

Final Terms dated 16 November 2011

Crédit Mutuel Arkéa
Home Loans SFH

Crédit Mutuel Arkéa Home Loans SFH

Issue of € 750,000,000 4.5 per cent. Covered Bonds due 13 April 2021
under the €10,000,000,000 Covered Bond Programme

to be assimilated (*assimilables*) and interchangeable for trading purposes with the existing € 1,000,000,000 4.5 per cent.
Covered Bonds due 13 April 2021 as Tranche 1 of Series 12
(the "**Existing Covered Bonds**")

Issue Price: 107.053 per cent. of the Aggregate Nominal Amount of the Tranche plus accrued interest at a rate of
2.69262 per cent. of the Aggregate Nominal Amount of the Tranche for the period from, and including, 13 April 2011
to, but excluding 18 November 2011

Joint Lead Managers

Crédit Agricole CIB

Crédit Mutuel Arkéa

DZ Bank AG

Landesbank Baden-Württemberg

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Base Prospectus dated 22 December 2010 and the supplement No. 1 to the Base Prospectus dated 29 March 2011 (together the "**Original Base Prospectus**"). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated 9 May 2011 and the supplement to the Base Prospectus dated 1 September 2011 which together constitute a base prospectus (the "**Current Base Prospectus**") for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Original Base Prospectus and are attached thereto. Pursuant to the option of the Issuer to act as *société de financement de l'habitat* as from 9 May 2011, the Conditions have been amended by operation of law along the lines of the conditions set forth in the Current Base Prospectus. Full information on the Issuer and the Covered Bonds is only available on the basis of the combination of these Final Terms, the Original Base Prospectus and the Current Base Prospectus. The Current Base Prospectus and these Final Terms are available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu) at least during a period of twelve (12) months from the date of the Current Base Prospectus, and during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent where copies may be obtained

1. **Issuer:** Crédit Mutuel Arkéa Home Loans SFH
2. (i) **Series Number:** 12
(ii) **Tranche Number:** 2
The Covered Bonds, will, upon listing, be fully consolidated (assimilables) and form a single series with the Existing Covered Bonds.
3. **Specified Currency:** Euro ("€")
4. **Aggregate Nominal Amount of Covered Bonds:**
 - (i) **Series:** € 1,750,000,000
 - (ii) **Tranche:** € 750,000,000
5. **Issue Price:** 107.053 per cent. of the Aggregate Nominal Amount of the Tranche plus accrued interest at a rate of 2.69262 per cent. of the Aggregate Nominal Amount of the Tranche for the period from, and including, 13 April 2011 to, but excluding, 18 November 2011
6. **Specified Denomination:** € 100,000
7. (i) **Issue Date:** 18 November 2011
(ii) **Interest Commencement Date:** 13 April 2011
8. **Final Maturity Date:** 13 April 2021
9. **Extended Final Maturity Date:** Not Applicable
10. **Interest Basis:** 4.5 per cent. Fixed Rate *per annum* (further particulars specified below)
11. **Redemption/Payment Basis:** Redemption at par
12. **Change of Interest or Redemption/Payment Basis:** Not Applicable
13. **Put/Call Options:** Not Applicable
14. (i) **Status of the Covered Bonds:** Senior
(ii) **Date of Board approval for issuance of Covered Bonds obtained:** Authorisation of the board of directors (*Conseil d'administration*) of the Issuer dated 20 April

15. **Method of distribution:** Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Covered Bond Provisions:** Applicable
- (i) **Rate of Interest:** 4.5 per cent. *per annum* payable annually in arrear
- (ii) **Interest Payment Dates:** 13 April in each year from and including 13 April 2012 to and including the Final Maturity Date (subject to the Following Business Day Convention - unadjusted)
- (iii) **Fixed Coupon Amount:** € 4,500 per € 100,000 in Specified Denomination
- (iv) **Broken Amount:** Not Applicable
- (v) **Day Count Fraction:** Actual/Actual (ICMA)
- (vi) **Determination Dates:** 13 April in each year
- (vii) **Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds:** Not Applicable
17. **Floating Rate Covered Bond Provisions:** Not Applicable
18. **Zero Coupon Covered Bond Provisions** Not Applicable
19. **Index-Linked Interest Covered Bond/other variable-linked interest Covered Bond Provisions:** Not Applicable
20. **Dual Currency Covered Bond Provisions:** Not Applicable

PROVISIONS RELATING TO REDEMPTION

21. **Call Option:** Not Applicable
22. **Put Option:** Not Applicable
23. **Final Redemption Amount of each Covered Bond:** Specified Denomination
24. **Redemption by Instalments:** Not Applicable
25. **Early Redemption Amount:**
- Early Redemption Amount(s) of each Covered Bond payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same and/or any other terms (if required or if different from that set out in Condition 7): As set out in Condition 7

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

26. **Form of Covered Bonds:** Dematerialised Covered Bonds
- (i) **Form of Dematerialised Covered Bonds:** Bearer form (*au porteur*)
- (ii) **Registration Agent:** Not Applicable

	(iii) Temporary Global Certificate:	Not Applicable
27.	Financial Centres or other special provisions relating to payment dates for the purposes of Condition 8(g):	TARGET
28.	Talons for future Coupons or Receipts to be attached to Definitive Materialised Covered Bonds (and dates on which such Talons mature):	Not Applicable
29.	Details relating to Partly Paid Covered Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Covered Bonds and interest due on late payment:	Not Applicable
30.	Details relating to Instalment Covered Bonds: amount of each instalment, date on which each payment is to be made:	Not Applicable
31.	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
32.	Consolidation provisions:	Not Applicable
33.	Other final terms:	Not Applicable

DISTRIBUTION

34.	(i) If syndicated, names of Managers:	Joint Lead Managers: Crédit Agricole Corporate and Investment Bank Crédit Mutuel Arkéa DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Landesbank Baden-Württemberg
	(ii) Date of subscription agreement:	16 November 2011
	(iii) Stabilising Manager (if any):	Not Applicable
35.	If non-syndicated, name of Dealer:	Not Applicable
36.	Additional selling restrictions:	Not Applicable
37.	U.S. selling restrictions:	The Issuer is Category 1 for the purposes of Regulation S under the United States Securities Act of 1933, as amended. TEFRA not Applicable

GENERAL

The aggregate principal amount of Covered Bonds issued has been translated into Euro at the rate of [●] per cent. producing a sum of: Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of the Luxembourg Stock Exchange of the Covered Bonds described herein pursuant to the €10,000,000,000 Covered Bond Programme of Crédit Mutuel Arkéa Home Loans SFH.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of Crédit Mutuel Arkéa Home Loans SFH:

By: Dominique Andro

Duly authorised

A handwritten signature in black ink, appearing to be 'D. Andro', written over a horizontal line.

PART B – OTHER INFORMATION

1. ISSUE SPECIFIC RISK FACTORS

As described in the Base Prospectus.

2. LISTING AND ADMISSION TO TRADING

- (i) Listing: Official List of the Luxembourg Stock Exchange
- (ii) (a) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from 18 November 2011.
- (b) Regulated Markets or equivalent markets on which, to the knowledge of the Issuer, securities of the same class of the Covered Bonds to be admitted to trading are already admitted to trading: The Existing Covered Bonds are already admitted to trading on the regulated market of the Luxembourg Stock Exchange.
- (iii) Estimate of total expenses related to admission to trading: € 400
- (iv) Additional publication of Base Prospectus and Final Terms: Not Applicable

3. RATINGS

Rating: The Covered Bonds to be issued have been rated:
S & P: AAA

The credit rating referred to above has been issued by S&P which is established in the European Union and registered under European Commission Regulation No 1060/2009 dated 16 September 2009 on credit rating agencies.

4. SPECIFIC CONTROLLER

The specific controller (*contrôleur spécifique*) of the Issuer has certified that the value of the assets of the Issuer will be greater than the value of its liabilities benefiting from the *privilege* defined in Article L. 515-19 of the French Monetary and Financial Code (*Code monétaire et financier*), after settlement of this issue.

See attached "Specific Controller's Certificate relating to the quarterly borrowing programme for the fourth quarter of 2011" and "Specific Controller's Certificate relating to the issue of covered bonds amounting to € 750,000,000".

5. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Crédit Mutuel Arkéa, acting as Joint Lead Manager in relation to the issue, also acts, as more fully described in the Base Prospectus, as Administrator, Borrower, Collateral Provider, Collateral Security Agent, Cash Collateral Provider, Permanent Dealer, Issuer Calculation Agent and Issuer Accounts Bank.

6. REASONS FOR THE OFFER

See "Use of Proceeds" wording in the Base Prospectus

7. YIELD

Indication of yield: 3.600 per cent. *per annum*

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

8. OPERATIONAL INFORMATION

ISIN Code: FR0011033125

Common Code: 061406972

Depositories:

(i) Euroclear France to act as Central Depository Yes

(ii) Common Depository for Euroclear Bank and Clearstream Banking, *société anonyme* No

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

Names and addresses of initial Paying Agent: **Principal Paying Agent and Paris Paying Agent**

BNP Paribas Securities Services
(affiliated with Euroclear France under number 29106)
Corporate Trust Services
Les Grands Moulins de Pantin
9 rue du Débarcadère
93500 Pantin
France

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

APPENDIXES

- **TERMS AND CONDITIONS OF FRENCH LAW COVERED BONDS EXTRACTED FROM THE BASE PROSPECTUS DATED 22 DECEMBER 2010**
- **ATTESTATION DU CONTROLEUR SPECIFIQUE RELATIVE AU PROGRAMME TRIMESTRIEL D'EMISSIONS DU QUATRIEME TRIMESTRE 2011 EN APPLICATION DES ARTICLES L. 515-30 ET R. 515-13 DU CODE MONETAIRE ET FINANCIER**
- **SPECIFIC CONTROLLER'S CERTIFICATE RELATING TO THE QUARTERLY ISSUANCE PROGRAMME FOR THE FOURTH QUARTER OF 2011 PURSUANT TO ARTICLES L. 515-30 AND R. 515-13 OF THE FRENCH MONETARY AND FINANCIAL CODE (CODE MONÉTAIRE ET FINANCIER)**
- **ATTESTATION DU CONTROLEUR SPECIFIQUE RELATIVE A UNE EMISSION OBLIGATAIRE D'UN MONTANT DE 750.000.000 EUROS, EN APPLICATION DES ARTICLES L. 515-30 ET R. 515-13 DU CODE MONETAIRE ET FINANCIER**
- **SPECIFIC CONTROLLER'S CERTIFICATE RELATING TO THE ISSUE OF COVERED BONDS AMOUNTING TO € 750,000,000 PURSUANT TO ARTICLES L. 515-30 OF THE FRENCH MONETARY AND FINANCIAL CODE (CODE MONETAIRE ET FINANCIER)**

TERMS AND CONDITIONS OF THE FRENCH LAW COVERED BONDS

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

The Covered Bonds are issued outside France by Crédit Mutuel Arkéa Covered Bonds (the "**Issuer**") in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical save as to the first payment of interest), the Covered Bonds of each Series being intended to be interchangeable with all other Covered Bonds of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (including, without limitation, the nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder and supplemented, where necessary, with supplemental terms and conditions which, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the final terms of such Tranche (the "**Final Terms**").

The Covered Bonds are issued with the benefit of an amended and restated agency agreement dated 22 December 2010 (the "**Agency Agreement**") entered into between the Issuer, BNP Paribas Securities Services as fiscal agent and principal paying agent and the other agents named therein. The fiscal agent, the paying agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent) and the "**Calculation Agent(s)**". The holders of the interest coupons (the "**Coupons**") relating to interest bearing Materialised Covered Bonds and, where applicable in the case of such Covered Bonds, talons (the "**Talons**") for further Coupons and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Materialised Covered Bonds of which the principal is redeemable in instalments are respectively referred to below as the "**Couponholders**" and the "**Receiptholders**".

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

1. Definitions

"**Crédit Mutuel Arkéa Group**" means Crédit Mutuel Arkéa and the Crédit Mutuel Arkéa Group's Entities.

"**Crédit Mutuel Arkéa Group's Entity**" means any CM Entity and/or BPE.

"**Bondholder**" or, as the case may be, "holder of any Covered Bond" means (a) in the case of Dematerialised Covered Bonds, the individual or entity whose name appears in the account of the relevant Account Holder, the Issuer or the Registration Agent (as the case may be) as being entitled to such Covered Bonds; (b) in the case of Definitive Materialised Covered Bonds, the bearer of any Definitive Materialised Covered Bond and the Coupons, Receipts or Talons relating to it; and (c) in the case of Materialised Covered Bonds in respect of which a Temporary Global Certificate has been issued and is outstanding, each person (other than a clearing institution) who appears as the holder of such Covered Bonds or of a particular nominal amount of interests in such Covered Bonds, in accordance with the applicable laws and regulations and with the applicable rules and procedure of any relevant clearing institution including, without limitation, Euroclear France, Euroclear or Clearstream, Luxembourg, as appropriate.

"**Borrower Debt**" means the Borrower's indebtedness outstanding from time to time under the Borrower Facility.

"**BPE**" means Banque Privée Européenne, a French *société anonyme*, duly licensed as a French credit institution (*établissement de crédit*), registered in the *Registre du commerce et des sociétés* of Paris under number 384 282 968 and having its registered office at 62 rue du Louvre, 75008 Paris, France.

"**Crédit Mutuel Arkéa**" means Crédit Mutuel Arkéa, a French *société anonyme coopérative de crédit à capital variable*, duly licensed as a French credit institution (*établissement de crédit*), registered in the

Registre du commerce et des sociétés of Brest under number 775 577 018 and having its registered office at 1 rue Louis Lichou, 29480 Le Relecq Kerhuon, France.

"**CM Entity**" means any *Caisse de Crédit Mutuel* (within the meaning of Articles L.512-55 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*)) which is affiliated to the *Fédération de Crédit Mutuel de Bretagne*, the *Fédération de Crédit Mutuel du Sud-Ouest* or the *Fédération de Crédit Mutuel du Massif Central*.

"**Closing Date**" means the date of the issuance of the first Series of Covered Bonds (including German law Covered Bonds) by the Issuer.

"**EEA**" means the European Economic Area.

"**Issuer Event of Default**" means the occurrence of any of the following events:

- (a) at any relevant time following the service of a Borrower Enforcement Notice (as defined in section "**The Borrower and the Borrower Facility Agreement – The Borrower Facility Agreement**" of this Base Prospectus), a Breach of Amortisation Test (as defined in section "**Asset Monitoring**" of this Base Prospectus) occurs; or
- (b) the Issuer is in default in the payment of principal of, or interest on, any Covered Bond (including the payment of any additional amounts mentioned in Condition 9) when due and payable, unless such default has arisen by reason of technical default or error and payment is made within five (5) Business Days of the due date thereof; or
- (c) the Issuer is in default in the performance or observance of any of its other material obligations under any Covered Bond and such default has not been cured within thirty (30) days after the receipt by the Fiscal Agent (with copy to the Issuer) of the written notice of such default by (i) in the case of any French Law Covered Bond, the Representative, and (ii) in the case of any German Law Covered Bond, a Bondholder, requiring such default to be remedied and indicating that this provision may be invoked if it is not so remedied; or
- (d) any other present or future indebtedness of the Issuer (including any Covered Bonds of any other Series (including German law Covered Bonds)) becomes or becomes capable of being declared due and payable prior to its stated maturity as a result of a default thereunder, or any such indebtedness shall not be paid when due or, as the case may be, within any originally applicable grace period therefore or any steps shall be taken to enforce any security in respect of any such indebtedness or any guarantee or indemnity given by the Issuer for, or in respect of, any such indebtedness of others shall not be honoured when due and called upon (a "**Covered Bonds Cross Acceleration Event**"); or
- (e) an order is made or an effective resolution passed for the liquidation or winding up of the Issuer (except in the case of a liquidation or winding up for the purpose of a reconstruction, amalgamation, merger or following the transfer of all or substantially all of the assets of the Issuer, the terms of which have previously been approved by the Majority Bondholders of all Series for which Covered Bonds or, if applicable, any Receipts or Coupons relating to them, are Outstanding, and such liquidation or winding up being subject to prior Rating Affirmation); or
- (f) the Issuer makes any proposal for a general moratorium in relation to its debt or applies for, or is subject to, the appointment of a *mandataire ad hoc* or has applied to enter into a conciliation procedure (*procédure de conciliation*) or a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or the transfer of the whole or part of the business (*cession totale ou partielle de l'entreprise*) of the Issuer or, to the extent permitted by applicable law, if the Issuer is subject to any other insolvency or bankruptcy proceedings or makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors; or
- (g) the Issuer ceases to carry on all or a material part of its business (except in the case of a cessation for the purpose of a reconstruction, amalgamation, merger or following the transfer of all or substantially all of the assets of the Issuer, in each case the terms of which have previously been approved by the Majority Bondholders of all Series for which Covered Bonds (including German Law Covered Bonds) or, if applicable, any Receipts or Coupons relating to them, are Outstanding and such liquidation or winding up being subject to prior Rating Affirmation); or

- (h) upon the occurrence of a Hedging Rating Trigger Event (as defined in section "**The Hedging Strategy**" of this Base Prospectus), the Issuer (or the Administrator on its behalf) fails to enter into (i) appropriate Issuer Hedging Agreements and related Issuer Hedging Transactions (as defined in section "**The Hedging Strategy**" of this Base Prospectus) with Eligible Hedging Provider(s) (as defined in section "**The Hedging Strategy**" of this Base Prospectus) or (ii) appropriate Borrower Hedging Agreement(s) and related Borrower Hedging Transaction(s) (as defined in section "**The Hedging Strategy**" of this Base Prospectus) with the Borrower, in each case within thirty (30) Business Days from the occurrence date of such Hedging Rating Trigger Event, as described under the Hedging Strategy (as defined in section "**The Hedging Strategy**" of this Base Prospectus).

"Majority Bondholders" means (i) in relation to any Series of Covered Bonds, a decision of the General Meeting (as defined in Condition 12 of the Terms and Conditions) of such Series taken in accordance with Condition 12(e) of the Terms and Conditions and (ii) in relation to German law Covered Bonds, an approval of one or more German law Bondholders holding at least two-thirds (•) of the then outstanding principal amount of such German law Covered Bonds.

"Outstanding" means, in relation to Covered Bonds of any Series, all the Covered Bonds (including German law Covered Bonds) issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Covered Bonds to the date for such redemption and any interest payable after such date) have been duly paid as provided in Condition 8 of the Terms and Conditions, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in these Conditions, (e) in the case of Definitive Materialised Covered Bonds (i) those mutilated or defaced Definitive Materialised Covered Bonds that have been surrendered in exchange for replacement Definitive Materialised Covered Bonds, (ii) (for the purpose only of determining how many such Definitive Materialised Covered Bonds are outstanding and without prejudice to their status for any other purpose) those Definitive Materialised Covered Bonds alleged to have been lost, stolen or destroyed and in respect of which replacement Definitive Materialised Covered Bonds have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Covered Bonds, pursuant to its provisions.

"Payment Date" means, with respect to a Series or Tranche of Covered Bonds, the payment date of any principal or interest amount applicable to the Issuer and specified as such in the relevant Final Terms of the Covered Bonds.

"Programme Date" means the date of this Base Prospectus.

"Programme Documents" means:

- (a) the Shareholder Letter of Undertaking (see "**the Issuer – Issuer Share capital, Subordinated Loans and Issuer Majority Shareholder's undertakings**");
- (b) the Subordinated Loan agreements (see "**the Issuer – Issuer Share capital, Subordinated Loans and Issuer Majority Shareholder's undertakings**") to be entered into, from time to time, after the Closing Date;
- (c) the Administrative Agreement (see "**the Issuer – The Administrative Agreement**");
- (d) the *Convention d'Externalisation et de Mise à Disposition de Moyens* (see "**the Issuer – Issuer Risk Management**");
- (e) the Issuer Accounts Agreement (see "**the Issuer – The Issuer Accounts Agreement**");
- (f) the Terms and Conditions;
- (g) the Agency Agreement (including the Terms and Conditions of the German law Covered Bonds);
- (h) the Dealer Agreement (see "**Subscription and Sale**");
- (i) the Issuer Security Agreements (see "**The Issuer Security**");
- (j) the Borrower Facility Agreement (see "**The Borrower and the Borrower Facility Agreement – The Borrower Facility Agreement**");
- (k) the Collateral Security Agreement (see "**The Collateral Security – The Collateral Security Agreement**");
- (l) the Cash Collateral Agreement (see "**The Collateral Security – The Cash Collateral Agreement**");
- (m) the Calculation Services Agreement (see "**Asset Monitoring – The Calculation Services Agreement**");
- (n) the Asset Monitor Agreement and the engagement letter of the Asset Monitor (see "**Asset Monitoring – The Asset Monitor Agreement**");

- (o) the Master Definitions and Construction Agreement, provided for the definitions of defined terms used under some other Programme Documents;
- (p) the Hedging Approved Form Letter (see "**The Hedging Strategy**"); and
- (q) the Hedging Agreement(s) (if any) (see "**The Hedging Strategy**").

"**Rating Affirmation**" means, with respect to any specified action, determination or appointment, receipt by the Issuer (and sent to the relevant Representative) of written confirmation from the Rating Agency, for so long as any Covered Bonds are rated by the Rating Agency, that such specified action, determination or appointment will not result in a downgrading, or withdrawal, of the ratings then assigned to the Covered Bonds.

"**Rating Agency**" means Standard and Poor's Ratings Services ("**S&P**").

"**Regulated Market**" means a regulated market (within the meaning of Directive 2004/39/EC of the European Parliament and of the Council dated 21 April 2004, as amended from time to time) within the EEA.

"**Representative Consent**" means, with respect to any specified action, determination or appointment, receipt by the Issuer of (i) written confirmation of consent of 2/3 of the holders of each Series of Outstanding German Law Covered Bonds, as described in the Agency Agreement, and (ii) written confirmation of consent of the Representative (acting upon instructions of the Majority Bondholders of the relevant Series of Outstanding French Law Covered Bonds), in each case to such proposed action, determination or appointment.

"**Signing Date**" means 5 December 2008.

2. Form, Denomination, Title and Redenomination

(a) Form

Covered Bonds may be issued either in dematerialised form ("**Dematerialised Covered Bonds**") or in materialised form ("**Materialised Covered Bonds**"), as specified in the relevant Final Terms.

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

Dematerialised Covered Bonds are issued, at the option of the Issuer, in either bearer form (*au porteur*), which will be inscribed in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders, or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant holder in either administered registered form (*nominatif administré*) inscribed in the books of an Account Holder designated by the relevant holder of Covered Bonds or in fully registered form (*au nominatif pur*) inscribed in an account maintained by the Issuer or a registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

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

- (ii) Materialised Covered Bonds are issued in bearer form only. Materialised Covered Bonds in definitive form ("**Definitive Materialised Covered Bonds**") are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Covered Bonds in which case references to interest (other than in relation to interest due after the Final Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Covered Bonds are issued with one or more Receipts attached.

In accordance with Articles L.211-3 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*), securities (such as Covered Bonds constituting obligations under French law) in materialised form and governed by French law must be issued outside the French territory.

The Covered Bonds may be "Fixed Rate Covered Bonds", "Floating Rate Covered Bonds", "Zero Coupon Covered Bonds", "Dual Currency Covered Bonds" or a combination of any of the foregoing, depending on the Interest Basis and the redemption method specified in the relevant Final Terms. Subject to prior Rating Affirmation, the Issuer may issue Covered Bonds which are "Index Linked Covered Bonds".

(b) Denomination

Covered Bonds shall be issued in the specified denomination(s) set out in the relevant Final Terms (the "Specified Denomination(s)"), save that the minimum denomination of each Covered Bond admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under the Prospectus Directive will be of €50,000 (or its equivalent in any other currency) or such higher amount as may be allowed or required from time to time by the relevant monetary authority or any laws or regulations applicable to the relevant Specified Currency.

Dematerialised Covered Bonds shall be issued in one (1) Specified Denomination only.

(c) Title

- (i) Title to Dematerialised Covered Bonds in bearer form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Covered Bonds may only be effected through, registration of the transfer in the accounts of the Account Holders. Title to Dematerialised Covered Bonds in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Covered Bonds may only be effected through, registration of the transfer in the accounts maintained by the Issuer or by the Registration Agent.
- (ii) Title to Definitive Materialised Covered Bonds, including, where appropriate, Receipt(s), Coupons and/or a Talon attached, shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Covered Bond (as defined below), Coupon, Receipt or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

(d) Redenomination

The Issuer may (if so specified in the relevant Final Terms), on any date, without the consent of the holder of any Covered Bond, Coupon, Receipt or Talon, by giving at least thirty (30) days' notice in accordance with Condition 17 and on or after the date on which the European Member State in whose national currency the Covered Bonds are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the "EC", as amended from time to time (the "Treaty"))) or events have occurred which have substantially the same effects (in either case, "EMU"), redenominate all, but not some only, of the Covered Bonds of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as more fully described in the relevant Final Terms.

(e) Method of Issue

The Covered Bonds will be issued on a syndicated or non-syndicated basis. The Covered Bonds will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Covered Bonds of each Series being intended to be interchangeable with all other Covered Bonds of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Final Terms.

3. Conversions and Exchanges of Covered Bonds

(a) Dematerialised Covered Bonds

- (i) Dematerialised Covered Bonds issued in bearer form (*au porteur*) may not be converted for Dematerialised Covered Bonds in registered form, whether in fully registered form (*au nominatif pur*) or in administered registered form, (*au nominatif administré*).
- (ii) Dematerialised Covered Bonds issued in registered form (*au nominatif*) may not be converted for Dematerialised Covered Bonds in bearer form (*au porteur*).

- (iii) Dematerialised Covered Bonds issued in fully registered form (*au nominatif pur*) may, at the option of the holder of such Covered Bonds, be converted into Covered Bonds in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such holder shall be made in accordance with Article R.211-4 of the French Monetary and Financial Code (*Code monétaire et financier*). Any such conversion shall be effected at the cost of such holder.

(b) Materialised Covered Bonds

Materialised Covered Bonds of one (1) Specified Denomination may not be exchanged for Materialised Covered Bonds of another Specified Denomination.

4. Status

The Covered Bonds, and, where applicable, any relative Coupons and Receipts are direct, unconditional, unsubordinated and secured (in accordance with the provisions of Condition 5(b)) obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law and to the provisions of Condition 5(b)) at least *pari passu* with all other present or future unsubordinated obligations of the Issuer (including the German law Covered Bonds).

5. Covenants

So long as any of the Covered Bonds or, if applicable, any Receipts or Coupons relating to them, is Outstanding:

(a) Negative Pledge

Except in accordance with Condition 5(b), the Issuer will not create or permit to subsist any mortgage, charge, pledge or other form of security interest (*sûreté réelle*) upon any of its assets or revenues, present or future, to secure any Relevant Undertaking (as defined below) of, or guaranteed by, the Issuer unless, at the same time or prior thereto, the Issuer's obligations under the Covered Bonds, and, if applicable, Receipts or Coupons relating to them, are equally and rateably secured therewith;

where "**Relevant Undertaking**" means any present or future (i) indebtedness for borrowed money or (ii) undertaking in relation to interest or currency swap transactions.

(b) Security

The Bondholders shall benefit from the following security (the "**Issuer Security**"):

- (i) the pledge of the Issuer Accounts granted pursuant to an accounts pledge agreement dated the Signing Date and made between the Issuer in its capacity as pledgor, Crédit Mutuel Arkéa in its capacity as Administrator and BNP Paribas Securities Services acting in the name and on behalf of the Bondholders or in the name and on behalf of the *Masses* of the Bondholders, in their capacity as beneficiaries under the pledge (the "**Issuer Accounts Pledge Agreement**"), and
- (ii) the pledge of the Borrower Facility Receivables granted pursuant to a receivables pledge agreement dated the Signing Date and made between the Issuer in its capacity as pledgor, Crédit Mutuel Arkéa in its capacity as Administrator and BNP Paribas Securities Services acting in the name and on behalf of the Bondholders or in the name and on behalf of the *Masses* of the Bondholders, in their capacity as beneficiaries under the pledge (the "**Issuer Receivables Pledge Agreement**" and, together with the Issuer Accounts Pledge Agreement, "**Issuer Security Agreements**").

Bondholders are deemed to have notice of the provisions of the Issuer Security Agreements. Certain statements in the Conditions and under sections "**The Issuer Security – The Issuer Accounts Pledge Agreement**" and "**Issuer Security – The Issuer Receivables Pledge Agreement**" of this Base Prospectus are summaries of the detailed provisions of the Issuer Security Agreements, copies of which are available for inspection at the specified office of the Paying Agents.

As more fully described in the Issuer Security Agreements, upon the issue of further Series of Covered Bonds on each issue date after the Closing Date, the existing Issuer Security securing the repayment of all and any amount owed in respect of the then Outstanding Covered Bonds will be (a) released by the Issuer Security Agent and (b) re-taken by the Issuer Security Agent, as security for the repayment of all and any amount owed in respect of the then Outstanding Covered Bonds and the new Series of Covered Bonds issued on such issue date.

As more fully described in the Issuer Security Agreements, the subscription or purchase of Covered Bonds results by force of law in the (i) acceptance that all the Bondholders of any Series, present or future, will benefit *pari passu* from the Issuer Security provided under the Issuer Security Agreements and any Issuer Accounts Pledge Agreement Deed of Retake or any Receivables Pledge Agreement Deed of Retake (as such

terms are defined in the Issuer Security Agreements) and (ii) appointment of the Issuer Security Agent as agent in order to manage the Issuer Security in their name and on their behalf.

The Bondholders will share the benefit of the Security with the holders of any German law Covered Bond.

Bondholders may be required to pay a *soulte* in the event they decide to enforce the Issuer Security over the Issuer Securities Accounts by attribution of the securities rather than by a sale of the securities in a public auction, pursuant to the Issuer Accounts Pledge Agreement.

(c) Limitation on Indebtedness

The Issuer undertakes not to incur any indebtedness other than as contemplated by the Programme Documents unless:

- (i) such indebtedness is fully subordinated to the outstanding indebtedness incurred in relation to the Covered Bonds, as the case may be; or
- (ii) prior Rating Affirmation has been delivered in relation to such indebtedness.

(d) Restrictions on mergers or reorganisations

The Issuer undertakes not to enter into any merger, re-organisation or similar transaction without prior Representative Consent and Rating Affirmation.

(e) Separateness covenants

The Issuer undertakes (except as permitted under the Programme Documents or the Issuer's by-laws):

- (i) to maintain books and records separate from any other person or entity;
- (ii) to maintain its accounts separate from those of any other person or entity;
- (iii) not to commingle assets with those of any other entity;
- (iv) to conduct its own business in its own name;
- (v) to maintain separate financial statements;
- (vi) to pay its own liabilities out of its own funds;
- (vii) to observe all corporate, partnership or other formalities required by its constituting documents;
- (viii) not to guarantee or to become obligated for the debts of any other entity or to hold out its credit as being available to satisfy the obligations of others;
- (ix) not to acquire capital shares of its partners or shareholders;
- (x) to use its own separate stationery, invoices and cheques;
- (xi) to hold itself out as a separate entity;
- (xii) not to have any employees;
- (xiii) not to voluntarily wind up; and
- (xiv) to correct any known misunderstanding regarding its separate identity.

(f) Amortisation Test

Following the enforcement of a Borrower Event of Default subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, the Issuer undertakes to comply with the Amortisation Test. For the purposes hereof, the terms of section "Asset Monitoring" of this Base Prospectus are incorporated in this Condition 5(f).

(g) Hedging Strategy

Upon the occurrence of a Hedging Rating Trigger Event, and, as applicable, upon the occurrence of any Borrower Event of Default, the Issuer undertakes to take all reasonable steps to implement the Hedging Strategy as described under section "Hedging Strategy" of this Base Prospectus.

(h) Programme Documents

Subject to the qualifications described in the relevant Programme Document(s) to which it is a party, the Issuer undertakes that no amendment, modification, alteration or supplement shall be made to any Programme Document to which it is a party without prior Rating Affirmation if the same materially and adversely affects the interests of the Issuer or the Bondholders.

For the avoidance of doubt, the Issuer may amend, modify, alter or supplement any Programme Document to which it is a party without prior Rating Affirmation:

- (i) to cure any ambiguity, omission, defect or inconsistency;

- (ii) to evidence or effect the transition of any party to any Programme Document to which it is a party to any successor;
- (iii) to add to the undertakings and other obligations of any party (except the Issuer) under any Programme Document to which it is a party; or
- (iv) to comply with any mandatory requirements of applicable laws and regulations.

In addition, the Issuer undertakes that:

- (i) each Programme Document to which the Issuer is or will become a party will include limited recourse language pursuant to which the creditors of the Issuer (including the holders of the Covered Bonds) will agree that their recourse will be limited to the funds that are available to the Issuer at any relevant date; and
- (ii) each Programme Document submitted to French or English law to which the Issuer is or will become a party will also include non-petition language, whereby the creditors of the Issuer (including the holders of the Covered Bonds) will agree not to commence or to join any proceedings for the insolvency of the Issuer prior to the end of an eighteen (18)-month period and one (1) day after all Covered Bonds have been paid and discharged in full.

(i) Notification of Issuer Events of Default

In respect of any Series, the Issuer undertakes to promptly inform the Rating Agency, the Representative and the Administrator of the occurrence of any Issuer Event of Default. Upon receipt of a written request to that effect from the Rating Agency, the Representative or the Administrator, the Issuer shall confirm to the Rating Agency, the Representative and the Administrator that, save as previously notified to each of them or as notified in such confirmation, no Issuer Event of Default has occurred or is continuing.

(j) No further Issuance

The Issuer undertakes not to issue any further Covered Bonds (including German law Covered Bonds) under the Programme:

- (i) as from the date a Borrower Enforcement Notice (as defined in section "**The Borrower and the Borrower Facility Agreement – The Borrower Facility Agreement**" of this Base Prospectus) has been served;
- (ii) as from the date an Issuer Enforcement Notice has been served;
- (iii) for so long as a Non-Compliance with Asset Cover Test (as defined in section "**Asset Monitoring**" of this Base Prospectus) has occurred and is not remedied;
- (iv) for so long as a Non-Compliance with Amortisation Test (as defined in section "**Asset Monitoring**" of this Base Prospectus) has occurred and is not remedied; or
- (v) for so long as, regarding the Pre-Maturity Test (as defined in section "**Asset Monitoring**" of this Base Prospectus), a Non-Compliance Notice (as defined in section "**Asset Monitoring**" of this Base Prospectus) has been delivered and is not withdrawn.

(k) Rating of further Issuance

Subject to Condition (j) above, the Issuer undertakes that any new further issuance of Covered Bonds will be rated by the Rating Agency.

6. Interest and other Calculations

(a) Definitions

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

"**Benchmark**" means the reference rate as set out in the relevant Final Terms.

"**Business Day**" means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer payment system (TARGET 2) or any successor thereto (the "**TARGET System**") is operating (a "**TARGET Business Day**"), and/or

- (ii) in the case of a Specified Currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency, and/or
- (iii) in the case of a Specified Currency and/or one or more additional business centre(s) specified in the relevant Final Terms (the "**Business Centre(s)**"), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified.

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

- (i) if "**Actual/365**", "**Actual/Actual**" or "**Actual/Actual-ISDA**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by three hundred and sixty-five (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 three hundred and sixty-six (366) and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by three hundred and sixty-five (365);
- (ii) if "**Actual/Actual-ICMA**" is specified in the relevant Final Terms:
 - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (B) if the Calculation Period is longer than one (1) Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

in each case, where:

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date, and

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

- (iii) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by three hundred and sixty-five (365);
- (iv) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by three hundred and sixty (360);
- (v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by three hundred and sixty (360), calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first (1st) day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first (1st) day of the Calculation Period falls;

"M₂" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be thirty-one (31), in which case D₁ will be thirty (30); and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be thirty-one (31) and D₁ is greater than twenty-nine (29), in which case D₂ will be thirty (30);

- (vi) if "30E/360" or "Eurobond Basis" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by three hundred and sixty (360), calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first (1st) day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first (1st) day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be thirty-one (31), in which case D₁ will be thirty (30); and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be thirty-one (31), in which case D₂ will be thirty (30).

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

"**Euro Zone**" means the region comprised of member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community as amended from time to time.

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

"**Interest Amount**" means the amount of interest payable, and in the case of Fixed Rate Covered Bonds, means the Fixed Coupon Amount or Broken Amount, as specified in the relevant Final Terms, as the case may be.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two (2) TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two (2) Business Days in the city specified in the Final Terms for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro.

"**Interest Payment Date**" means the date(s) specified in the relevant Final Terms.

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

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms.

"Rate of Interest" means the rate of interest payable from time to time in respect of the Covered Bonds and that is either specified or calculated in accordance with the provisions in the relevant Final Terms.

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

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

"Relevant Date" means, in respect of any Covered Bond or Coupon, the date on which payment in respect of it first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (in the case of Materialised Covered Bonds if earlier) the date seven (7) days after that on which notice is duly given to the holders of such Materialised Covered Bonds that, upon further presentation of the Materialised Covered Bond, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

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

"Relevant Time" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose **"local time"** means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11:00 a.m. (Brussels time).

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

"Specified Currency" means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Covered Bonds are denominated.

"Specified Duration" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 6(c)(ii).

(b) Interest on Fixed Rate Covered Bonds

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

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

(c) **Interest on Floating Rate Covered Bonds and Index Linked Covered Bonds**

- (i) *Interest Payment Dates:* Each Floating Rate Covered Bond and Index Linked Interest Covered Bond bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day. Notwithstanding the foregoing, where the applicable Final Terms specify that the relevant Business Day Convention is to be applied on an "unadjusted" basis, the Interest Amount payable on any date shall not be affected by the application of that Business Day Convention.
- (iii) *Rate of Interest for Floating Rate Covered Bonds:* The Rate of Interest in respect of Floating Rate Covered Bonds for each Interest Accrual Period shall be determined in the manner specified in (i) the relevant Final Terms and/or (ii) the provisions below relating to either ISDA Determination or Screen Rate Determination, depending upon which is specified in the relevant Final Terms.

(A) **ISDA Determination for Floating Rate Covered Bonds**

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Final Terms
- (b) the Designated Maturity is a period specified in the relevant Final Terms and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

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

(B) **Screen Rate Determination for Floating Rate Covered Bonds:**

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

- (1) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - (I) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
 - (II) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page, in each case appearing on such Page at the Relevant Time on the Interest Determination Date as disclosed in the

relevant Final Terms, plus or minus (as indicated in the relevant Final Terms) the Margin (if any); and

- (2) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (1)(I) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (1)(II) applies and fewer than two (2) Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent, plus or minus (as indicated in the relevant Final Terms) the Margin (if any), and
- (3) if paragraph (2) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro, in the Euro-zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).
- (iv) *Rate of Interest for Index Linked Covered Bonds:* The Rate of Interest in respect of Index Linked Covered Bonds for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and interest will accrue by reference to an Index or Formula as specified in the relevant Final Terms.

(d) Zero Coupon Covered Bonds

Where a Covered Bond the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Final Maturity Date pursuant to an Issuer's Option or, if so specified in the relevant Final Terms, pursuant to Condition 7(e) or otherwise and is not paid when due, the amount due and payable prior to the Final Maturity Date shall, unless otherwise provided in the relevant Final Terms, be the Early Redemption Amount. As from the Final Maturity Date, the Rate of Interest for any overdue principal of such a Covered Bond shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 7(e)(i)).

(e) Dual Currency Covered Bonds

In the case of Dual Currency Covered Bonds, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

(f) Partly Paid Covered Bonds

In the case of Partly Paid Covered Bonds (other than Partly Paid Covered Bonds which are Zero Coupon Covered Bonds), interest will accrue as aforesaid on the paid-up nominal amount of such Covered Bonds and otherwise as specified in the relevant Final Terms.

(g) Accrual of Interest

Interest shall cease to accrue on each Covered Bond on the due date for redemption unless (i) in the case of Dematerialised Covered Bonds, on such due date or (ii) in the case of Materialised Covered Bonds, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this Condition 6 to the Relevant Date.

(h) Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:

- (i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one (1) or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest fifth decimal (with halves being rounded up), (y) all figures shall be rounded to seven (7) 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.

(i) Calculations

The amount of interest payable in respect of any Covered Bond for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Covered Bond by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Covered Bond for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two (2) 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.

(j) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts

The Calculation Agent shall, as soon as practicable 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, determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Covered Bonds for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the holders of Covered Bonds, any other Calculation Agent appointed in respect of the Covered Bonds that is to make a further calculation upon receipt of such information and, if the Covered Bonds are admitted to trading on a Regulated Market and the rules of such Regulated Market so require, such Regulated 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 Regulated Market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth (4th) Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 6(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(k) 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) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Covered Bond is Outstanding. 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 Covered Bonds, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other

requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris or Luxembourg office, as appropriate, or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

7. Redemption, Purchase and Options

(a) Final Redemption

Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Bondholders' option in accordance with Condition 7(c) or 7(d), each Covered Bond shall be finally redeemed on the Final Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Covered Bond falling within Condition 7(b) below, its final Instalment Amount.

(b) Redemption by Instalments

Unless previously redeemed, purchased and cancelled as provided in this Condition 7, or the relevant Instalment Date (being one of the dates so specified in the relevant Final Terms) is extended pursuant to any Issuer's or Bondholders' option in accordance with Conditions 7(c) or 7(d), each Covered Bond 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 Final Terms. The outstanding nominal amount of each such Covered Bond shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Covered Bond, 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 Covered Bonds, on the due date for such payment or (ii) in the case of Materialised Covered Bonds, 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, Exercise of Issuer's Options and Partial Redemption

If a Call Option or any other Issuer's option (as may be described in the relevant Final Terms) is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer of all the relevant laws, regulations and directives and on giving not less than fifteen (15) nor more than thirty (30) days' irrevocable notice in accordance with Condition 17 to the holders of Covered Bonds (or such other notice period as may be specified in the relevant Final Terms) redeem, or exercise any other option in relation to all or, if so provided, some, of the Covered Bonds on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Covered Bonds shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if any. Any such redemption must relate to Covered Bonds of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed as specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed as specified in the relevant Final Terms.

All Covered Bonds in respect of which any such notice is given shall be redeemed, or the Issuer's Option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's Option in respect of Materialised Covered Bonds, the notice to holders of such Materialised Covered Bonds shall also contain the numbers of the Definitive Materialised Covered Bonds to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and Regulated Market requirements.

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

So long as the Covered Bonds are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and the rules thereof so require, the Issuer shall, once in each year in which there has been a partial redemption of the Covered Bonds, cause to be published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper of general circulation in Luxembourg a notice specifying the aggregate nominal amount of

Covered Bonds outstanding and, in the case of Materialised Covered Bonds a list of any Materialised Covered Bonds, drawn for redemption but not surrendered.

(d) Redemption at the Option of Bondholders and Exercise of Bondholders' Options

If a Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the Bondholder, upon the Bondholder giving not less than fifteen (15) nor more than thirty (30) days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Covered Bond on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Bondholders' Option as may be set out in the relevant Final Terms (which must be exercised on an Option Exercise Date) the Bondholder must deposit with a Paying Agent at its specified office a duly completed option exercise notice (the "Exercise Notice") in the form obtained during normal business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period. In the case of Materialised Covered Bonds, the Exercise Notice shall have attached to it the relevant Covered Bonds (together with all unmatured Receipts and Coupons and unexchanged Talons). In the case of Dematerialised Covered Bonds, the Bondholder shall transfer, or cause to be transferred, the Dematerialised Covered Bonds to be redeemed to the account of the Paying Agent with a specified office in Paris, as specified in the Exercise Notice. No option so exercised and, where applicable, no Covered Bond so deposited or transferred, may be withdrawn without the prior consent of the Issuer.

(e) Early Redemption

(i) Zero Coupon Covered Bonds

(A) The Early Redemption Amount payable in respect of any Zero Coupon Covered Bond, the amount of which is not linked to an index and/or a formula, upon redemption of such Covered Bond pursuant to Condition 7(f) or (g) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Nominal Amount (calculated as provided below) of such Covered Bond unless otherwise specified in the relevant Final Terms.

(B) Subject to the provisions of sub-paragraph (C) below, the amortised nominal amount of any such Covered Bond (the "Amortised Nominal Amount") shall be the scheduled Final Redemption Amount of such Covered Bond on the Final Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the amortisation yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Covered Bonds if they were discounted back to their issue price on the Issue Date) (the "Amortisation Yield") compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Covered Bond upon its redemption pursuant to Condition 7(f) or (g) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Covered Bond shall be the Amortised Nominal Amount of such Covered Bond as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Covered Bond becomes due and payable was the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgement) until the Relevant Date, unless the Relevant Date falls on or after the Final Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Covered Bond on the Final Maturity Date together with any interest that may accrue in accordance with Condition 6(d).

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 as provided in the relevant Final Terms.

(ii) Other Covered Bonds

The Early Redemption Amount payable in respect of any Covered Bond (other than Covered Bonds described in (i) above), upon redemption of such Covered Bond pursuant to Condition (f) or (g) or upon it becoming due and payable as provided in Condition 10 shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption unless otherwise specified in the relevant Final Terms.

(f) Redemption for Taxation Reasons

(i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Covered Bonds, not be able to make such payment without having to pay additional amounts as specified under Condition 9(b) below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than forty-five (45) nor less than thirty (30) days' notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 17, redeem all, but not some only, of the Covered Bonds at their Early Redemption Amount together with, unless otherwise specified in the

Final Terms, any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

- (ii) If the Issuer would, on the next payment of principal or interest in respect of the Covered Bonds, be prevented by French law from making payment to the Bondholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 9(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven (7) days' prior notice to the Bondholders in accordance with Condition 17, redeem all, but not some only, of the Covered Bonds then Outstanding at their Early Redemption Amount together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Covered Bonds, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Bondholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Covered Bonds and (ii) fourteen (14) days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Covered Bonds, or, if applicable, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

(g) Redemption due to illegality

The Covered Bonds of all Series shall be redeemed at the option of the Issuer, subject to compliance by the Issuer of all the relevant laws, regulations and directives, in whole, but not in part, at any time, on giving not less than thirty (30) nor more than sixty (60) days' irrevocable notice in accordance with Condition 17 to the holders of Covered Bonds (or such other notice period as may be specified in the relevant Final Terms), if the Issuer satisfies the Fiscal Agent immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any Covered Bonds of any Series, become unlawful for the Issuer to make, fund or allow to remain outstanding any Borrower Advance made by it to the Borrower or to comply with any other of its obligations under the Covered Bonds of that Series, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Fiscal Agent a certificate signed by two (2) representatives of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Fiscal Agent shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all Bondholders, Receiptholders and Couponholders.

Covered Bonds redeemed pursuant to this Condition 7(g) will be redeemed at their Early Redemption Amount referred to in paragraph 7(e) above together (if appropriate) with interest accrued to the date fixed for redemption, if any.

(h) Partly Paid Covered Bonds

Partly Paid Covered Bonds will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 7 and the provisions specified in the relevant Final Terms.

(i) Purchases

The Issuer shall have the right at all times to purchase Covered Bonds (provided that, in the case of Materialised Covered Bonds, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise (including by tender offer) at any price.

(j) Cancellation

All Covered Bonds purchased by or on behalf of the Issuer may at its sole option, be held or cancelled in accordance with applicable laws and regulations.

Covered Bonds will be cancelled, in the case of Dematerialised Covered Bonds, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Covered Bonds, by surrendering the relevant Temporary Global Certificate or the Definitive Materialised Covered Bonds in question, together with all unmatured Receipts and Coupons and all unexchanged Talons, if applicable, to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Covered Bonds redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Covered Bonds, all rights relating to payment of interest and other amounts relating to such Dematerialised

Covered Bonds and, in the case of Definitive Materialised Covered Bonds, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Covered Bonds so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Covered Bonds shall be discharged.

(k) Soft bullet maturity

Covered Bonds may have hard bullet maturities or soft bullet maturities (allowing the Final Maturity Date of the relevant Series to be extended), as specified in the Final Terms of the relevant Series. With respect to Series of Covered Bonds having a soft bullet maturity, an extended Final Maturity Date (the "**Extended Final Maturity Date**") shall be specified as applying in relation to such Series in the applicable Final Terms. This means that if the Issuer fails to pay the Final Redemption Amount of the relevant Series on the Final Maturity Date, then payment of the unpaid amount shall be automatically deferred and shall become due and payable one (1) or several year(s) later on the Extended Final Maturity Date (the "**Extension of the Maturity**"). However, any amount representing the Final Redemption Amount due and remaining unpaid on the Final Maturity Date may be paid by the Issuer on any Interest Payment Date thereafter, up to (and including) the relevant Extended Final Maturity Date. Interest will continue to accrue on any unpaid amount during such extended period and be payable on each Interest Payment Date and on the Extended Final Maturity Date in accordance with the applicable Conditions.

The Issuer shall notify the relevant Bondholders (in accordance with Condition 17), the Rating Agency, the Administrator, the Issuer Security Agent and the Fiscal Agent as soon as reasonably practicable and in any event at least two (2) Business Days prior to the Final Maturity Date of any inability of the Issuer to pay the Final Redemption Amount of the relevant Series on the Final Maturity Date.

8. Payments and Talons

(a) Dematerialised Covered Bonds

Payments of principal and interest in respect of Dematerialised Covered Bonds shall (i) in the case of Dematerialised Covered Bonds in bearer dematerialised form or administered registered form, be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the holders of Covered Bonds and, (ii) in the case of Dematerialised Covered Bonds in fully registered form, to an account denominated in the relevant currency with a Bank designated by the relevant holder of Covered Bonds. All payments validly made to such Account Holders or Bank will be an effective discharge of the Issuer in respect of such payments.

(b) Definitive Materialised Covered Bonds

(i) Method of payment

Subject as provided below, payments in a Specified Currency will be made by credit or transfer to an account denominated in the relevant Specified Currency, or to which the Specified Currency may be credited or transferred (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Euro, shall be any country in the Euro-zone, and, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively).

(ii) Presentation and surrender of Definitive Materialised Covered Bonds, Receipts and Coupons

Payments of principal in respect of Definitive Materialised Covered Bonds will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of partial payment of any sum due, annotation) of such Covered Bonds, and payments of interest in respect of Definitive Materialised Covered Bonds will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, annotation) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of Definitive Materialised Covered Bonds, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, annotation) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, annotation) of the relevant Covered Bond in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Materialised Covered Bond to which it appertains. Receipts presented without the Definitive Materialised Covered Bond to which they appertain do not constitute valid obligations of the Issuer.

Upon the date upon which any Definitive Materialised Covered Bond becomes due and payable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment will be made in respect thereof.

Fixed Rate Covered Bonds in definitive form (other than Dual Currency Covered Bonds or Index Linked Covered Bonds) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten (10) years after the Relevant Date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 11) or, if later, five (5) years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Covered Bond in definitive form becoming due and repayable prior to its Final Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Covered Bond, Dual Currency Covered Bond, Index Linked Covered Bond in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any Definitive Materialised Covered Bond is not an Interest Payment Date, interest (if any) accrued in respect of such Covered Bond from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against presentation and surrender (if appropriate) of the relevant Definitive Materialised Covered Bond.

(c) Payments in the United States

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

(d) Payments subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives but without prejudice to Condition 9. No commission or expenses shall be charged to the holders of Covered Bonds or Couponholders in respect of such payments.

(e) Appointment of Agents

The Fiscal Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed at the end of this Base Prospectus relating to the Programme of the Covered Bonds of the Issuer. The Fiscal Agent, the Paying Agents and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any Bondholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, Registration Agent or Calculation Agent and to appoint other Fiscal Agent, Paying Agent(s), Registration Agent(s) or Calculation Agent(s) or additional Paying Agent(s), Registration Agent(s) or Calculation Agent(s), provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) Paying Agents having specified offices in at least one major European city (and ensuring the financial services of the Covered Bonds in Luxembourg so long as the Covered Bonds are listed on the Official List of the Luxembourg Stock Exchange and traded on the Regulated Market of the Luxembourg Stock Exchange and such other city where the Covered Bonds are admitted to trading, so long as the Covered Bonds are admitted to trading on any other Regulated Market of the EEA), (iv) in the case of Materialised Covered Bonds, a Paying Agent having its specified office in a Member State of the EU that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other EU Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to, such Directive (which may be any of the Paying Agents referred to in (iii) above), (v) in the case of Dematerialised Covered Bonds in fully registered form, a Registration Agent and

(vi) such other agents as may be required by the rules of any other Regulated Market on which the Covered Bonds may be admitted to trading.

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

Notice of any such change or any change of any specified office shall promptly be given to the holders of Covered Bonds in accordance with Condition 17.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Covered Bond, 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 11).

(g) Business Days for Payment

If any date for payment in respect of any Covered Bond, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day unless otherwise specified in the relevant Final Terms, nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**Business Day**" means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Covered Bonds, on which Euroclear France is open for business or (ii) in the case of Materialised Covered Bonds, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) on which banks and foreign exchange markets are open for general business in the city of the Paying Agent's specified office, (C) in such jurisdictions as shall be specified as "**Financial Centre(s)**" in the relevant Final Terms and (D) (i) in the case of a payment in a currency other than Euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) in the case of a payment in Euro, which is a TARGET Business Day.

(h) Bank

For the purpose of this Condition 8, "**Bank**" means a bank in the principal financial centre of the relevant currency or, in the case of Euro, in a city in which banks have access to the TARGET System.

9. Taxation

(a) Withholding Tax

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

(b) Additional Amounts

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

- (i) *Other connection:* to, or to a third party on behalf of, a Bondholder, Receiptholder or Couponholder who is liable to such taxes or duties by reason of his having some connection with France other than the mere holding of the Covered Bond, Receipt or Coupon; or
- (ii) *More than thirty (30) days after the Relevant Date:* in the case of Definitive Materialised Covered Bonds, more than thirty (30) days after the Relevant Date except to the extent that the Bondholder, Receiptholder or Couponholder would have been entitled to such additional amounts on presenting it for payment on the thirtieth (30th) such day; or

- (iii) *Payment to individuals*: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) *Payment by another Paying Agent*: in the case of Definitive Materialised Covered Bonds presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Covered Bond, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

References in these Conditions to (A) "**principal**" shall be deemed to include any premium payable in respect of the Covered Bonds, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it, (B) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 6 or any amendment or supplement to it and (C) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

Each Bondholder shall be responsible for supplying to the relevant Paying Agent, in a reasonable and timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council Meeting dated 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such directive.

10. Events of Default

If an Issuer Event of Default occurs in respect of any Series, the Representative (i) may, at its discretion, or (ii) shall, if so directed by the Majority Bondholders or if such Issuer Event of Default is a Covered Bonds Cross Acceleration Event, upon written notice (an "**Issuer Enforcement Notice**") to the Fiscal Agent and the Issuer (with copy to the Issuer Security Agent, to the Administrator and to the Rating Agency) given before all defaults shall have been cured, cause the principal amount of all Covered Bonds of such Series to become due and payable (but subject to the relevant Priority Payment Order), together with any accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent and, as provided under the Issuer Security Documents, enforce the rights of the Bondholders under the Issuer Security Documents.

11. Prescription

Claims against the Issuer for payment in respect of any amount due under the Covered Bonds, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from the appropriate Relevant Date in respect of them.

12. Representation of Bondholders

Bondholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the "**Masse**").

The Masse will be governed by the provisions of the French Commercial Code (*Code de commerce*) with the exception of Articles L.228-48, L.228-59, L.228-80, L.228-81, R.228-63, R.228-67, R.228-69 and R.228-83 and the second sentence of Article L.228-71, subject to the following provisions:

(a) Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through a general meeting of the holders of Covered Bonds (the "**General Meeting**").

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

(b) Representative

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

- (i) the Issuer, the members of its board of directors (*conseil d'administration*), its chief executive officers (*directeurs généraux*), its statutory auditors, its employees and their ascendants, descendants and spouses; or

- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), chief executive officers (*directeurs généraux*), members of their board of directors, executive board or supervisory board, their statutory auditors, employees and their ascendants, descendants and spouses; or
- (iii) companies holding directly ten per cent. (10%) or more of the share capital of the Issuer or companies having ten per cent. (10%) or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The Representative appointed in respect of all Tranches of all Series of Covered Bonds will be BNP Paribas Securities Services, Corporate Trust Services Les Grands Moulins de Pantin - 9, rue du Débarcadère - 93500 Pantin, France .

The alternative representative appointed in respect of all Tranches of all Series of Covered Bonds shall be Christian Hochstrasser, domiciled 2 rue du Général de Gaulle, 54870 Cons La Grandville, France.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by the alternative representative. In the event of the death, retirement or revocation of appointment of the alternative representative, an alternative representative will be elected by the General Meeting.

The Issuer shall pay to the Representative an amount of €1.500 (one thousand and five hundred euros) per year so long as any of the Covered Bonds is Outstanding.

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

(c) Powers of Representative

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

For the avoidance of doubt, the Issuer Security Agent shall have the power, upon the issue of each Series of Covered Bonds, to release and retake any existing security so that Bondholders of all Series benefit *pari passu* from such security and to enforce the Issuer Security upon the service of an Issuer Enforcement Notice. The Issuer Security Agent, if different from the Representative, shall act as an agent of the Representative or, if no Representative has been appointed, as an agent of the Bondholders.

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

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

(d) General Meeting

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Bondholders, holding together at least one-thirtieth (1/30) of the principal amount of the Covered Bonds outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two (2) months after such demand, the Bondholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 17.

Each Bondholder has the right to participate in a General Meeting in person, by correspondence or by proxy. Each Covered Bond carries the right to one (1) vote or, in the case of Covered Bonds issued with more than one (1) Specified Denomination, one (1) vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Covered Bond.

General Meetings may deliberate validly on first convocation only if Bondholders present or represented hold at least a fifth (1/5) of the principal amount of the Covered Bonds then Outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third (2/3) majority of votes cast by Bondholders attending such General Meetings or represented thereat.

The rights of each Bondholder to participate in the General meetings must be evidenced by entries in the books of the relevant Account Holder in the name of such Bondholder at midnight Paris time on the third (3rd) Paris Business Day preceding the date set for the relevant General Meeting.

(e) Powers of the General Meetings

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternative representative and also may act with respect to any other matter that relates to the common

rights, actions and benefits which now or in the future may accrue with respect to the Covered Bonds, including authorising the Representative to act at law as plaintiff or defendant.

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

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 17.

(f) Information to Bondholders

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

(g) Expenses

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

(h) Single Masse

The holders of Covered Bonds of the same Series, and the holders of Covered Bonds of any other Series which have been assimilated (*assimilables* for the purpose of French law) with the Covered Bonds of such first mentioned Series in accordance with Condition 16, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche or Series of Covered Bonds will be the Representative of the single Masse of all such Series.

In respect of any Tranche of Covered Bonds issued or deemed to be issued outside France, this Condition 12 may, if so specified in the relevant Final Terms, be waived, amended or supplemented, and in respect of any Tranche issued inside France, this Condition 12 shall be waived in its entirety and replaced by the full provisions of the French Commercial Code (Code de commerce).

13. Replacement of Definitive Materialised Covered Bonds, Receipts, Coupons and Talons

If, in the case of any Materialised Covered Bonds, a Definitive Materialised Covered Bond, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for this purpose and notice of whose designation is given to Bondholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Covered Bond, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Covered Bonds, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Covered Bonds, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14. Limited recourse, Non petition

Limited Recourse

By subscribing to any Covered Bond, each Bondholder will be automatically deemed to have agreed:

- (a) not to seek recourse under any obligation, covenant or agreement of the Issuer under the Covered Bonds and these Conditions against any shareholder, member of the board of directors (*conseil d'administration*), chief executive officer (*directeur général*), vice chief executive officer (*directeur général délégué*) or agent of the Issuer, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that any obligation of the Issuer under the Covered Bonds and these Conditions is a corporate obligation of the Issuer, and that no personal liability shall attach to or be incurred by the shareholders, members of the board of directors (*conseil d'administration*), chief executive officers (*directeurs généraux*), vice chief executive officers (*directeurs généraux délégués*) or agents of the Issuer, as such, or any of them under or by reason of any of the obligations, covenants or agreements of the Issuer contained in these Conditions or implied therefrom and, as a condition of and in consideration for the issuing by the Issuer of any Covered Bond,

to waive any and all personal liability of every such shareholder, member of the board of directors (*conseil d'administration*), chief executive officer (*directeur général*), vice chief executive officer (*directeur général délégué*) or agent of the Issuer for breaches by the Issuer of any of its obligations, covenants or agreements under the Covered Bonds and these Conditions;

- (b) to limit its recourse against the Issuer under the Covered Bonds and these Conditions to amounts payable or expressed to be payable to it by the Issuer on, under or in respect of its obligations and liabilities under the Covered Bonds and these Conditions (and, for the avoidance of doubt, to the exclusion of any damage for breach of contract or other penalties not expressed as being payable by the Issuer under the Covered Bonds and these Conditions) and in accordance with the then applicable Priority Payment Order; and
- (c) that amounts payable or expressed to be payable by the Issuer on, under or in respect of its obligations and liabilities under the Covered Bonds and/or these Conditions shall be recoverable only from and to the extent of the amount of the Available Funds, as calculated on the relevant Interest Payment Date or (as applicable) on the relevant Final Maturity Date of each relevant Series of Covered Bonds (provided that, to the extent that no Available Funds exist at the relevant date, the Issuer shall not be liable to make payment of the aforementioned amounts and, provided further that, in the event that the Available Funds at the relevant date are insufficient to pay in full all amounts whatsoever due to it and all other claims ranking *pari passu* to its claims, then its claims against the Issuer shall be limited to its respective shares of such Available Funds (as determined in accordance with the then applicable Priority Payment Order) and, after payment to it of its respective share of such Available Funds, the obligations of the Issuer to it shall be discharged in full).

Non-Petition

By subscribing to any Covered Bond, each Bondholder will also be automatically deemed to have agreed that prior to the date which is eighteen (18) months and one (1) day after the earlier of (i) the Final Maturity Date of the last Series issued by the Issuer under the Programme, or (ii) the date of payment of any sums outstanding and owing under the latest Outstanding Covered Bond:

- (a) it will not take any corporate action or other steps or legal proceedings for the winding-up, dissolution or organisation or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer, of the Issuer or of any or all of the Issuer's revenues and assets; and
- (b) it will not have any right to take steps for the purpose of obtaining payment of any amounts payable to it under the Covered Bonds by the Issuer and shall not until such time take any step to recover any debts whatsoever owing to it by the Issuer otherwise than in accordance with, and subject to, the Conditions.

The above undertakings by each relevant Bondholder shall survive the payment of all sums owing under any Covered Bond and/or these Conditions.

15. Priority Payment Orders

As more fully described under section "**Cash Flow**" of this Base Prospectus, any and all sums due by the Issuer under the Programme (including principal and interest under the Covered Bonds) will be paid within the limit of the Available Funds of the Issuer at the time of such payment and according to the relevant Priority Payment Order described under section "**Cash Flow**" of this Base Prospectus. As a consequence, the payment of certain sums will be subordinated to the full payment of other sums. Bondholders are deemed to have notice of the provisions of the section "**Cash Flow**" of this Base Prospectus.

16. Further Issues and Consolidation

(a) Further Issues

Unless otherwise provided in the relevant Final Terms, the Issuer may from time to time without the consent of the Bondholders, Receiptholders or Couponholders create and issue further Covered Bonds to be assimilated (*assimilables* for the purpose of French laws) with the Covered Bonds provided such Covered Bonds and the further Covered Bonds carry rights identical in all respects (or identical in all respects save as to the principal amount thereof and the first payment of interest specified in the relevant Final Terms) and that the terms of such Covered Bonds provide for such assimilation, and references in these Conditions to "**Covered Bonds**" shall be construed accordingly.

(b) Consolidation

Unless otherwise provided in the relevant Final Terms, the Issuer, with the prior approval of the Fiscal Agent (which shall not be unreasonably withheld), may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than thirty (30) days' prior notice to the Bondholders

in accordance with Condition 17, without the consent of the Bondholders, Receiptholders or Couponholders, consolidate the Covered Bonds of one Series denominated in Euro with the Covered Bonds of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Covered Bonds have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Covered Bonds.

17. Notices

- (a) Notices to the holders of Dematerialised Covered Bonds in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth (4th) weekday (being a day other than a Saturday or a Sunday) after the mailing, or (ii) at the option of the Issuer, they are published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or, so long as such Covered Bonds are admitted to trading on any Regulated Market(s), in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Covered Bonds is/are admitted to trading is/are located, which in the case of the Luxembourg Stock Exchange's Regulated Market is expected to be the *Luxemburger Wort*, or (iii) so long as such Covered Bonds are admitted to trading on any Regulated Market and the rules of such Regulated Market so permit, on the website of the Regulated Market where the admission is sought, which in the case of the Luxembourg Stock Exchange is expected to be the website of the Luxembourg Stock Exchange (www.bourse.lu).
- (b) Notices to the holders of Materialised Covered Bonds and Dematerialised Covered Bonds in bearer form (*au porteur*) shall be valid if published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or, so long as such Covered Bonds are admitted to trading on any Regulated Market(s), in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Covered Bonds is/are admitted to trading is/are located, which in the case of the Luxembourg Stock Exchange's Regulated Market is expected to be the *Luxemburger Wort* or, so long as such Covered Bonds are admitted to trading on any Regulated Market and the rules of such Regulated Market so permit, on the website of the Regulated Market where the admission is sought, which in the case of the Luxembourg Stock Exchange is expected to be the website of the Luxembourg Stock Exchange (www.bourse.lu).
- (c) Notices required to be given to the holders of Dematerialised Covered Bonds (whether in registered or in bearer form) (*au nominatif* or *au porteur*) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Covered Bonds are for the time being cleared in substitution for the mailing and publication as required by Conditions 17(a) and (b), above; provided that (i) so long as such Covered Bonds are admitted to trading on any Regulated Market(s) and the rules of that Regulated Market so require, notices shall also be published in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Covered Bonds is/are admitted to trading is/are located, which in the case of the Luxembourg Stock Exchange's Regulated Market is expected to be the *Luxemburger Wort*, and (ii) so long as such Covered Bonds are admitted to trading on any Regulated Market and the rules of such Regulated Market so permit, on the website of the Regulated Market where the admission is sought, which in the case of the Luxembourg Stock Exchange is expected to be the website of the Luxembourg Stock Exchange (www.bourse.lu).
- (d) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any notice given by publication shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Covered Bonds in accordance with this Condition.

18. Governing Law and Jurisdiction

(a) Governing Law

The Covered Bonds, Receipts, Coupons and Talons are governed by, and shall be construed in accordance with, French law.

(b) Jurisdiction

Any claim against the Issuer in connection with any Covered Bonds, Receipts, Coupons or Talons may be brought before any competent courts in Paris.

CREDIT MUTUEL ARKEA HOME LOANS SFH

**ATTESTATION COMPLEMENTAIRE DU CONTRÔLEUR SPECIFIQUE
RELATIVE AU PROGRAMME D'EMISSIONS DU 4^{ème} TRIMESTRE 2011
EN APPLICATION DES ARTICLES R.515-13 ET L.515-30
DU CODE MONETAIRE ET FINANCIER**

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29802 BREST CEDEX 9

**ATTESTATION COMPLEMENTAIRE DU CONTRÔLEUR SPECIFIQUE
RELATIVE AU PROGRAMME D'EMISSIONS DU 4^{ème} TRIMESTRE 2011 EN
APPLICATION DES ARTICLES R.515-13 ET L.515-30 DU CODE MONETAIRE ET
FINANCIER**

Aux Administrateurs de Crédit Mutuel Arkéa Home Loans SFH,

En notre qualité de Contrôleur spécifique de votre société et en exécution des dispositions prévues par les articles R.515-13 et L.515-30 du Code monétaire et financier, nous avons procédé à la vérification du respect des règles relatives au ratio de couverture prévues aux articles L.515-20 et R.515-7-2 du Code monétaire et financier dans le cadre du programme du 4^{ème} trimestre 2011 d'émissions de ressources bénéficiant du privilège mentionné à l'article L.515-19 de ce code.

Par décision en date du 25 août 2011, le Conseil d'administration de Crédit Mutuel Arkéa Home Loans SFH a fixé le plafond maximum du programme d'émissions de ressources bénéficiant du privilège institué par l'article L.515-19 du code monétaire et financier, à EUR 500 millions, pour la période allant du 1^{er} octobre au 31 décembre 2011. Le Conseil d'administration de Crédit Mutuel Arkéa Home Loans SFH du 7 novembre 2011 a décidé d'augmenter le plafond maximum d'émission du programme d'émissions de ressources bénéficiant du privilège institué par l'article L.515-9 du Code monétaire et financier, pour le porter à EUR 1,5 milliard pour cette même période.

L'article L.515-20 du code monétaire et financier dispose que le montant total des éléments d'actif des sociétés financement de l'habitat doit être supérieur au montant des éléments de passif bénéficiant du privilège mentionné à l'article L.515-19 de ce code. En outre, l'article R.515-7-2 de ce code dispose que les sociétés de financement de l'habitat sont tenues de respecter à tout moment un ratio de couverture des ressources privilégiées par les éléments d'actifs au moins égal à 102%.

Il nous appartient d'attester du respect de ces règles dans le cadre du présent programme trimestriel d'émissions.

Le respect de ces règles, compte tenu du programme trimestriel d'émissions visé ci-dessus, a été vérifié sur la base d'informations financières estimées, au titre de la période courue, et prévisionnelles, au titre de la période à venir, établies sous la responsabilité de votre Conseil d'administration. Les informations financières prévisionnelles ont été établies à partir des hypothèses traduisant la situation future que vous avez estimée la plus probable à la date de leur établissement. Ces informations sont présentées en annexe à la présente attestation.

Notre intervention a été effectuée selon la doctrine professionnelle de la Compagnie Nationale des Commissaires aux Comptes relative à cette mission.

Nos travaux ont consisté à :

- vérifier la conformité du montant du programme trimestriel d'émissions avec le procès-verbal de l'organe délibérant autorisant ces émissions ;
- examiner le processus d'élaboration des données financières prévisionnelles tenant compte du présent programme d'émissions, étant rappelé que, s'agissant de prévisions présentant par nature un caractère incertain, les réalisations différeront parfois de manière significative, des informations prévisionnelles établies ;
- vérifier les modalités de calcul du ratio de couverture issu de ces données prévisionnelles, telles qu'elles sont prévues par le règlement 99-10 du Comité de la réglementation bancaire et financière et par l'instruction 2011-I-06 de l'Autorité de contrôle prudentiel ;
- vérifier le respect des règles prévues aux articles L.515-20 et R.515-7-2 du code monétaire et financier, sur la base de ces données financières prévisionnelles.

Sur la base de nos travaux, nous n'avons pas d'observation à formuler sur le respect par la société Crédit Mutuel Arkéa Home Loans SFH des règles prévues aux articles L.515-20 et R.515-7-2 du code monétaire et financier, après prise en compte du présent programme trimestriel d'émissions.

Paris, le 15 novembre 2011

Le Contrôleur Spécifique



CAILLIAU DEBOUIT ET ASSOCIES
Représenté par Laurent BRUN

ANNEXE

Montants après prise en compte du présent programme d'émissions révisé de EUR 1,5 milliard.

En millions d'euros	Estimé	Prévisionnel
	Au 30 septembre 2011	Au 31 décembre 2011
Total des emplois (*)	5.102	5.698
Total des emplois pondérés (*)	5.006	5.578
Total des ressources bénéficiant du privilège mentionné à l'article L.515-19 du code monétaire et financier	3.753	4.553

(*) En considérant les actifs reçus à titre de garantie, en nantissement ou en pleine propriété et non les créances garanties figurant à l'actif du bilan de la société.

TRANSLATED FROM FRENCH

CREDIT MUTUEL ARKEA HOME LOANS SFH

**ADDITIONAL CERTIFICATE OF THE SPECIFIC CONTROLLER
RELATING TO THE ISSUE PROGRAM FOR THE 4th QUARTER OF 2011
PURSUANT TO ARTICLES R.515-13 AND L.515-30
OF THE FRENCH MONETARY AND FINANCIAL CODE**

**CAILLIAU DEDOUIT ET ASSOCIES
19, RUE CLEMENT MAROT
75008 PARIS**

CREDIT MUTUEL ARKEA HOME LOANS SFH
232, rue du Général Paulet
BP 103
29802 BREST CEDEX 9

**ADDITIONAL CERTIFICATE OF THE SPECIFIC CONTROLLER RELATING
TO THE ISSUE PROGRAM FOR THE 4th QUARTER OF 2011 PURSUANT TO
ARTICLES R.515-13 AND L.515-30 OF THE FRENCH MONETARY AND
FINANCIAL CODE**

To the Directors of Crédit Mutuel Arkéa Home Loans SFH,

In our capacity as the Specific Controller (*contrôleur spécifique*) of Crédit Mutuel Arkéa Home Loans SFH and pursuant to the provisions set forth in Articles R.515-13 and L.515-30 of the French Monetary and Financial Code, we have verified the compliance with the rules related to the cover ratio provided for in Articles L.515-20 and R.515-7-2 of the French Monetary and Financial Code pursuant to the issuance programme for the 4th quarter of 2011 benefiting from the privileged right mentioned in Article L.515-19 of such code.

In a decision dated August 25, 2011, the board of directors of Crédit Mutuel Arkéa Home Loans SFH set the maximum amount of the issuance programme benefiting from the privileged right mentioned in Article L.515-19 of the French Monetary and Financial Code to EUR 500 million, for the period from October 1st to December 31, 2011. In a decision dated November 7, 2011, the board of directors of Crédit Mutuel Arkéa Home Loans SFH decided to increase the maximum ceiling of the program for issuing funding benefiting from the privilege established by the article L.515-19 of the French Monetary and Financial Code, to EUR 1.5 billion for the same period.

Article L.515-20 of the French Monetary and Financial Code states that the total amount of assets held by *sociétés de financement de l'habitat* must be greater than the amount of liabilities which benefit from the privileged right mentioned in Article L.515-19 of said code. Furthermore, Article R.515-7-2 of such code provides that *sociétés de financement de l'habitat* must at all times maintain a cover ratio of at least 102 per cent. of their assets to the total amount of their liabilities that qualify for the privileged right.

It is our responsibility to certify the compliance with these rules within the scope of this quarterly issuance programme.

Compliance with these rules, in view of the aforementioned quarterly issuance programme, was verified on the basis of estimated financial data, in respect of the period elapsed, and forecasted financial data, in respect of the future period, drawn up under the responsibility of the board of directors. The forecasted financial data were drawn up on the basis of assumptions which reflect the future position that you deemed to be most probable as of the date that they were drawn up. This information is set out in an appendix to this report.

We performed our review in accordance with the standards procedures issued in the professional rules and practises of the *Compagnie Nationale des Commissaires aux Comptes* (National Association of Statutory Auditors) that are applicable to this type of assessment.

Our work consisted in :

- verifying the conformity of the amount of the quarterly issuance programme with the minutes of the board of directors authorizing these issuances,
- examining the process for presenting the forecasted financial data including the aforementioned quarterly issuance programme, considering that, as the forecasts are uncertain by nature, the actual results could differ significantly from the forecasted data presented,
- verifying the methods for calculating the forecasted cover ratio provided for in Regulation No. 99-10 of the French Banking and Financial Regulations Committee and Instruction 2011-1-06 of *Autorité de contrôle prudentiel*,
- verifying compliance with the rules set forth in Articles L.515-20 and R.515-7-2 of the French Monetary and Financial Code, based on the forecasted financial data.

Based on our work, we have no comments to make with respect to compliance by Crédit Mutuel Arkéa Home Loans SFH with Articles L.515-20 and R.515-7-2 of the French Monetary and Financial Code, after taking into account of the aforementioned quarterly issuance programme.

Paris, November 15, 2011

The Specific Controller



CAILLIAU DEDOUIT ET ASSOCIES
Laurent BRUN

APPENDIX

Figures after taking into account the modified issue program of EUR 1.5 billion.

In million of EUR	Estimated Figures	Forecasted Figures
	As of September 30, 2011	As of December 31, 2011
Total application of funds (*)	5 102	5 698
Total of weighted assets (*)	5 006	5 578
Total sources of funds that qualify for the privileged right mentioned in Article L. 515-19 of the French Monetary and Financial Code	3 753	4 553

(*) By considering the eligible collateral assets transferred as collateral security.

CREDIT MUTUEL ARKEA HOME LOANS SFH

**ATTESTATION DU CONTRÔLEUR SPECIFIQUE
RELATIVE A UNE EMISSION D'UN MONTANT
DE 750 MILLIONS D'EUROS EN APPLICATION DES ARTICLES
R.515-13 ET L.515-30 DU CODE MONETAIRE ET FINANCIER**

**CAILLIAU DEDOUT ET ASSOCIES
19, RUE CLEMENT MAROT
75008 PARIS**

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**ATTESTATION DU CONTRÔLEUR SPECIFIQUE RELATIVE A UNE EMISSION
D'UN MONTANT DE 750 MILLIONS D'EUROS EN APPLICATION DES
ARTICLES R.515-13 ET L.515-30 DU CODE MONETAIRE ET FINANCIER**

Aux Administrateurs de Crédit Mutuel Arkéa Home Loans SFH,

En notre qualité de Contrôleur spécifique de Crédit Mutuel Arkéa Home Loans SFH et en exécution des dispositions prévues par les articles L.515-30 et R.515-13 du Code monétaire et financier, nous avons procédé à la vérification du respect des règles relatives au ratio de couverture prévues aux articles L.515-20 et R.515-7-2 du Code monétaire et financier dans le cadre de l'émission d'obligations de financement de l'habitat d'une valeur monétaire au moins égale à 500 millions d'euros.

Par décision en date du 7 novembre 2011, le Conseil d'administration de Crédit Mutuel Arkéa Home Loans SFH a fixé le plafond maximum du programme d'émissions de ressources bénéficiant du privilège institué par l'article L.515-19 du Code monétaire et financier à EUR 1,5 milliard, pour la période allant du 1^{er} octobre au 31 décembre 2011.

Dans le cadre de ce programme trimestriel d'émissions, par décision en date du 16 novembre 2011, le Président Directeur Général de Crédit Mutuel Arkéa Home Loans SFH a autorisé une émission de ressources bénéficiant du privilège institué par l'article L.515-19 du Code monétaire et financier, pour un montant de 750 millions d'euros.

L'article L.515-20 du Code monétaire et financier dispose que le montant total des éléments d'actif des sociétés de financement de l'habitat doit être supérieur au montant des éléments de passif bénéficiant du privilège mentionné à l'article L.515-19 de ce code. En outre, l'article R.515-7-2 de ce code dispose que les sociétés de financement de l'habitat sont tenues de respecter à tout moment un ratio de couverture des ressources privilégiées par les éléments d'actifs au moins égal à 102%. Il nous appartient d'attester du respect de ces règles au titre de la présente opération.

Le respect de ces règles, après prise en compte tenu de l'émission susvisée, a été vérifiée sur la base d'informations financières estimées et prévisionnelles établies sous la responsabilité de votre Conseil d'administration. Les informations prévisionnelles ont été établies à partir des hypothèses traduisant la situation future que vous avez estimé la plus probable à la date de la présente émission. Ces informations sont présentées en annexe à la présente attestation.

Notre intervention a été effectuée selon la doctrine professionnelle de la Compagnie Nationale des Commissaires aux Comptes relative à cette mission.

Nos travaux ont consisté à :

- vérifier la conformité du montant de l'émission visée ci-dessus avec le procès-verbal de l'organe délibérant autorisant cette émission ;
- examiner le processus d'élaboration des données financières prévisionnelles tenant compte de la présente émission, étant rappelé que, s'agissant de prévisions présentant par nature un caractère incertain, les réalisations différeront parfois de manière significative, des informations prévisionnelles établies ;
- vérifier les modalités de calcul du ratio de couverture issu de ces données prévisionnelles, telles qu'elles sont prévues par les dispositions du règlement 99-10 du CRBF et par l'instruction 2011-I-06 de l'Autorité de contrôle prudentiel ;
- vérifier le respect des règles prévues aux articles L.515-20 et R.515-7-2 sur la base de ces données financières prévisionnelles.

Sur la base de nos travaux, nous n'avons pas d'observation à formuler sur le respect, par Crédit Mutuel Arkéa Home Loans SFH, des règles prévues aux articles L.515-20 et R.515-7-2 du Code monétaire et financier, après prise en compte de la présente émission visée ci-dessous.

Paris, le 16 novembre 2011

Le Contrôleur Spécifique



CAILLIAU DEDOUIT ET ASSOCIES
Représenté par Laurent BRUN

ANNEXE

Montants après prise en compte des émissions obligataires réalisées du 30 septembre au 9 novembre 2011, y compris la présente émission de 750 millions d'euros (date de règlement 18 novembre 2011).

En millions d'euros	Estimé	Prévisionnel
	Au 30 septembre 2011	Au 31 décembre 2011
Total des emplois (*)	5.102	5.698
Total des emplois pondérés (*)	5.006	5.578
Total des ressources bénéficiant du privilège mentionné à l'article L.515-19 du Code monétaire et financier	3.753	4.138

(*) En considérant les actifs reçus à titre de garantie, en nantissement ou en pleine propriété et non les créances garanties figurant à l'actif du bilan de la société.

TRANSLATED FROM FRENCH

CREDIT MUTUEL ARKEA HOME LOANS SFH

**SPECIFIC CONTROLLERS'S CERTIFICATE RELATING TO NOTE ISSUANCE
OF EUR 750 MILLION PURSUANT TO ARTICLES R.515-13 AND L.515-30 OF
THE FRENCH MONETARY AND FINANCIAL CODE**

**CAILLIAU DEDOIT ET ASSOCIES
19, RUE CLEMENT MAROT
75008 PARIS**

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**SPECIFIC CONTROLLERS'S CERTIFICATE RELATING TO NOTE ISSUANCE
OF EUR 750 MILLION PURSUANT TO ARTICLES R.515-13 AND L.515-30 OF
THE FRENCH MONETARY AND FINANCIAL CODE**

To the Directors of Crédit Mutuel Arkéa Home Loans SFH,

In our capacity of specific controller (*contrôleur spécifique*) of your company and pursuant to the provisions set forth in Articles R.515-13 and L.515-30 of the French Monetary and Financial Code, we have verified the compliance with the rules provided for in Articles L.515-20 and R.515-7-2 pursuant to the French Monetary and Financial Code within the framework of the note issuance of at least €500 million.

In a decision dated November 7, 2011, the Board of Directors of Crédit Mutuel Arkéa Home Loans SFH set the maximum amount of the issuance programme benefiting from the statutory privileged right of payment set forth the Article L.515-19 of the French Monetary and Financial Code at EUR 1.5 billion, for the period from October 1st to December 31, 2011.

Within the scope of this quarterly issuance programme, in a decision dated 16 November, the Chairman of Crédit Mutuel Arkéa Home Loans SFH approved a note issuance benefiting from the statutory privileged right of payment set forth in Article L.515-19 of the French Monetary and Financial Code, for an amount of EUR 750 million.

Article L.515-20 of the French Monetary and Financial Code states that the total amount of assets held by *sociétés de financement de l'habitat* must be greater than the amount of liabilities benefiting from the privileged right of payment mentioned in Article L.515-19 of such code. Furthermore, Article R.515-7-2 of such code provides that *sociétés de financement de l'habitat* must all the time maintain a cover ratio of at least 102 per cent. of their assets to the total amount of their liabilities benefiting from the statutory privileged right.

It is our responsibility to certify the compliance with such rules for the issuance at stake.

Compliance with these rules, after taking into account the aforementioned note issuance, was verified on the basis of estimated and forecasted financial data, drawn up under the responsibility of your board of directors. The forecasted financial data were drawn up on the basis of assumptions which reflect the position that you deemed to be most likely as of the date of the issuance at stake. This information is presented in an appendix to this report.

We performed our review in accordance with the standards procedures issued in the professional rules and practices of the *Compagnie Nationale des Commissaires aux Comptes* (National Association of Statutory Auditors) that are applicable to this type of assessment.

Our work consisted in:

- verifying the conformity for the amount of the note issuance with the decision authorizing this issue,
- examining the process of presenting the forecasted financial data including the aforementioned issue, considering that, as the forecasts are uncertain by nature, the actual results could differ significantly from the forecasted data presented,
- verifying the methods for calculating the forecasted cover ratio provided for in Regulation no. 99-10 of the French Banking and Financial Regulations Committee and Instruction 2011-I-06 of Autorité de Contrôle Prudentiel,
- verifying compliance with the rules set forth in Articles L.515-20 and R.515-7-2 of the French Monetary and Financial Code, based on the forecasted financial data.

Based on our work, we have no comments with respect to the compliance by Crédit Mutuel Arkéa Home Loans SFH with Articles L.515-20 and R.515-7-2 of the French Monetary and Financial Code, after taking into account of the aforementioned note issuance.

Paris, November 16, 2011

The Specific Controller



CAILLIAU DEDOIT ET ASSOCIES
Laurent BRUN

APPENDIX

Figures after taking into account the debentures issues for the period from October 1st to November 9, 2011 including the present note issuance of EUR 750 million (value date November 18, 2011)

In million of EUR	Estimated Figures	Forecasted Figures
	As of September 30, 2011	As of December 31, 2011
Total application of funds (*)	5 102	5 698
Total of weighted assets (*)	5 006	5 578
Total sources of funds that qualify for the privileged right mentioned in Article L. 515-19 of the French Monetary and Financial Code	3 753	4 138

(*) By considering the eligible collateral assets transferred as collateral security.