:

- implementing an effective strategy for diversifying sources of financing;
- incorporating sustainable development and social issues into the *Département*'s financing strategy using innovative tools.

This is why the *Département* has armed itself with legal and financial documentation securing its access to liquidity at a competitive cost.

This includes:

- the EMTN programme;
- Schuldshein documentation;
- conventional bank loans.

Finally, in 2019, a framework document was put in place enabling the *Département* to make its first social and responsible bond issue. The *Département de l'Eure* was indeed the 2nd French *Département* to use such a financing instrument, which the European Commission considers as a financial tool which promotes redirecting funds towards green project financing.

6.1 Securing liquidity through the use of disintermediated financing tools

6.1.1 The EMTN programme

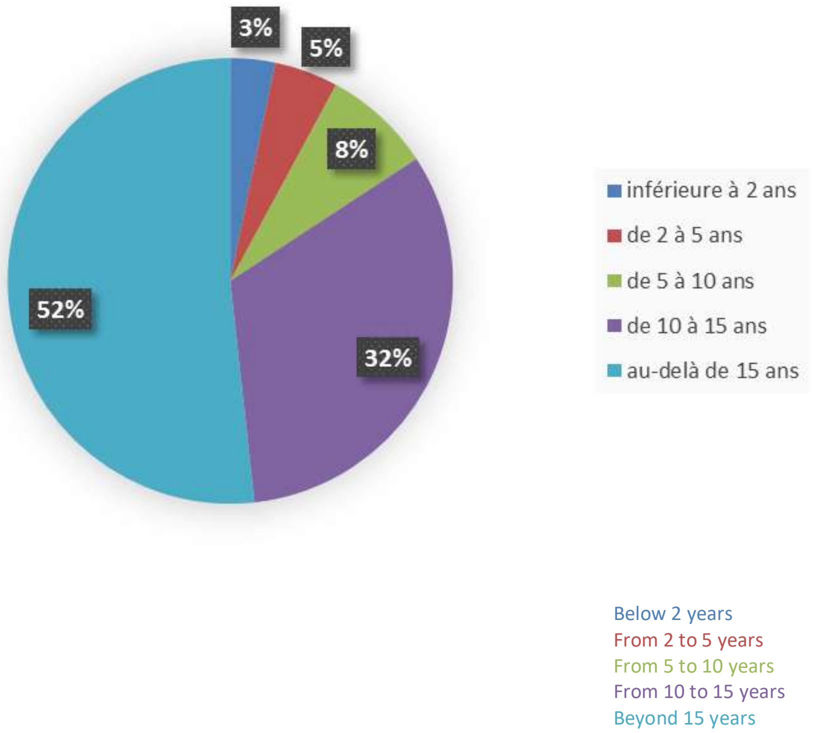
In 2013, the *Département* established a Euro Medium Term Note (EMTN) programme with an authorised limit of 400 M€. Under this programme, the *Département* can launch bond issues at any time provided that the overall amount of notes in issue at any time does not exceed the programme limit. The terms and conditions of issues made under the programme are set forth in a master document.

The EMTN programme has great advantages for borrowers such as the *Département de l'Eure*. It enables:

- financing requirements to be covered at any time whatever the amount or duration;
- finance costs to be minimised: bond issue rates are currently lower than bank financing rates;
- the panel of lenders to be widened;
- arbitration between varied issue structures: syndicated/non-syndicated, listed/non-listed;
- quick action to be taken in finding a financing solution and/or taking advantage of favourable market conditions.

Since the establishment of the EMTN programme, the *Département* has launched 18 bond issues for a total amount of 215.5 M€. Four series of notes in a total amount of 29.0 M€ have been redeemed at maturity. Indeed, these issues have a single redemption date at final maturity.

The graphic below shows the primary breakdown by maturity of the bond issues made by the *Département*.



84% of the *Département*'s bond issues have an initial maturity of greater than 10 years. Of these, slightly over half (52%) have an initial maturity over 15 years.

This issue structure can be explained by:

– the appetite of investors, generally insurance companies, for long maturities;

– an analysis of the opportunities offered by the rates curve at the time of each issue;

– the strategy for managing debt maturities which involves defining the maturity of each issue having regard to a maximum annual debt principal repayment amount.

At the end of the 2022 financial year, the amount outstanding under the programme totalled 186.5 M€, a decrease of 7 M€ over the year. 46.6% of the EMTN programme has been utilised, a decrease of 1.8 points compared to 2021.

6.1.2 Private placements

In 2014, the *Département* put in place custom-made documentation enabling it to enter into bilateral loans directly with insurance companies and other institutional investors. The outstanding amount under these private placements remains stable in 2022 at 15.0 M€. It is owned by the Allianz insurance company.

6.1.3 The Département's Sustainability Bond Framework

In 2019, the *Département* put in place a financing framework for the issuance of social, environmental and responsible bonds. This documentation enables the *Département* to issue bonds the proceeds of which are applied exclusively towards the financing of investment expenditure related to energy and ecological transition and the development of socially purposed built heritage.

Sustainable bonds are an attractive financing vehicle both for the *Département* and investors.

It offers a new source of diversification for its financial strategy through:

– widening its panel of lenders;

– deployment of an innovative tool;

– raising awareness among the public at large and institutional investors about how the *Département* complies with its commitments in terms of sustainable development, social cohesion and the fight against exclusion.

From an investor's point of view, sustainable bonds offer greater visibility into the funds borrowed in particular through the issuer's impact reporting. They also increase the liquidity of the notes issued thanks to the emergence of new indices dedicated to this segment.

Indeed, the sustainable bonds market represents an asset class in its own right with proceeds targeted towards sustainable projects and specialist investors.

The *Département*'s programme mobilises 45.0 M€. It is dedicated to the financing of four projects:

– the construction of the "*Seine à Vélo*" greenway;

– the nursing home multi-year investment programme (PPI EHPAD), for the reconstruction of the EHPAD in Conches-en-Ouche, Pacy-sur-Eure and Andelys.

The first sustainable bond issue was launched in June 2019 and was arranged by Crédit Agricole CIB. As committed by the *Département*, the 2022 allocation and impact report will be presented in deliberative proceedings during the year and published at the same time on the institutional site of the community.

6.2 One single borrowing mobilised in 2022 at a very competitive cost

The 2022 financial year in terms of debt management was obviously marked by an overall unfavourable economic situation. Indeed, the high level of inflation (+10% in September 2022 in the Euro Area) led the European Central Bank to tighten its monetary policy through the increase in its key interest rates with a cumulative increase of 200 bps since 21 July 2022, bringing the refinancing rate to 2% at the end of 2022.

To finance the investments provided for in the 2022 budget, the *Département* mobilized €25m on a single loan, corresponding to the last drawdown closing the 2016 – 2022 agreement with the European Investment Bank.

The cost of finance to the *Département* represented 2.23% compared to 0.39% on average in 2021. The increase in the cost of financing can be explained by the rise in interest rates which began at the end of 2021 financial year.

The following table shows the borrowing terms in 2022.

Financing source	Lead manager/Lender	Date	Amount	Rate	Maturity
EIB	EIB	09/12/2022	25 M€	Variable E3M + 0.101	14 years

6.3 An available liquidity reserve of 25 M€ under the 65 M€ loan agreement with the European Investment Bank

On 9 December 2016, the *Département* signed a financing agreement with the European Investment Bank (EIB). The agreement makes available 65 M€.

This finance in the form of a loan is intended for the financing, over 5 years, of 20 of the *Département*'s investment projects including 19 for schools and one for a children's home (FDE). The total value of these projects is 135.6 M€. Indeed, the principle is to obtain €1 by way of loan for every €2 of investment.

The EIB loan is a twofold opportunity for the *Département*.

Its interest is, above all, financial. Thanks to the very competitive cost of the EIB financing, the *Département* will make significant budgetary savings in terms of finance costs.

In addition, this resource helps to diversify and secure part of the *Département*'s financing requirement in the form of borrowing. In terms of financial strategy, it is an effective tool for smooth and independent budgetary management of the constraints of external financing. In this regard, the EIB envelope can be drawn upon in the event that the bonds market dries up due to the health crisis.

Under the agreement, the *Département* has undertaken to comply with two financial ratios:

– its debt repayment capacity must not exceed 12 years;

– its operating surplus must not be less than 1.3 x its debt annuities.

In the *Département*'s latest administrative account, namely 2022, the ratios were 3.4 years and 3.93 respectively.

Beyond these financial undertakings, from a technical and operational point of view, the *Département* must each year deliver the performance monitoring indicators required by the EIB in respect of energy savings and environmental standards.

The table below summarises performance of the agreement at the end of 2022:

	2022
Total amount	65 M€
Commencement date	09/12/2016
Final availability date	09/12/2022
Maximum number of drawdowns	10
Number of drawdowns made	6
Amount drawn down	65 M€
Balance available	**0 M€**

7. Carefully managed treasury

7.1 Diverse treasury management tools

The aim of treasury management is to ensure that the mismatch between collections and disbursements is covered at all times. This implies a level of collection sufficient to meet the *Département*'s operational requirements. To achieve this at lower cost, the *Département* diversified its sources of short-term financing in 2012 by establishing a short-term negotiable instruments / commercial paper programme. This instrument which provides direct access to the financial markets is used side-by-side with conventional credit lines.

7.1.1 Use of credit lines solely for sound liquidity management reasons

As of 31 December 2022, the *Département* has one credit line for an amount totalling 100 M€, double the amount in relation to

2021. Note that this line strengthens the *Département*'s short-term availability and improves its liquidity ratios.

The table below shows the main features of the *Département*'s credit lines at the end of 2022:

Lender	Contract signing date	Amount	Initial duration	Notice
Crédit Agricole	15/07/2022	100 M€	12 months	1 business day

7.1.2 The short-term negotiable instruments (commercial paper) programme (TNCT or NEU CP)

The main features of the *Département*'s TNCT programme are as follows:

- Maximum amount 100 M€;
- Minimum issue amount 150 K€;
- Indeterminate duration of the programme;
- Initial duration of each note greater than or equal to 1 day and less than 364 days;
- Regulatory authority: *Banque de France*.

This treasury financing tool helps:

- optimise treasury management through lower financing costs than credit lines;
- diversify and secure access to short-term financing in particular in periods of banking crisis;
- anticipate ever more stringent new banking regulations;
- access the capital markets and take advantage of the excellent assessment of its credit risk (financial rating);
- constitute a wider lender base than via a credit line.

7.2 Treasury financing solely through the markets

7.2.1 Resources mobilised for treasury purposes

Financing through treasury instruments amounted to 100 M€ in 2022. In 2021, it was 40 M€. Treasury financing 2021 made use exclusively of TNCT due to their performance from a cost point of view.

7.2.2 Treasury financed at negative interest rates

The interest burden on treasury management, excluding revolving loan interest treated for accounting purposes as interest on debt, was nil in 2022. Conversely, bond issues generated 92 K€ in financial income due to negative interest rates.

The table below shows the changes in the financial results on treasury operations over a period of 8 years.

In K€	2015	2016	2017	2018	2019	2020	2021	2022
Finance costs related to treasury	4.1	4.2	0.2	-	-	-	-	-
Financial income related to treasury	2.9	9.7	77.2	86.4	43	21.8	27	92
Financial results on treasury operations	**-1.2**	**5.5**	**77**	**86.4**	**43**	**21.8**	**27**	**92**

7.2.3 TNCT issues perform well

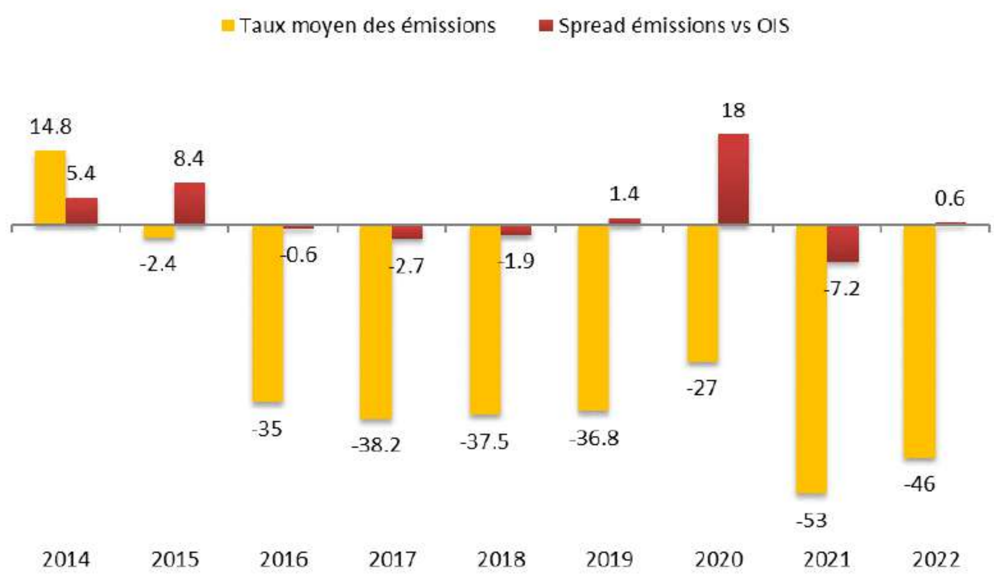
In 2022, TNCT was the sole source of short-term financing used by the *Département*. The aggregate amount drawn over the past year represented 100 M€, up from 40 M€ in 2021. The greater use of NEU CPs can be explained by the desirability of negative rates.

The average rate on bond issues was in negative territory at -0.46%, an increase compared to 2021 (-0.53%). This increase is explained by an unfavourable shift in financial markets that continued and intensified in the second half of 2022.

The reporting elements illustrated by the graphic below show the principal TNCT management indicators.

This includes:

– the remuneration on TNCT issues (in bp) :



Average rate for issues - Issue spread vs OIS

**spread* (or margin) of the issue vs OIS: OIS for "*Overnight Index Swap*" is a term designating a swap where a fixed rate is exchanged for a variable rate based on an overnight rate index, such as the €ster.

– BRED was the *Département*'s sole dealer over the financial year.

8. Liquidity risk management: strictly imposed liquidity standards

In actively managing its debt and treasury, the *Département* is exposed to liquidity risk. In terms of debt management, this involves potential difficulties in finding short or medium-term financing to cover its financing requirements in due time.

To measure this risk, the *Département* has developed two indicators:

- the backup ratio: this ratio measures the extent to which TNCT issues are covered by the availability on credit lines. This ratio is used to determine the *Département*'s ability to redeem its TNCT in periods of stress on the financial markets.

  In 2022, this indicator was less than or equal to 100%. Consumption during the year peaked at 100% in the month of May.

- the short-term liquidity ratio (STLR): this ratio measures the *Département*'s ability to honour its financial commitments over the next month. The critical threshold is set at 120. As at 31/12/2022, the STLR was 534%.

Since 2015, the *Département* has been awarded the Aa3 rating by the Moody's rating agency, one step away from that of the State. Moody's points to a "prudent budgetary and financial management, a moderate level of debt and a secure liquidity profile" as well as a "strong financial performance in comparison with the other French departments".

By way of comparison, 3 other French departments are rated by Moody's:

- the stable Meuse A1, a notch below the rating of the *Département de l'Eure*;
- the stable Loiret A1, also a notch below the rating of the *Département de l'Eure*;
- and finally the neighboring *Département de Seine-Maritime* which, until April 27, 2023, was rated A1 positive, a notch below the rating of the *Département de l'Eure*. Nevertheless, Moody's has revised its rating for this community to Aa3 stable.

II- Carefully managed guaranteed debt

Guaranteed debt involves loans to public, not-for-profit and private bodies. This mechanism is used in support of a number of the *Département*'s policies, in particular those promoting housing, independence and education.

Guaranteed debt falls within the category of off-balance sheet commitments. This is why it is carefully managed by the *Département*. It is a contingent debt insofar as the *Département* agrees, in the event of debtor default, to repay the loan.

1. Controlled guaranteed amount in 2022 for social housing in particular

The total amount guaranteed by the *Département* was equal to 295.4 M€ at 31 December 2022. The social housing component totalled 267.5 M€. The table below shows the breakdown of guaranteed debt at 31/12/2022.

Type of commitment	Beneficiary entity	Average duration in years	Periodicity	Original amount	Remainder at 31/12/N	Annuity payable in N+1
Loan guarantees	Social landlords	26.4	Quarterly, 6 monthly, Annual	375.20 M€	267.55 M€	14.93 M€
Loan guarantees	OGEC	8.21	Monthly	4.25 M€	1.64 M€	0.33 M€
Loan guarantees	CCI SE	8.10	Quarterly	18.64 M€	17.81 M€	0.85 M€
Loan guarantees	Others	7.45	Quarterly, 6 monthly, Annual	15.06 M€	8.45 M€	0.91 M€

The total guaranteed amount comprises guarantees granted to social housing organisations (90.6%), local authorities and public and private establishments (8.9%). Private schools represent less than 1%.

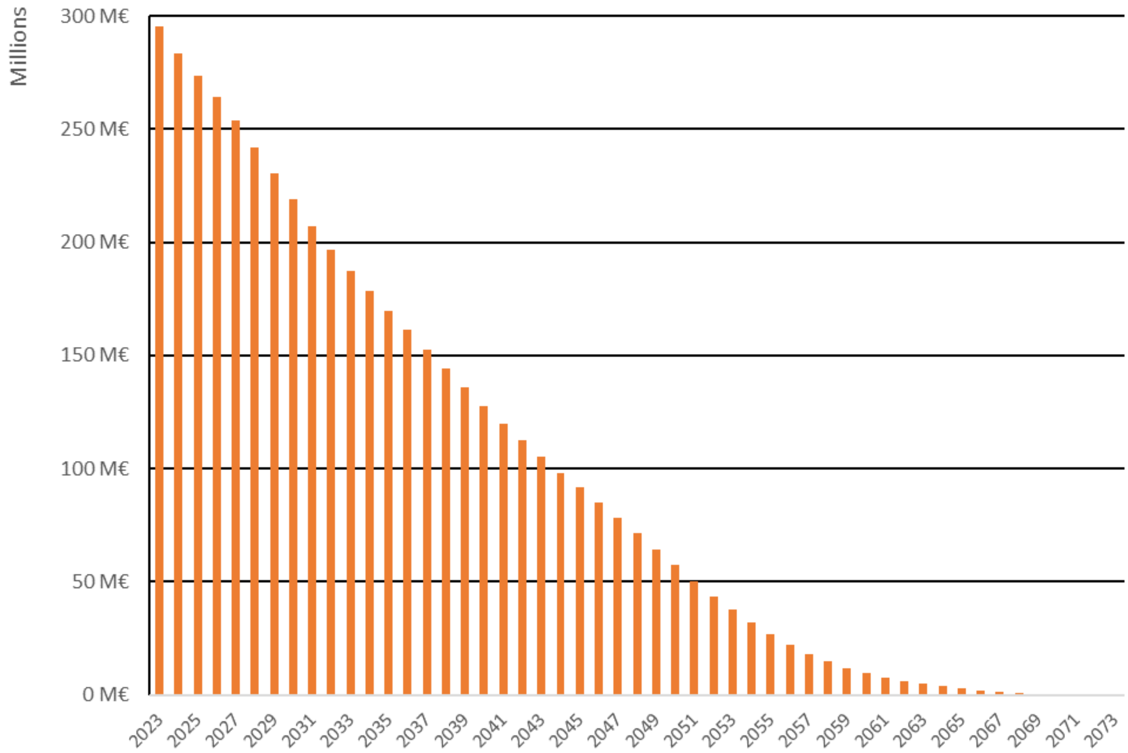
It is also noted that the amount of the guaranteed amount decreased by €2.7 million over the 2022 financial year as detailed in the table below:

A	B	C	D = A – B + C
Guaranteed outstanding at 1 January 2022	Guaranteed capital depreciation in 2022	2022 new guaranteed debt	Guaranteed outstanding at 31 December 2022:
298.17 M€	13.29 M€	10.57 M€	295.45 M€

2. Guaranteed debt extinguishment profile in line with the typical duration for social housing sector loans

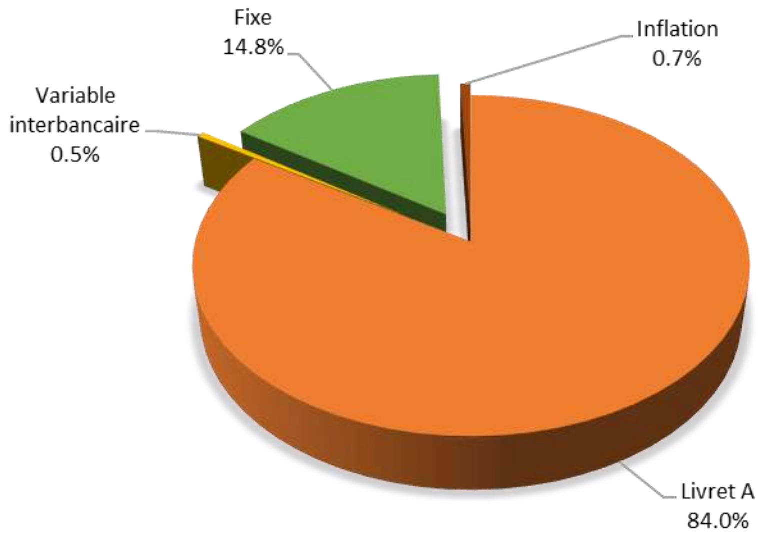
All things being equal, the guarantees granted by the *Département* will expire in 2073.

The extinguishment profile of the *Département*'s guaranteed debt is as follows:



3. Guaranteed debt predominantly linked to *Livret A* due to the proportion represented by social landlords

The majority of the debt guaranteed by the *Département* is linked to *Livret A* (84%) with *Caisse des Dépôts et Consignations* as the principal lender (90% of total guaranteed debt).



Conclusion

The management strategy pursued over the last few years has helped optimise the *Département*'s finance costs and secure its financing (short term and long term).

The *Département* intends to pursue this rigorous strategy.

However, maintaining the effectiveness of this management strategy requires continually adapting to financial market conditions and the realities of the *Département*'s budget.

For 2023, the plan is to consolidate the strategy along the following lines:

– maintain the *Département*'s credit quality, by controlling borrowing requirements and guaranteed debt levels;

– optimise the use of diverse existing financial instruments. The aim is to take advantage of the rate opportunities offered by the various financing tools to optimise finance costs. This optimisation is the main reason behind the successful management performance achieved over the last few years;

– continue launching bond issues under the EMTN programme to increase the *Département*'s visibility on the markets;

– incorporate for the long-term, in its own debt and guaranteed debt management strategy, environmental, social and governance (ESG) criteria;

– optimise cash management through investments and loans with flexible mobilisation phases.

5. 2023 SUPPLEMENTAL BUDGET

A supplementary budget ("**SB**") legally has a dual purpose:

- a mandatory purpose, namely to set forth the results of the preceding financial year;
- an optional purpose, to make adjustments to entries in the primary budget.

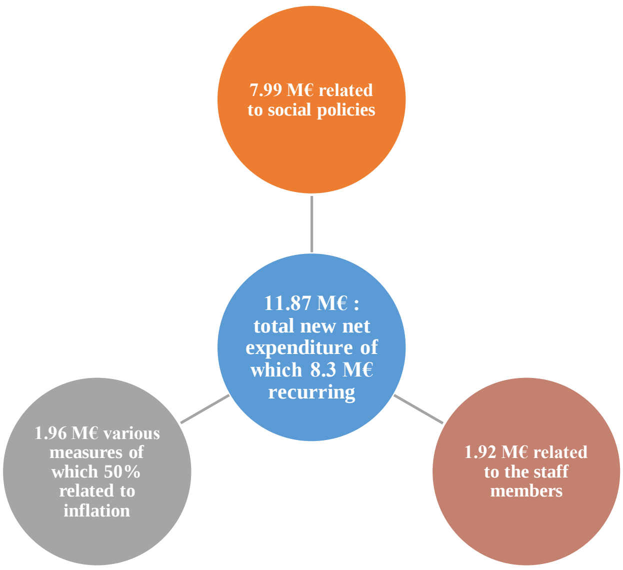
For this reason the supplemental budget reintegrates the results (*reprise des résultats*) of the previously adopted administrative account, enabling a significant adjustment of the borrowing requirement to be made in respect of the 2023 financial year.

Over and above these technical considerations, the supplemental budget submitted for voting at the session of 23 June 2023 enables account be taken of:

- €8.99 million in favour of social policies, in particular to catch up with APA expenditure at home, to cope with the increase in the number of child and APA beneficiaries at home, to revalue the RSA, to start the RSA-France Travail experiment (covered by an equivalent revenue);
- €1.92 M of measures in favour of staff, related to revaluations, CET provisions, staff integrations, etc.;
- €2.44 million in various measures, half of which are linked to inflation, financed by €0.48 million in revenue, *i.e.* €1.96 million net;
- €1.77 M in expenses requiring the recording of equivalent revenues: ESF, write-offs, inventory management.

Taking account of the most recent events improves budget fairness and the steering function of which the budget is the foundation.

The following, disregarding the reintegration of results, is a schematic presentation of the new costs, net of any associated revenue:



In greater detail, in terms of the main budget aggregates, the draft supplemental budget is in balance at 120.56 M€ as indicated below.

In M€	**SB movement**	
Item	**Expenditure**	**Revenue**
Social policies: increase in the number of child and APA beneficiaries at home, revaluation of the RSA, RSA-training cumulative deployment, RSA-France Labor experimentation, various adjustments	4.43	
RSA-France Travail experimentation	1.00	1.00
Human resources: revaluations, integrations, CET provision, etc.	1.92	
Impacts of inflation (fluids, interest)	1.21	
Miscellaneous	1.23	0.48
Expenses calling for the recording of income: ESF, write-offs, inventory management	1.77	1.76
Sub-total	**11.54**	**3.24**
Sub-total expenditure-revenues 8.30 M€		
Non-recurring measures: home APA catch-up	3.57	
Allocation of result in operating section		26.84
Transfer from section to section	14.97	
Total operating	**30.08**	**30.08**
Investment (excl. borrowing)	3.28	3.28
Borrowings		-14.97
Transfer from section to section		14.97
Deficit and allocation of result in investment section	87.20	87.20
Total investment	**90.48**	**90.48**
Total	**120.56**	**120.56**

The 2022 financial year reveals a positive operating section execution balance of 114 M€, a negative investment section balance of 87.2 M€, hence an overall positive balance of 26.8 M€. This surplus balance is allocated to operating revenue.

The 2022 reintegrated (reprise) result in an amount of 26.8 M€ enables a reduction in borrowing (-15 M€), and also the financing of additional budget entries net of revenue.

From a financial perspective (net of funded measures), this budget also has impacts on the gross operating surplus as summarised in the table below:

In M€	Amount
Gross operating surplus in PB	48.77
Overall revenue adjustment (in particular VAT)	-7.99
Impact of inflation	-1.21
Upgrade of social sector personnel rates	-1.92
Adjustments linked to new measures	-0.75
Gross operating surplus in PB+SB	36.90

In the investment section, again from a financial perspective, the use of borrowing is heavily impacted not only by the results but also by investment adjustments:

In M€	Amount
Use of borrowing in PB	102.35
Impact of results	-26.84
Investment adjustments (expenditure-revenue)	0.00
Decrease in gross operating surplus	11.87
Use of borrowing in PB + SB	87.39

Presentation of the 2023 supplemental budget detailing the overall balance of the supplemental budget as follows:

In M€	SB movement	
Item	Expenditure	Revenue
Total operating	33.88	33.88
Total investment	85.09	85.09
Total	118.97	118.97

Overall balance of the supplemental budget

The breakdown of actual and non-budgetary (*d'ordre*) movements is as follows:

		Budgetary movements	**Actual movements**	**Non-budgetary (d'ordre) movements**
INVESTMENT	Revenue	90,482,686.13	75,517,080.44	14,965,605.69
	Expenditure	90,482,686.13	90,482,686.13	0
	Balance	**0**	**- 14 965 605.69**	**14,965,605.69**
OPERATING	Revenue	30,075,575.96	30,075,575.96	0
	Expenditure	30,075,575.96	15,109,970.27	14,965,605.69
	Balance	**0**	**14,965,605.69**	**-14,965,605.69**
TOTAL	Revenue	120,558,262.09	105,592,656.40	14,965,605.69
	Expenditure	120,558,262.09	105,592,656.40	14,965,605.69
	Balance	**0**	**0**	**0**

Non-budgetary (*d'ordre*) movements relate solely to the transfer from the operating section to the investment section.

1- In revenue, actual movements of an amount equal to 105.6 M€, mainly related to the reintegration of 2022 results

Actual movements in the revenue section total 105.6 M€ and relate to:

- reintegration of the 2022 results in an amount of 114.04 M€;
- The difference being a reduction in the loan and the adjustment of the revenue following the notification of the aggregated revenue, the taking into account of the financing of the France Travail scheme, the adjustment of the revenue related to expenditure and other miscellaneous revenue.

1 – 1) Reintegration of 2022 financial year results (*reprise des résultats*)

The operating surplus in the 2022 administrative account amounts to 114.04 M€. It is applied towards financing of the deficit in the investment section in an amount equal to 87.20 M€. The balance of 26.84 M€ constitutes the operating result for the 2022 financial year carried forward to 2023.

Note that the operating result can be subject to the corrections following the recommendations of the statutory auditors ("**Statutory Auditors**") as part of the third trial certification exercise on the *Département*'s accounts. In 2022, the requests for correction made by the CACs did not give rise to any adjustment to the results.

1– 2) Adjustment of operating revenue

The adjustment of revenues mainly follows:

- to the notification of aggregated receipts;
- to the integration of funding for RSA-France Travail experimentation;
- the integration of various revenues, a large part of which is intended to finance expenditure entered in the supplementary budget.

The evolution of real operating revenue (excluding income) is 0.57%, broken down by budget chapter as follows:

No.	Heading chapter	PB 2023	SB movement	PB + SB	Change
013	Expense mitigation	2,530,000	160,000	2,690,000	6.3%
016	APA	25,447,000	-	25,447,000	0.0%
017	RSA /RMI Adjustments	4,590,000	1,008,000	5,598,000	22.0%
70	Income from services, public land and miscellaneous sales	2,374,080	143,000	2,517,080	6.0%
73	Duties and taxes	162,189,682	-	162,189,682	0.0%
731	Local taxation	243,937,000	168,874	244,105,874	0.1%
74	Endowments and contributions	117,438,670	1,054,548	118,493,218	0.9%
75	Other ordinary management income	7,625,195	120,000	7,745,195	1.6%
76	Financial income	193,630	-	193,630	0.0%
78	Write-backs of depreciation, impairment and provisions	200,000	584,350	784,350	292.2%
Total general excluding deferred income		**566,525,257**	**3,238,772**	**569,764,029**	**0.57%**
002	Operating profit brought forward	-	26,836,804	26,836,804	
Total general excluding deferred income		**566,525,257**	**30,075,576**	**596,600,833**	**5.3%**

By reason of entry in the 2023 budget, the movements of the SB (excluding income) can be broken down as follows:

	Amount
Notified Global Revenues	168,422
RSA experimentation - France Travail	1,000,000
Revenue related to an expense entry	1,759,350
Misc. income	311,000
Total	**3,238,772**

1-2-1 Overall revenue notification requires a budget adjustment of +168 K€

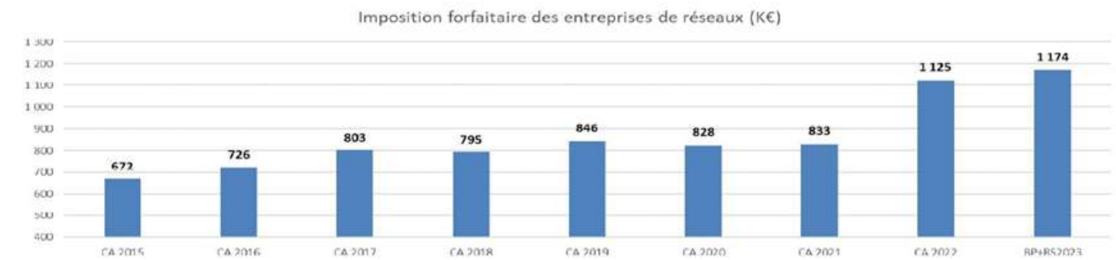
Following the notification of certain revenues, changes in budget forecasts require amendment, as shown in the table below:

	PB	**Movements**	**PB + SB**	**Change**
TFPB exemption allocation	2,981,513	-76,035	2,905,478	-2.55%
D.C.R.T.P.	6,027,000	110,873	6,137,873	1.84%
IFER	1,005,000	168,874	1,173,874	16.80%
DGF	79,600,000	-35,290	79,564,710	-0.04%
Total	**89,613,513**	**168,422**	**89,781,935**	0.19%

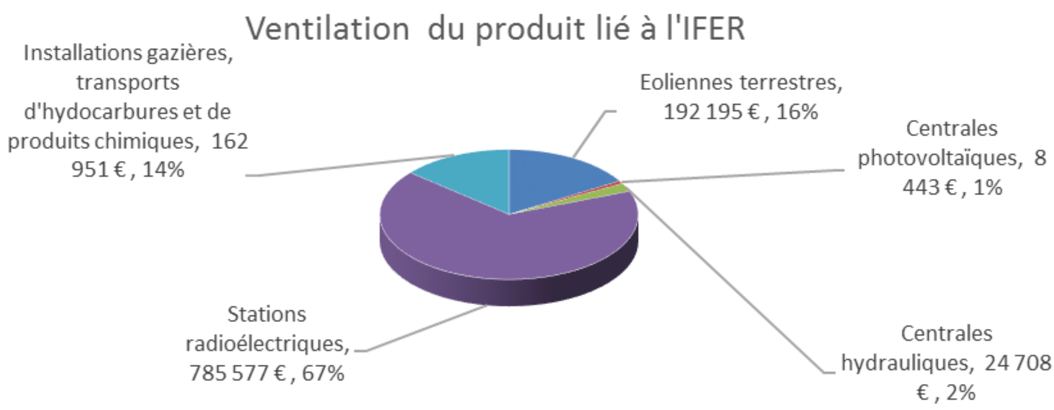
We can note a change in the IFER, which increased by 16.8%, from €1,005,000 to €1,173,874.

This tax, introduced when the professional tax was abolished, has changed markedly as shown by the graphic below:

Utility companies flat-rate tax



Breakdown of IFR-related income



Gas installations, transport of hydrocarbons and chemical products

Base stations

Onshore wind farms

Solar power stations

Hydroelectric power stations

This trend is sustained by the dynamism of IFER from base stations, which represents 67% of the overall amount.

1-2-2 The financing of RSA-France Travail experimentation

The *Département* has volunteered as part of the RSA-France Travail experiment and benefits from a recipe of the order of €1M. The scheme consists of facilitating the return to activity and employment of RSA beneficiaries by relying on the strengthening of their support as well as the renovation of the *Département*'s integration offer to bring it closer to the needs of people and territories.

In operational terms, the territories selected for this experiment are based on an urban / rural mix and cover 3 EPCI, namely: Seine-Eure (excluding ex-community of communes Eure-Madrie-Seine), Lyons-Andelle and Vexin Normand, which covers a target of 2,900 beneficiaries of the RSA.

The national ambition of this experiment is to increase the positive outputs of the RSA by supporting 100% of the beneficiaries in the territories concerned and by strengthening the departmental guidance system, that is to say the identification of priority areas (employment, resolution of social barriers) around which the person's project will have to be built, in particular through a shared diagnosis involving the agents of the *Département* and *Pôle Emploi*.

1-2-3 Revenues financing operating expenses of an almost identical amount for €1.76 M

Some revenues are a direct consequence of an entry of an expense.

Thus, the recording of credits in impairment and extinguished receivables leads to the reversal of a provision for impairment of receivables reflecting the risk of irrecoverability. An amount of 591,350 euros is recorded as expenditure in the SB and a reversal of provision in revenue of a quasi-similar amount, *i.e.* €584,350.

In the same way, the management of the European Social Fund is carried out on behalf of the State and the European Union. Apart from strictly departmental actions, the operation of repayment of funds must be balanced in terms of expenditure and revenue. Also, a revenue of 1,015,000 euros is recorded in this respect.

It should be noted that inventory management involves the recording of a revenue of €160,000 balanced by an expenditure of €159,000.

1-2-4 The recording of miscellaneous revenue for an amount of €311K

The activity of the *Département* leads to the adjustment of certain revenues. This includes, in particular:

– revenues related to the implementation of the guarantees provided for within the various insurance contracts for an amount of €120k;
– in view of the 2022 balance sheet of the end-of-year event "Merveilleux" taking place on the Domaine d 'Harcourt and a wider opening period (28 November 2023 – 7 January 2024), €88,000 in projected revenues are entered in the 2023 BS;
– the adjustment of staff reimbursements related to ancillary budgets for an amount of €55K;
– given the new arrivals of unaccompanied minors, the funding expected from the State for the shelter allocation should be updated for an additional amount of €30,000.

<u>1– 3) Adjustment of investment revenue</u>

Having regard to the reintegrated result and the overall balance, use of borrowing was reduced by 14.96 M€ to its current level of 87.38 M€.

Note an adjustment of the FCTVA for previous years for an amount of €2.2m.

2- In expenditure, actual movements related to reintegration of results and also inflation and rate upgrades for social sector personnel

Total actual expenditure proposed for the supplemental budget amounts, as for revenue, to 105.6 M€, with:

- 87.20 M€ in deficit carried forward in the investment section;
- An adjustment to investment expenditure of + 3.28 M€;
- New operating expenditure of + 15.11 M€

<u>2 – 1) In the operating section, an increase related in particular to inflation and rate upgrades for social sector personnel.</u>

The change in actual operating expenditure was 2.92%, broken down as follows:

No.	Heading chapter	PB 2023	SB movements	PB + SB	Change
011	General expenses	35,520,878	1,041,822	36,562,700	2.9%
012	Staff costs and equivalent	116,697,448	1,030,419	117,727,867	0.9%
014	Income mitigation	8,954,648	- 300,000	8,654,648	-3.4%
016	APA	53,323,400	4,184,964	57,508,364	7.8%
017	RSA /RMI Adjustments	93,947,300	3,049,067	96,996,367	3.2%
65	Other ordinary management expenses	201,807,857	4,998,698	206,806,555	2.5%
6586	Operating costs of groups of elected officials	454,000	-	454,000	0.0%
66	Finance costs	6,585,000	600,000	7,185,000	9.1%
67	Specific burdens	160,400	-	160,400	0.0%
68	Allowances for provisions and impairment	300,000	505,000	805,000	168.3%
General Total		**517,750,931**	**15,109,970**	**532,860,901**	**2.92%**

2-1-1 Additional appropriations for the implementation of the *Département*'s social policies in the amount of €9.34 M

This increase is mainly justified by adjustments related to a catch-up on ABS, the increase in the number of child and home ABS beneficiaries, the revaluation of the RSA, the RSA-France Travail experiment and the impacts of 2023 pricing.

The *Département*'s additional effort of €9.34 K represents 62% of the supplementary budget proposals.

			2023 Budget	BS 2023 movements	PB + SB	Change
Children, Family	**011**	General expenses	2,685,500	- 47,000	2,638,500	-1.8%
	012	Staff costs and equivalent	25,278,000		25,278,000	0.0%
	65	Other ordinary management expenses	51,189,668	1,453,993	52,643,661	2.8%
	67	Specific burdens	20,000	-	20,000	0.0%
Total Childhood, Family			**79,173,168**	**1,406,993**	**80,580,161**	**1.8%**
Integration (Daf)	**011**	General expenses	2,952,500		2,952,500	0.0%
	017	RSA	89,437,300	2,500,000	91,701,300	2.8%
	65	Other ordinary management expenses	4,482,000	19,000	4,501,000	0.4%
	67	Specific burdens	1,000		1,000	0.0%
Total Integration (DAF)			**96,872,800**	**2,519,000**	**99,155,800**	**2.6%**
Elderly citizens	**011**	General expenses	576,040		576,040	0.0%
	016	APA	52,898,200	4,122,000	57,020,200	7.8%
	65	Other ordinary management expenses	15,419,048	146,820	15,565,868	1.0%
	67	Specific burdens	70,000		70,000	0.0%
Total Elderly			**68,963,288**	**4,268,820**	**73,232,108**	**6.2%**
Disabled persons	**011**	General expenses	550,000		550,000	0.0%
	65	Other ordinary management expenses	68,456,360	1,146,000	68,774,360	1.7%
	67	Specific burdens	10,000		10,000	0.0%
Total Disabled persons			**69,016,360**	**1,146,000**	**69,334,360**	1.7%
General Total			**314,025,616**	**9,340,813**	**322,302,429**	**2.97%**

Overall, there is a change in the number of children in ESA care of + 3.7% between September 2022 and January 2023. The number of home APA beneficiaries increased by 5.3% between March 2022 and March 2023, faster than expected. Only the number of RSA beneficiaries is decreasing. The latter is 13,058 according to the latest consolidated data of the CNAF as of March 31, 2023 (against 13,156 in December 2022).

Several factors explain this request for additional appropriations, the main ones being as follows:

– Non-recurring credits, for catch-up, amounting to €3.57 M, mainly for home APA, for which the budget assessment was distorted by the various measures implemented in 2022 (Ségur effect, pricing at €22);

– A volume effect, in the area of children (+1.21 M€), due in particular to a more marked change in the number of placements and measures than expected, and APA at home (+0.3 M€);

– A price effect (+2.34 M€) which corresponds on the one hand to a probable 4% revaluation of the amount of the RSA from July 2023 and on the other hand to the impact of the revaluation of home helpers who have a salary below the SMIC. At the national level, 27,200 employees would be affected by this increase, with retroactive effect from 1st August 2022;

– The cumulative training / RSA system planned as part of the integration strategy voted last February for 300 RSA beneficiaries going on training in stressed sectors is being rolled out, which requires an additional €0.5m;

– The RSA-France Travail experiment, which induces €0.43 M to engage the *Département* given the receipt of the €1M revenue, the balance affecting the payroll as indicated below;

– Various adjustments on accommodation costs for people with disabilities and on in-patient APA.

2-1-2 Appropriations for human resources to carry out experiments, new projects, reorganization of the administration and revaluation of agents for €1.96 M

The change in appropriations allocated to Human Resources is 1.97%, broken down by budget chapter as follows:

			2023 Budget	BS 2023 movements	PB + SB	Change
Human resources (excluding Assfam)	**011**	General expenses	2,044,330	227,500	2,271,830	11.1%
	012	Staff costs and equivalent	91,415,248	1,030,419	92,445,667	1.1%
	016	APA	425,200	62,964	488,164	14.8%
	017	RSA	990,000	549,067	1,539,067	55.5%
	65	Other ordinary management expenses	4,035,700	91,000	4,126,700	2.3%
	6586	Operating costs of groups of elected officials	454,000	-	454,000	0.0%
Total Human Resources (excluding Assfam)			**99,364,478**	**1,960,950**	**101,325,428**	**1.97%**

The payroll of the globalized chapter 017 – RSA is increased to finance the recruitment of 27 employees under the project contract as part of the France Travail experiment (contractualization with the State); this approach aims to revitalize the support of RSA beneficiaries to increase their exit from precariousness in a positive and sustainable way by 2028.

Additional appropriations have been entered in Chapter 012 – staff costs to finance future regulatory changes such as the increase in the minimum salary index in the public service on 1 May 2023 but also individual salary increases, the planned integration of firefighters assigned to the unified service of car workshops, conventional breakage allowances, the recruitment of young people in civic service as Paris 2024 legacy ambassadors to boost sports practice among 1st degree students and middle school students.

Additional appropriations are entered in Chapter 011 – current management expenses to finance training actions resulting from the implementation of innovative projects within the *Département* as well as the fees of recruitment firms.

2-1-3 The recording of expenses financed by new revenues for an amount of €1.76 M

As specified above, some expenses are financed by the new recording of revenues of a quasi-similar amount. A table summarizes the elements already mentioned:

€	Expenditure	Revenue
ESF	1,015,000	1,015,000
Listing in non-value	591,850	584,350
Inventory Management	158,814	160,000
Total	1,765,664	1,759,350

2-1-4 Additional appropriations for other departmental policies to the tune of €2.04 M

For the other departmental policies and the resources deployed, it is necessary to provide, in the supplementary budget, €2.04 million.

Type of expenditure	Amount in €	Comments
Finance costs	600,000	The rate estimates changed unfavourably compared to the BP. The expectation of short rates (€ster) on 2023 has increased by 35%
Provisions for time savings account	505,000	At constant scope, the average number of days saved per agent holding a TEC increased by 14% between 2021 and 2022. An identical progression is expected in 2023.
Insurance contracts	37,122	The main adjustment of €24K concerns third party insurance whose contribution is based in particular on the payroll
Seine à Vélo Itinerary Committee	30,216	Increase related to the implementation of 2 markets in March for €78,000 and an ongoing consultation of €36,000.
Work Damage Insurance Contracts	102,300	Implementation of the PPI colleges (Rugles €80,000 and Gravigny €22,300)
Cultural expenditure	246,085	Wider opening of the "Merveilleux" event in Harcourt: €100K. Participation in various events: stars at the Château, promotion of the film on Pierre Bonnard. Subsidy to the territories: €77K.
Quality of life at work	10,000	Actions to improve well-being at work through sport
Logistics and energy	127,920	Transport services for Ukraine for €22K. Gas price increase: €96K. Maintenance of the service station: €10K.
Roads and highways	188,400	Increase in energy prices, additional need for temporary signalling
Expenditure on schoolchildren	195,500	51 K€ for the departmental kitchen to cope with the increase in prices; 116 K€ of financial regularization following the dissolution of Sicosse; 29 K€ of subsidy to support the transport costs related to the modification of the school card
General Total	2,042,543	

2 – 2) In the investment section, adjustments totalling 90.5 M€ depending operational timetable updates

For investment expenditure, the adjustment can be summarised as follows:

No.	Heading chapter	PB 2023	SB movements	PB + SB	Change
13	Investment grants/subsidies	-	74	74	n.s
20	Intangible fixed assets	12,018,186	2,169,123	14,192,109	18.0%
204	Equipment grants/subsidies paid	43,288,785	- 418,537	42,870,248	-1.0%
21	Tangible fixed assets	25,816,110	801,591	26,612,901	3.1%
23	Current assets	77,619,369	728,655	78,348,024	0.9%
27	Other financial fixed assets	1,097,000	-	1,097,000	0.0%
Total investment expenses excluding debt and investment deficit		**159,839,451**	**3,280,905**	**163,120,356**	**2.1%**
16	Loans and similar debts	47,269,047	910	47,269,957	n.s
001	Investment balance brought forward	-	87,200,871	87,200,871	n.s
General Total		**207,108,498**	**90,482,686**	**297,591,184**	**n.s**

2.2.1 Incorporation of investment section deficit

The investment section deficit is 87.2 M€. It is financed, as provided by the French *Code Général des Collectivités Territoriales* (CGCT), by an allocation in the same amount from the operating result.

2.2.2 The investment expenditures evolution

Investment expenditure excluding debt and deficit of the investment section increased by 2.1% or €3.3m to reach a volume of open credits of €163.1M.

Excluding credit movements within the departmental policy, the variation in the movements of the SB can be broken down as follows:

	SB movements	Comments
Information systems	1,062,743	A significant part of this BS is devoted to computer security with the evolution of the *Département*'s backup systems as well as the analysis of abnormal behaviours (via artificial intelligence) in the use of computers. Similarly, it is devoted to the further development of the HR tool (Pléiades) of the *Département* as well as the implementation of an effective solution for building monitoring and vehicle maintenance.
Human resources	4,700	Replacement of the out-of-service video test device; device designed to explore the main parameters of visual function during the medical visits of the agents
Attractiveness of territories (DAT)	150,000	Adjustment of payment appropriations for several operations (- €200,000). Increase in payment appropriations under the "Municipal Solidarity Fund" to meet demand following the DETR 2023 campaign (+ €200,000
Educational establishments	2,273,557	Construction, restructuring and extension of colleges: plus or minus adjustments for the various operations (+ €2,083,557) Maintenance and upkeep of colleges: plus or minus adjustments to the various operations (+ €190,000)
Culture	- 354,000	Adjustment of payment appropriations necessary for the implementation of heritage site development projects. Postponement of the purchase of an artistic installation as part of the Seine project at work. Acquisition of works of art: two photos by Charles Pétillon (works created as part of the European Heritage Days 2021) and a work by Will Menter created especially for the Domaine d 'Harcourt where it will be exhibited this summer.
Sport	19,061	The creation of a direct investment expenditure budget for the Sports Department of €30,000 (P142O004) must be used to purchase equipment dedicated to the animation of the Terre de jeux label. In addition, following the fall of AP, there is a decrease of €10,939 in payment appropriations 2023 on support for sports clubs on the purchase of specific equipment (P142O002, E10-2021 and E12-2022 envelopes).
Departmental buildings and logistics	125,755	Construction, restructuring and extension of buildings: plus or minus adjustments of the various operations (- €540,655) Maintenance and upkeep of buildings: plus or minus adjustments of the various operations (+ €364,000) Consideration of the increase in costs for the acquisition of 4 PL, 3 tractors, 1 LV and 3 trailers (+ €302,410)
Total	**3,281,815**	

Accordingly, entries in the 2023 supplemental budget give the following financial aggregates:

in M€	**PB 2023**	**SB 2023**	**PB + SB 2023**
Actual operating revenue	**566,525,257**	**3,238,772**	**569,764,029**
Of which management income	566,131,627	2,654,422	568,786,049
Actual operating expenditure	**517,750,931**	**15,109,970**	**532,860,901**
Management expenses	511,165,931	14,509,970	525,675,901
Operating surplus	**55,359,326**	**- 11,271,198**	**44,088,127**
Operating surplus rate	***9.8%***		***7.7%***
Finance costs	6,585,000	600,000	7,185,000
Gross operating surplus	**48,774,326**	**- 11,871,198**	**36,903,127**
Gross operating surplus rate	***8.6%***		***6.5%***
Repayment of principal on debt	21,269,047	910	21,269,957
Net operating surplus	**27,505,279**	**- 11,872,108**	**15,633,170**
Net operating surplus rate	***5%***		***3%***
Actual investment revenue	29,981,471	3,281,983	33,263,454

Actual investment expenditure excluding debt	159,839,451	3,280,905	163,120,356
Impacts on cumulative overall result		26,836,804	26,836,804
Borrowing	**102,352,701**	**- 14,965,773**	**87,386,928**

SUMMARY OF PROPOSALS:

OPERATING

	AMOUNTS (in Euros)	
Item	**Expenditure**	**Revenue**
New entries	**15,109,970.27**	**3,238,772.00**
Surplus		26,836,803.96
TOTAL ACTUAL OPERATING MOVEMENTS	**15,109,970.27**	**30,075,575.96**
Non-budgetary (d'ordre) operations	**14,965,605.69**	
Amortizations		
Section balance - Transfer to the investment section	14,965,605.69	
TOTAL	**30,075,575.96**	**30,075,575.96**

INVESTMENT

	AMOUNTS (in Euros)	
Item	**Expenditure**	**Revenue**
New entries (excl. borrowing)	**3,280,905.38**	**3,281,982.74**
Reintegration of N-1 results and allocation of result in investment section	**87,200,870.75**	**87,200,870.75**
Borrowings	**910.00**	**14,965,773.05**
TOTAL ACTUAL INVESTMENT MOVEMENTS excl. borrowing	**90,482,686.13**	**75,517,080.44**
Non-budgetary (d'ordre) operations	**-**	**14,965,605.69**
Section balance - Transfer from the operating section		14,965,605.69
TOTAL INVESTMENT	**90,482,686.13**	**90,482,686.13**
OVERALL TOTAL ALL SECTIONS	**120,558,262.09**	**120,558,262.09**

SUBSCRIPTION AND SALE

All terms beginning with a capital letter and not defined in this section shall have the meanings given thereto in the section "Terms and Conditions of the Notes".

Subject to the terms and conditions contained in an amended dealer agreement in the French language dated 20 October 2023 (as amended on the relevant issue date) (the "**Dealer Agreement**") entered into between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuing basis by the Issuer to the Permanent Dealers. However, the Issuer reserves the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between themselves in respect of Notes subscribed by such Dealer. The Issuer has agreed to reimburse the Arranger for the expenses incurred by it in connection with the updating of the Programme and the Dealers for certain expenses in relation to their role under this Programme.

The Issuer has agreed to indemnify the Dealers against certain types of liability they may incur in connection with the offer and sale of Notes. The Dealers have undertaken to indemnify the Issuer against certain types of liability it may incur in connection with the offer and sale of Notes. The Dealer Agreement entitles the Dealers, under certain circumstances, to terminate any agreement they may enter into for the subscription of Notes prior to payment for such Notes being made to the Issuer.

Selling Restrictions

General

These selling restrictions may be supplemented and/or modified by mutual agreement between the Issuer and the Dealers including, but not limited to, following any change to any applicable law, regulation or directive. Any such modification shall be set forth in a supplement to this Offering Circular or in the relevant Pricing Supplement for an issue of Notes to which such modification applies.

No action has been taken in any country or jurisdiction that would permit a public offer of any Notes to any investors other than qualified investors, or the possession or distribution of the Offering Circular or any other offering material or any Pricing Supplement in any country or jurisdiction where action for that purpose is required.

Each Dealer has undertaken to comply, to the fullest extent possible, with all relevant laws, regulations and directives in each country or jurisdiction in which it buys, offers, sells or delivers Notes or in which it holds or distributes this Offering Circular, any other offering material or any Pricing Supplement and neither the Issuer nor any of the other Dealers shall incur any liability in respect thereof.

European Economic Area

Without prejudice to the laws and regulations applicable in any Member State, the Issuer, as a regional authority in a Member State, is not subject to the provisions of Regulation n°1129/2017 of the European Parliament and of the Council dated 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market[1] (the "**Prospectus Regulation**") and is therefore not subject to the requirements on the preparation, approval or distribution of a prospectus specified in the Prospectus Regulation.

United States of America

The Notes have not and will not be registered pursuant to the United States Securities Act of 1933 as amended (the "**US Securities Act**"). Subject to certain exceptions, Notes may not be offered or sold or, in the case of Materialised Notes, delivered within the territory of the United States of America or to U.S. persons. Each Dealer has undertaken, and each new Dealer will be required to undertake, not to offer or sell any Note, or in the case of Dematerialised Notes in bearer form, to deliver such Notes within the territory of the United States of America, except in compliance with the Dealer Agreement.

Materialised Notes in bearer form with a maturity of greater than one year are subject to U.S. tax rules and may not be offered, sold or delivered within the territory of the United States of America or any of its possessions or to U.S. persons, with the exception of certain transactions that are permitted under U.S. tax laws. Terms used in this paragraph shall have the meaning given to them in the U.S. Internal Revenue Code and regulations thereunder.

The Notes are offered and sold outside the United States of America and to persons who are not U.S. persons in accordance with Regulation S. In addition, the offering or sale by any Dealer (whether or not participating in the offering) of any identifiable tranche of any Notes within

[1] Article 2.d) of the Prospectus Regulation.

the United States of America within the first forty (40) calendar days after the later of the date of commencement of the offering of the identified tranche or the date of settlement, may violate the registration requirements under the US Securities Act.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States of America. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States of America. Distribution by any person of this Offering Circular to any U.S. person (U.S. Person) or to any other person within the territory of the United States of America is prohibited, as is any disclosure without the prior written consent of the Issuer of any of its contents to any U.S. Person or any other person within the territory of the United States of America.

United Kingdom

Prohibition of sales to United Kingdom retail investors

Each Dealer has represented and warranted, and each Dealer subsequently appointed under the Programme shall represent and warrant, that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available any Notes which are the subject of an offering contemplated in this Offering Circular, as completed by the relevant Pricing Supplement, to any retail investor in the United Kingdom.

For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or two) of the following:

  (i) a "retail client" as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or

  (ii) a "customer" within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA.

Other regulatory restrictions

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

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold, and will not offer or sell, any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire or dispose of investments (as principal or as agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21 (1) of the FSMA does not or will not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented and warranted that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to a Japanese resident except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other applicable laws and regulations of Japan. In this paragraph, the expression "Japanese resident" means any person residing in Japan, including any company or other entity incorporated under Japanese law.

FORM OF PRICING SUPPLEMENT

Set out below is the Form of Pricing Supplements that will be issued for each Tranche of Notes:

[**MIFID II PRODUCT GOVERNANCE/ IDENTIFIED TARGET MARKET (PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY**) – Solely for the purposes of the product approval process of [the/each] manufacturer (as defined in directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014 on markets in financial instruments, as amended ("**MiFID II**")), the target market assessment in respect of the Notes, taking into consideration the five (5) categories referred to in point 19 of the product governance requirement Orientations published by the European Securities and Markets Association on 3 August 2023, has led to the conclusion that (i) the target market for the Notes includes eligible counterparties and professional clients only, each as defined in MiFID II and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person who subsequently offers, sells or recommends the Notes (a "**distributor**") should take into consideration the target market assessment of [the/each] manufacturer[s]. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining [the/each] manufacturer['s/s'] target market assessment) and determining the appropriate distribution channels.][1]

[**UNITED KINGDOM MiFIR PRODUCT GOVERNANCE / IDENTIFIED TARGET MARKET (PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY**) – Solely for the purposes of the product approval process of [the/each] manufacturer (as defined in Regulation (EU) no. 600/2014 which forms part of United Kingdom domestic law in accordance with the European Union (Withdrawal) Act 2018 ("**UK MiFIR**")), the target market assessment in respect of the Notes, taking into consideration the five (5) categories referred to in point 18 of the product governance requirement Orientations published by the European Securities and Markets Association on 5 February 2018 (in accordance with the statement of principle of the United Kingdom Financial Conduct Authority entitled "*Brexit: our approach to EU non-legislative materials"*), has led to the conclusion that (i) the target market for the Notes includes eligible counterparties (as defined in the United Kingdom Financial Conduct Authority's *FCA Handbook - Conduct of Business Sourcebook* (COBS) and professional clients (as defined in Regulation (EU) no. 600/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (UK MiFIR) only and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person who subsequently offers, sells or recommends the Notes (a "**distributor**") should take into consideration the target market assessment of [the/each] manufacturer[s]. However, a distributor subject to the United Kingdom Financial Conduct Authority's *FCA Handbook - Product Intervention and Product Governance Sourcebook* (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining [the/each] manufacturer['s/s'] target market assessment) and determining the appropriate distribution channels.][2]

Pricing Supplement dated [●]

DEPARTEMENT DE L'EURE

€400,000,000

Euro Medium Term Note Programme

for Notes with a minimum maturity of one month from the date of issue

SERIES No: [●]

TRANCHE No: [●]

[*Brief description and amount of the Notes*]

Issue Price [●]%

[Name(s) of Dealer(s)]

1 Paragraph to be included on the cover page of the Pricing Supplement if following the ICMA 1 "all bonds to all professionals" target market approach.

2 *Paragraph to be included on the cover page of the Pricing Supplement if following the ICMA 1 "all bonds to all professionals" target market approach and where a Dealer is subject to UK MiFIR.*

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the "**Conditions**") set forth in the section "Terms and Conditions of the Notes" of the offering circular dated 20 October 2023 [as supplemented and/or amended by the supplement(s) to the offering circular dated [●]] relating to the Issuer's €400,000,000 Euro Medium Term Note Programme ([together,] the "**Offering Circular**").

This document constitutes the pricing supplement (the "**Pricing Supplement**") relating to the issue of notes described below (the "**Notes**") and should be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of Notes is available solely on the combined basis of this Pricing Supplement and the Offering Circular. The Offering Circular [and the Pricing Supplement] [is/are] (a) published on the Issuer's website (www.eureennormandie.fr) and (b) available for inspection and obtaining copies, without charge, during normal office hours on business days, at the Issuer's registered office and the specified office(s) of the Paying Agent(s). [Furthermore, this Pricing Supplement and the Offering Circular are available [on/at] [●].][1]]

[(The following wording applies if the first Tranche of an issue of Notes, the amount of which is being increased, was issued under a prospectus or offering circular with an earlier date.)

Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the "**Conditions**") being the [2013/2014/2016/2018/2020/2022] Conditions incorporated by reference into the offering circular dated 20 October 2023 [as supplemented and/or amended by the supplement(s) to the offering circular dated [●]] relating to the Issuer's €400,000,000 Euro Medium Term Note Programme ([together,] the "**Offering Circular**").

This document constitutes the pricing supplement (the "**Pricing Supplement**") relating to the issue of notes described below (the "**Notes**") and should be read in conjunction with the Offering Circular (excluding the section "Terms and Conditions of the Notes" which is replaced by the [2013/2014/2016/2018/2020/2022] Conditions). Full information on the Issuer and the offer of Notes is available solely on the combined basis of this Pricing Supplement, the [2013/2014/2016/2018/2020/2022] Conditions and the Offering Circular (excluding the section "Terms and Conditions of the Notes"). The Offering Circular [and the Pricing Supplement] [is/are] (a) published on the Issuer's website (www.eureennormandie.fr) and (b) available for inspection and obtaining copies, without charge, during normal office hours on business days, at the Issuer's registered office and the specified office(s) of the Paying Agent(s). [Furthermore, this Pricing Supplement and the Offering Circular are available [on/at] [●].[2]]

This Pricing Supplement does not constitute an offer or invitation (and may not be used for such purpose) to subscribe for or purchase Notes whether directly or indirectly.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.*]

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1 If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.
2 If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

1.	**Issuer:**		*Département de l'Eure*
2.	(i)	Series n°:	[●]
	(ii)	Tranche n°:	[●]
	(iii)	Date on which the Notes will be consolidated and form a single Series (Condition 13):	[Not Applicable]/[The Notes shall, upon [admission to trading/issue], become fully consolidated, and constitute a single Series, with [●] (*describe the relevant Series*) issued by the Issuer on [●] (*insert date*) (the "**Existing Notes**").]
3.	**Specified Currenc(y/ies):**		[●]
4.	**Aggregate Nominal Amount:**		
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
5.	**Issue price:**		[●]% of the Aggregate Nominal Amount [plus interest accrued since [*insert date*] *(in case of fungible issues or first broken coupon, if relevant*)
6.	**Specified Denomination(s):**		[●] (*only one Specified Denomination for Dematerialised Notes*) *(minimum of 100,000 € or the equivalent in any other currency)*
7.	**(i)**	**Issue date:**	[●]
	(ii)	**Interest Period Commencement Date:**	[[●]/Issue Date/Not Applicable]
8.	**Maturity Date:**		[*specify the date or (for Floating Rate Notes) the Coupon Payment Date of the relevant month and year or the date nearest to the Coupon Payment Date of the relevant month and year*]
9.	**Interest Basis:**		[[●]% per year Fixed Rate] [[*specify reference rate*] +/- [●]% Floating Rate] [Fixed/Floating Rate Note] [Zero Coupon Note] [Other *(specify)*] *(Further details specified below)*
10.	**Redemption/Payment Basis:**		[Redemption at par] [Instalments] [Other *(specify)*] *(Further details specified below)*
11.	**Change of Interest Basis:**		[Applicable (other details indicated below) (*for the Fixed/Floating Rate Notes*)/Not Applicable]

			(Further details specified in paragraph 16 of this Pricing Supplement)
12.	**Redemption Options:**		[Not Applicable] [Noteholder Redemption Option] [Issuer Redemption Option] [Other *(specify)*] (*Further details specified below*)
13.	**(i)**	**Status:**	Senior
	(ii)	**Date approval for issuance of Notes obtained:**	[●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**		[Applicable/Applicable before the Date of Change/Applicable after the Date of Change/Not Applicable] (*If this paragraph does not apply, delete the other sub-paragraphs*)
	(i)	Interest Rate:	[●]% per year [payable [annually/ semi-annually/quarterly/monthly] in arrear]
	(ii)	Coupon Payment Date(s):	[[●] in each year/[●] and [●] in each year/[●], [●],[●] and [●] in each year] up to and including the Maturity Date (*adjust if relevant*)
	(iii)	Fixed Coupon Amount(s):	[●] per [●] Specified Denomination
	(iv)	Broken Amount(s):	[Not Applicable / *Include information relating to the initial or final Broken Amount which are different to the Fixed Coupon Amount(s) and Coupon Payment Date(s) to which they relate*]
	(v)	Day Count Fraction (Condition 5(a)):	[Actual/365 Basis / Actual/365-FBF Basis / Actual/Actual-ICMA Basis / Actual/Actual-FBF Basis / Actual/365 (Fixed) Basis / Actual/360 Basis / 30/360 Basis / 360/360 Basis / Bond Basis / 30/360-FBF Basis / Actual 30A/360 Basis (American Bond Basis) / 30^{E}/360 Basis / Euro Bond Basis / 30^{E}/360-FBF Basis]
	(vi)	Determination Date(s) (Condition 5(a)):	[●] for each year (*specify the regular Coupon payment dates, excluding the Issue Date and the Maturity Date in the case of a first or last long or short Coupon. N.B.: only applicable where the Day Count Fraction is Actual/Actual (ICMA) Basis*).
	(vii)	Other terms relating to the method for calculating interest on Fixed Rate Notes:	[Not Applicable/(*specify)*]
15.	**Floating Rate Note Provisions**		[Applicable/Applicable before the Date of Change/Applicable after the Date of Change/Not Applicable] (*If this paragraph does not apply, delete the other sub-paragraphs*)
	(i)	Interest Period(s):	[●]
	(ii)	Coupon Payment Dates:	[[●] in each year/[●] and [●] in each year/[●], [●],[●] and [●] in each year] up to and including the Maturity Date (*adjust if relevant*)
	(iii)	Business Day Convention:	[Floating Rate Business Day Convention /Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/Other *(specify*)/Not Applicable]
	(iv)	Business Centre(s) (Condition 5(a)):	[●]

(v)	Manner in which the Interest Rate(s) is/are to be determined:		[Screen Rate Determination / FBF Determination]
(vi)	Interest Accrual Period Date:		[Not Applicable/*specify the dates*]
(vii)	Party responsible for calculating the Interest Rate(s) and Coupon Amount(s) (if not the Calculation Agent):		[●]
(viii)	Screen Rate Determination (Condition 5(c)(iii)(B)):		[Applicable/Not Applicable] (*Delete the other sub-paragraphs if this paragraph is not applicable*)
	–	Relevant Time:	[●]
	–	Coupon Determination Date:	[[●] [T2] [*specify place*] Business Days for [*specify currency*] before [*the first day of each* Interest Accrual Period/each Coupon Payment Date]]
	–	Primary source for the Floating Rate:	[*Specify the relevant Screen Page or "Reference Banks"*]
	–	Reference Banks (if the primary source for Floating Rate is "Reference Banks"):	[*Specify four (4) entities*]
	–	Relevant Financial Centre:	[*The financial centre most closely connected with the relevant Benchmark– specify, if other than Paris*]
	–	Benchmark:	*Specify the Benchmark [EURIBOR (or TIBEUR in French) or other] and month.* *(Other information if necessary)* *(If the Interest Rate is determined by linear interpolation in respect of a [first/last] [long/short] Interest Period, insert the relevant interest period(s) and the relevant rates used for such determination)*
	–	Representative Amount:	[*Specify if quotations published on a Screen Page or offered by Reference Banks must be given for a transaction of a specific amount*]
	–	Effective Date:	[*Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period*]
	–	Specified Duration:	[*Specify period for quotation if other than duration of Interest Accrual Period*]
(ix)	FBF Determination (Condition 5(c)(iii)(A))		[Applicable/Not Applicable] (*Delete the other sub-paragraphs if this paragraph is not applicable*)
	–	Benchmark:	*Specify the Benchmark [EURIBOR (or TIBEUR in French) or other] and month.* *(Other information if necessary)* *(If the Interest Rate is determined by linear interpolation in respect of a [first/last] [long/short] Interest Period, insert the relevant interest period(s) and the relevant rates used for such determination)*
	–	Determination Date for Floating Rate:	[●]
	–	FBF Definitions (if other than those set forth in the Conditions):	[●]
(x)	Margin(s):		[[+/-][●]% per year/Not Applicable]
(xi)	Minimum Interest Rate:		[[0]/[●]]% per year]
(xii)	Maximum Interest Rate:		[Not Applicable/[●]% per year]

	(xiii)	Day Count Fraction (Condition 5(a)):	[Actual/365 Basis / 30/360 Basis/ Actual/Actual-ICMA Basis/ Other *(specify)*]
	(xiv)	Rate Multiplier:	[Not Applicable/[●]]
	(xv)	Rounding convention, denominator or other terms relating to the method for calculating interest on Floating Rate Notes, if different than specified in the Conditions:	[Not Applicable/(*specify*)]
16.	**Change of Interest Basis:**		[Applicable/Not Applicable] (*If this paragraph does not apply, delete the other subparagraphs*)
	(i)	Change of Interest Basis by the Issuer:	[Applicable/Not Applicable]
	(ii)	Automatic Change of Interest Basis:	[Applicable/Not Applicable]
	(iii)	Interest Rate applicable to Interest Accrual Periods [[preceding the Date of Change (excluded) (*if the Date of Change is a Coupon Payment Date*)]/[preceding the Interest Accrual Period including the Date of Change]/[up to (and including) the Interest Accrual Period including the Date of Change (*if the Date of Change is not a Coupon Payment Date*)]] :	Determined in accordance with [Condition 5(b), if the Notes are Fixed Rate Notes/Condition 5(c), if the Notes are Floating Rate Notes], as specified in paragraph [14/15] of this Pricing Supplement.
	(iv)	Interest Rate applicable to Interest Accrual Periods [[following the Date of Change (included) (*if the Date of Change is a Coupon Payment Date*)]/[as from the Interest Accrual Period including the Date of Change]/[immediately after the Interest Accrual Period including the Date of Change (*if the Date of Change is not a Coupon Payment Date*)]] :	Determined in accordance with [Condition 5(b), if the Notes are Fixed Rate Notes/Condition 5(c), if the Notes are Floating Rate Notes], as specified in paragraph [14/15] of this Pricing Supplement.
	(v)	Date of Change:	[●]
	(vi)	Minimum period for Issuer to notify Noteholders:	[[●] Business Days before the Date of Change/(*where Automatic Change of Interest Basis*) Not Applicable]
	(vii)	Provisions relating to Fixed/Floating Rate Notes, if different than those specified in the Conditions:	[Not Applicable/(*specify*)]
17.	**Zero Coupon Note Provisions:**		[Applicable/Not Applicable] (*If this paragraph does not apply, delete the other sub-paragraphs*)
	(i)	Amortisation yield:	[●]% per year
	(ii)	Day Count Fraction:	[30/360 Basis/ Actual/Actual-ICMA Basis/ Other *(specify)*]
	(iii)	Other formula/method for determining the amount payable:	[Not Applicable/[●]]

PROVISIONS RELATING TO REDEMPTION

18.	**Issuer Call:**		[Applicable/Not Applicable] (*If this paragraph does not apply, delete the other sub-paragraphs*)
	(i)	Optional Redemption Date(s):	[●]

	(ii)	Optional Redemption Amount(s) for each Note and, if relevant, the method for calculating such amount(s):	[[●] per Note [of [●] Specified Denomination]] (*delete the words in brackets for Dematerialised Notes*)
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[●]
		(b) Maximum Redemption Amount:	[●]
	(iv)	Notice period, if different than specified in the Conditions:	[●]
19.	**Noteholder Put:**		[Applicable/Not Applicable] (*If this paragraph does not apply, delete the other sub-paragraphs*)
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) for each Note:	[[●] per Note [of [●] Specified Denomination]] (*delete the words in brackets for Dematerialised Notes*)
	(iii)	Notice period, if different than specified in the Conditions:	[●]
20.	**Final Redemption Amount per Note:**		[[●] per Note [of [●] Specified Denomination]] (*delete the words in brackets for Dematerialised Notes*)
21.	**Instalment Amount:**		[Applicable/Not Applicable] (*If this paragraph does not apply, delete the other sub-paragraphs*)
	(i)	Instalment Date(s):	[●]
	(ii)	Instalment Amount(s) for each Note:	[[●] per Note [of [●] Specified Denomination]] (*delete the words in brackets for Dematerialised Notes*)
	(iii)	Additional provisions relating to redemption by Instalment:	[[●] /Not Applicable]
22.	**Early Redemption Amount:**		
	(i)	Early Redemption Amount(s) for each Note paid upon redemption for tax reasons (Condition 6(f)) or upon Event of Default (Condition 9 or other early redemption and/or method for calculating such amount, if required or different than specified in the Conditions):	[[●] per Note [of [●] Specified Denomination]] (*delete the words in brackets for Dematerialised Notes*)
	(ii)	Redemption for tax reasons on dates other than Coupon Payment Dates (Condition 6(f)):	[Yes/No]
	(iii)	Unmatured Coupons to be cancelled upon early redemption (Materialised Notes only (Condition 7(f)):	[Yes/No/Not Applicable]
23.	**Purchases (Condition 6(g)**		Notes purchased by the Issuer [may be held and resold or cancelled/must be cancelled] in accordance with Condition 6(g). *(Specify whether the Issuer may hold Notes purchased in accordance with Condition 6(g))*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	**Form of the Notes:**		[Dematerialised Notes/Materialised Notes] (*Materialised Notes are issued in bearer form only*) [*Delete as appropriate*]

(i)	Form of Dematerialised Notes:	[Not Applicable/Bearer form/Pure registered form (*au nominatif pur*)/Administered registered form (*au nominatif administré*)]
(ii)	Registration Agent:	[Not Applicable/ *if applicable name and information*] (*N.B. a Registration Agent may be appointed in respect of Dematerialised Notes in pure registered form (au nominatif pur) only*).
(iii)	Temporary Global Certificate:	[Not Applicable/Temporary Global Certificate exchangeable for Physical Notes on [●] (the "**Exchange Date**"), forty (40) calendar days after the issue date, unless postponed, as specified in the Temporary Global Certificate]

25.	**Financial Centre(s) (Condition 7(h)) or other specific provisions relating to payment dates:**	[Not Applicable/Specify]. (*Note that this relates to the date and place for payment and not the Coupon Payment Dates referred to in paragraphs 14(ii) and 15(ii)*)
26.	**Talons for further Coupons or Receipts attached to Physical Notes (and dates on which such Talons mature):**	[Yes/No/Not Applicable]. (*If yes, specify*) (*Only applicable to Materialised Notes*)
27.	***Masse* (Condition11):**	Incumbent Representative [●] *(specify name and contact details)* Alternate Representative [●] *(specify name and contact details)* Remuneration [Applicable/Not Applicable] *(if applicable, specify the amount and date of payment)* [If, and for so long as the Notes of a single Series are held by a single Noteholder, and if no Representative has been appointed, the relevant Noteholder shall exercise all of the powers conferred upon the Representative and the Noteholders acting by Collective Decision in accordance with the Conditions. The single Noteholder shall keep (or cause to be kept by any authorised agent) a register of all decisions taken by it in such capacity and shall make it available to any subsequent Noteholder upon request. Unless a Representative has been appointed in the relevant Pricing Supplement, a Representative shall be appointed by the Issuer whenever the Notes of a Series are held by more than one Noteholder.]
28.	**Other financial terms:**	[Applicable/Not Applicable] *(Specify, if applicable)*

[PURPOSE OF THE PRICING SUPPLEMENT

This Pricing Supplement constitutes the pricing supplement required for admission of the Notes described herein to trading on [Euronext Paris / Luxembourg Stock Exchange / [●] (*specify the relevant Regulated Market*) [under the €400,000,000 Euro Medium Term Note programme of the *Département de l'Eure*.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

[(*Relevant third party information*) has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.][1]

Signed on behalf of the Issuer:

By: ………………………….
Duly authorised

[1] To be included if information is provided by a third party.

PART B – OTHER INFORMATION

1. RISK FACTORS SPECIFIC TO THE NOTES

[Not Applicable]/[Insert any substantial risk factor material to Notes admitted to trading in order to assess the market risk associated with such Notes and which may affect the Issuer's ability to fulfil its obligations under the Notes and which is not covered by the "Risk factors" section of the Offering Circular.]

2. ADMISSION TO TRADING

(i)	Admission to trading:	[Application has been made by the Issuer (or on its behalf) for *the Notes to be admitted to trading on [Euronext Paris /Luxembourg Stock Exchange/(specify the relevant Regulated Market or non-regulated market*)] with effect from [●].] [A request for admission of the Notes to trading on [Euronext Paris/ [●] (*specify the relevant Regulated Market or non-regulated market*)] as from [●] shall be made by the Issuer (or on its behalf).] / [Not Applicable]
(ii)	Estimate of total expenses related to admission to trading:	[[●]/Not Applicable]

3. RATINGS

Ratings:

[The Notes to be issued have not been rated / The Notes to be issued [have been/will be] rated as follows:

[[●] : [●]]

[[●] : [●]]

[[Other]: [●]]]

(*The rating assigned to Notes issued under the Programme must be indicated above or, if a specific rating has been assigned to an issue of Notes, that specific rating must be indicated above.*)

[*insert the appropriate alternative*]

[[●]/[Each of the above agencies] is a credit rating agency established in the European Union, registered in accordance with the Regulation (EC) n°1060/2009 of the European Parliament and of the Council dated 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") and is included on the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation) in accordance with the CRA Regulation.]

[[*Insert legal name(s) of credit rating agency(ies) established in the EEA*] [is/are] not established in the United Kingdom and [is/are] not registered under Regulation (EU) n° 1060/2009 which forms part of United Kingdom domestic law pursuant to European Union (Withdrawal) Act 2018 (the "**United Kingdom CRA Regulation**"). The rating[s] for the Notes given by [*insert legal name(s) of credit rating agency(ies) established in the EEA*] [has/have] been endorsed by [*insert legal name(s) of credit rating agency(ies) established in the United Kingdom*], in accordance with the United Kingdom CRA Regulation and [has/have] not been withdrawn. Accordingly, the rating[s] given by [*insert legal name(s) of credit rating agency(ies) established in the EEA*] may be used for regulatory purposes in the United Kingdom in accordance with the United Kingdom CRA Regulation.]

(Include this paragraph only for issues where a placement in the United Kingdom is contemplated and the ratings issued by an EEA rating agency must be endorsed by a rating agency in the United Kingdom.)

4. [OTHER ADVISERS

If any advisers are referred to in the Pricing Supplement, include a statement explaining the capacity in which they have acted.]

5. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]

The purpose of this section is to describe any interest(s), including conflicting ones, that is/are material to the issue of the Notes, detailing each of the persons involved and the nature of the interest. This may be satisfied by the inclusion of the following statement: "Save for any fees payable to the Dealer(s) in accordance with the "Subscription and Sale" section of the Offering Circular, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

6. [USE OF PROCEEDS

The net proceeds of the issue of Notes shall be applied [towards the financing of the Issuer's investments, regardless of the project.]/[specifically towards the financing and/or refinancing, in whole or in part, of Eligible Projects (as described below) *(describe the specific projects from amongst the relevant Eligible Projects and/or the availability of a Second Party Opinion and any opinions supplied by third parties and/or where such information may be obtained).*]/[Other (*Specify*)]]

7. [FIXED RATE NOTES ONLY – YIELD

Yield:	[●]% per year The yield is calculated at the Issue Date based on the Issue Price. It is not an indication of future yield.]

8. [FLOATING RATE NOTES ONLY – BENCHMARKS

Benchmarks:	The amounts payable under the Notes shall be calculated with reference to [●] which is supplied by [●]. As at [date], [●] [is/is not] included on the register of administrators and benchmarks established and managed by ESMA in accordance with article 36 of Regulation (EU) n°2016/1011 of the European Parliament and of the Council dated 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmarks Regulation**"). [So far as the Issuer is aware, the transitional provisions in article 51 of the Benchmarks Regulation apply, and accordingly [●] is not currently subject to any requirement for approval, registration, recognition, endorsement or any other equivalent procedure.]]

9. OPERATIONAL INFORMATION

(i)	ISIN Code:		[●]
(ii)	Common Code:		[●]
(iii)	Depositary(ies):		[[●]/Not Applicable]
	(a)	Euroclear France as Central Depositary:	[Yes/No] [address]
	(b)	Common Depositary for Euroclear and Clearstream:	[Yes/No] [address]

(iv)	Any clearing system other than Euroclear France, Euroclear and Clearstream and related identification number(s):	[Not Applicable/*indicate name(s) and number(s)*] [address]
(v)	Delivery:	Delivery [against payment /franco]
(vi)	The specific Fiscal Agent appointed for the Notes is:[1]	[[●]/Not Applicable]
(vii)	The additional Agents appointed for the Notes are: [2]	[●]/Not Applicable]

10. DISTRIBUTION

Method of distribution:		[Syndicated/Non-syndicated]
(i)	If syndicated, names of Managers:	[Not Applicable/(*specify names*)]
(ii)	Stabilising Manager(s) (if any):	[Not Applicable/(*specify names*)]
(iii)	If non-syndicated, name of relevant Dealer:	[Not Applicable/(*specify name*)]
(iv)	U.S. Selling Restrictions:	Regulation S *Compliance Category* 1; TEFRA Rules [C/ D/ : Not Applicable] (the *TEFRA Rules do not apply to Dematerialised Notes*)
(v)	Additional selling restrictions:	[Not Applicable/*specify*]

[1] A specific Fiscal Agent shall be appointed for any tranche of Materialised Notes.
[2] Specify any additional Agents appointed for any tranche of Notes (including any additional Agents appointed for any tranche of Materialised Notes).

GENERAL INFORMATION

(1) The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the establishment and updating of the Programme. The *Conseil départemental de l'Eure* adopted the Issuer's primary budget for the year 2023 pursuant to resolution n°2023-S02-1-3 dated 03 February 2023. Pursuant to resolution n°2022-S12-1-2 dated 16 December 2022, the President of the *Conseil Départemental* was authorised to update the Programme and to proceed with bond issues under the Programme up to the amount of the limit specified in the budget.

(2) The Issuer's LEI (*Legal Entity Identifier*) is 969500XDD6FGCN8BCJ47.

(3) There has been no material change (a) in the fiscal and budgetary systems, (b) in the gross public debt, (c) in the balance of trade and balance of payments, (d) in the foreign exchange reserves, (e) in the financial resources or (f) in the revenue and expenditure of the Issuer since 31 December 2022.

(4) The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Offering Circular which may have, or has had, in the recent past significant effects on its financial position.

(5) The Notes may be admitted to clearing through the clearing systems of Euroclear France, Euroclear and Clearstream. The Common Code, ISIN number (International Securities Identification Number) and the identification number of any other clearing system (if relevant) for each Series of Notes, shall be specified in the relevant Pricing Supplement.

(6) In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or any person acting on behalf of any Stabilising Manager(s)) in the relevant Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail (the "**Stabilisation Measures**"). However, such Stabilisation Measures may not necessarily occur. Any Stabilisation Measure may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of (i) thirty (30) calendar days after the issue date of the relevant Tranche and (ii) sixty (60) calendar days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment shall be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.

(7) Amounts payable under the Notes may be calculated by reference to EURIBOR (or TIBEUR in French) or any other rate specified in the relevant Pricing Supplement. EURIBOR is supplied by the European Money Markets Institute ("**EMMI**"). As at the date of this Offering Circular, EMMI is included on the register of administrators and benchmarks established and managed by the European Securities and Markets Association ("**ESMA**") in accordance with article 36 of Regulation (EU) n°2016/1011 of the European Parliament and of the Council dated 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmarks Regulation**"). The relevant Pricing Supplement shall specify the relevant benchmark and whether the administrator appears on the ESMA register.

(8) The Notes have not and will not be registered pursuant to the United States Securities Act of 1933 as amended (the "**US Securities Act**") or with any competent securities regulation authority in any U.S. state or other jurisdiction and the Notes may include Materialised Notes in bearer form subject to applicable US tax laws. 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 of America or to, or for the benefit or on behalf of, U.S. persons (*U.S. Persons*) as defined in Regulation S of the US Securities Act ("**Regulation S**") or, in the case of certain Materialised Notes in bearer form, in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder. The Notes will be offered and sold outside the United States of America to persons who are not U.S. persons (*non U.S. Persons*) in accordance with Regulation S.

(9) In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "EUR" and "euro" are to the single currency of the participating member states of the European Union which was introduced under the Treaty establishing the European Economic Community, references to "£", "pounds sterling", "GBP" and "Sterling" are to the lawful currency of the United Kingdom references to "$", "USD" and "U.S. dollars" are to the lawful currency of the United States of America, references to "¥", "JPY", "Japanese yen" and "Yen" are to the lawful currency of Japan and references to "Swiss francs" or "CHF" are to the lawful currency of Switzerland.

(10) This Offering Circular, any related supplement and, for so long as any Notes are admitted to trading on a Regulated Market, the relevant Pricing Supplement for such Notes shall (a) be published on the dedicated page of the Issuer's website (https://eureennormandie.fr/accueil/le-departement/finances/relations-investisseurs/) and (b) be available for inspection or obtaining copies, free of charge, during normal office hours on business days, at the Issuer's registered office and the specified office(s) of the Paying Agent(s).

(11) For so long as any Notes issued under this Offering Circular remain outstanding, copies of the following documents will be available, upon publication, without charge, during normal office hours on business days for inspection and, in respect of the documents referred to in (i), (ii), (iii) and (iv), obtaining copies at the specified offices of the Paying Agent(s):

(i) the Fiscal Agency Agreement (which includes the form of accounting letter (*lettre comptable*), the Temporary Global Certificates, the Physical Notes, Receipts, Coupons and Talons);

(ii) the two most recent primary budgets (as amended, if applicable, by any supplemental budget) and administrative accounts published by the Issuer;

(iii) the Pricing Supplement relating to Notes admitted to trading on Euronext Paris or any other Regulated Market;

(iv) this Offering Circular and any supplement to this Offering Circular or any new offering circular; and

(v) any reports, correspondence and other documents, appraisals and statements made by any expert at the request of the Issuer any extracts of which, or references to which, are contained in this Offering Circular or any supplement to this Offering Circular relating to any issue of Notes.

(12) Each of the Dealers and their affiliates may or may in the future, in the normal course of their activities, engage in commercial dealings with or act as financial advisers to the Issuer, in relation to securities issued by the Issuer. In the normal course of their activities, each of the Dealers and their affiliates may or may in the future (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business or entry into derivative transactions, (ii) act as underwriters in connection with the offering of securities issued by the Issuer or (iii) act as financial advisers to the Issuer. In the context of these transactions, each of the Dealers and their affiliates hold or may hold securities issued by the Issuer in which case they receive or will receive customary fees and commissions for these transactions.

In addition, the Issuer and each of the Dealers may be engaged in transactions involving an index or derivatives based on or relating to the Notes, which could affect the market price, liquidity or value of Notes and could have an adverse effect on the interests of the Noteholders.

The Issuer may appoint one of the Dealers as Calculation Agent in respect of one or more Series of Notes. Such Calculation Agent will probably be part of an international financial group which means that, in the normal course of its business, conflicts of interest may arise, given in particular the scope of the banking activities conducted in such group. Although Chinese walls or internal procedures, as the case may be, maybe in place to prevent any such conflicts of interest arising, a Calculation Agent may be involved in other activities, or in transactions linked to an index or derivatives based upon or relating to the Notes.

RESPONSIBILITY FOR THE OFFERING CIRCULAR

Persons assuming responsibility for this Offering Circular

On behalf of the Issuer

I confirm, having taken all reasonable care to ensure that such is the case, that the information contained in this Offering Circular is, to my knowledge, in accordance with the facts and omits nothing likely to affect its import.

Evreux, 20 October 2023

Département de l'Eure
Hôtel du *Département*
14, boulevard Georges Chauvin
27000 Evreux Cedex
France

Represented by Mr Alexandre Rassaërt, Chairman of the *Conseil Départemental*

Issuer

Département de l'Eure
Hôtel du *Département*
14, boulevard Georges Chauvin
27000 Evreux Cedex
France

Arranger
Crédit Agricole Corporate and Investment Bank
12, place des Etats-Unis
CS 70052
92547 Montrouge Cedex
France

Permanent Dealers

BRED Banque Populaire
18, quai de la Rapée
75604 Paris Cedex 12
France

Crédit Agricole Corporate and Investment Bank
12, place des Etats-Unis
CS70052
92547 Montrouge Cedex
France

Crédit Mutuel Arkéa
1, rue Louis Lichou
29480 Le Relecq Kerhuon
France

HSBC Continental Europe
38, avenue Kléber
75116 Paris
France

La Banque Postale
115, rue de Sèvres
75275 Paris Cedex 06
France

Natixis
7, promenade Germaine Sablon
75013 Paris
France

Fiscal Agent, Principal Paying Agent and Calculation Agent
for Dematerialised Notes

BNP Paribas
Les Grands Moulins de Pantin
9, rue du Débarcadère
93500 Pantin
France

Legal Advisers

To the Issuer
Bignon Lebray
75, rue de Tocqueville
75017 Paris
France

To the Arranger and the Dealers
Allen & Overy LLP
32, rue François 1er
75008 Paris
France