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Arkéa Home Loans SFH
(duly licensed French specialised credit institution)

€13,000,000,000
COVERED BOND PROGRAMME
for the issue of *Obligations de Financement de l'Habitat*

Under the Covered Bond Programme described in this Base Prospectus (the "**Programme**"), Arkéa Home Loans SFH (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue covered bonds (*obligations de financement de l'habitat*) to be governed either by French law or German law (respectively, the "**French law Covered Bonds**" or the "**German law Covered Bonds**" and, together, the "**Covered Bonds**"). The Issuer is licensed as a specialised credit institution (*établissement de crédit spécialisé*) with the status of *société de financement de l'habitat* by the *Autorité de contrôle prudentiel et de résolution*. All Covered Bonds will benefit from the statutory priority in right of payment over all the assets and revenues of the Issuer created by Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "***Privilège***"), as more fully described herein.

The aggregate nominal amount of the Covered Bonds outstanding will not at any time exceed €13,000,000,000 (or its equivalent in other currencies at the date of issue).

The minimum denomination of each Covered Bond admitted to trading on a Regulated Market (as defined below) in any member state of the European Economic Area ("**EEA**") (a "**Member State**") in circumstances which require the publication of a prospectus under the Prospectus Regulation (as defined below) will be € 1,000 (or its equivalent in any other currency at the issue date), or such higher amount as may be allowed or required from time to time in relation to the relevant Specified Currency (as defined in section "Terms and Conditions of the French law Covered Bonds – Interest and other Calculations" of this Base Prospectus).

This Base Prospectus has been approved by the *Commission de surveillance du secteur financier* (the "**CSSF**"), as competent authority in Luxembourg under Regulation 2017/1129/EU dated 14 June 2017, as amended (the "**Prospectus Regulation**"). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor of the quality of the Covered Bonds that are the subject of this Base Prospectus. **The CSSF has neither reviewed nor approved any information in relation to the German law Covered Bonds**. In the line with the provisions of Article 6(4) of the *loi relative aux prospectus pour valeurs mobilières* dated 16 July 2019, the CSSF assumes no responsibility as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer. The approval given by the CSSF is not a favourable opinion on the Issuer and on the quality of the Covered Bonds described in this Base Prospectus. Investors should make their own assessment on the opportunity to invest in such Covered Bonds. This Base Prospectus is valid until 18 May 2022 and shall be completed by a supplement in the event of significant new factor, material mistake or material inaccuracy. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Application may be made to the Luxembourg Stock Exchange for the French law Covered Bonds issued under the Programme while this Base Prospectus is valid to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of Directive 2014/65/UE dated 15 May 2014 on markets in financial instruments, as amended, appearing on the list of regulated markets issued by the European Securities Markets Authority (the "**ESMA**") (each such market being a "**Regulated Market**"). The French law Covered Bonds issued under the Programme may also be unlisted or listed and admitted to trading on any other market, including any other Regulated Market in any Member State of the EEA. The relevant final terms (the "**Final Terms**") (a form of which is contained herein) in respect of the issue of any French law Covered Bonds will specify whether or not such Covered Bonds will be listed and admitted to trading on any market and, if so, the relevant market. The German law Covered Bonds will not be admitted to trading nor listed on any stock exchange.

Covered Bonds will be issued on a syndicated or non-syndicated basis, in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical save as to the issue date, issue price, first payment of interest and nominal amount of the Tranche), 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 will be set forth in the Final Terms.

French law Covered Bonds may be issued either in dematerialised form ("**Dematerialised Covered Bonds**") or in materialised form ("**Materialised Covered Bonds**") as more fully described herein.

Dematerialised Covered Bonds will at all times be in book entry form in compliance with Articles L. 211-3 *et seq.* and R.211-1 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*). No physical documents of title will be issued in respect of the Dematerialised Covered Bonds.

Dematerialised Covered Bonds may, at the option of the Issuer, be (i) in bearer form (*au porteur*) inscribed as from the issue date in the books of Euroclear France (acting as central depositary) which shall credit the accounts of the relevant Account Holders (as defined in section "Terms and Conditions of the French law Covered Bonds - Form, Denomination and Title" of this Base Prospectus) including Euroclear Bank SA/NV ("**Euroclear**") and the depositary bank for Clearstream Banking, S.A. ("**Clearstream**"), or (ii) in registered form (*au nominatif*) and, in such a latter case, at the option of the relevant Bondholder (as defined in section "Terms and Conditions of the French law Covered Bonds - Form, Denomination and Title" of this Base Prospectus), in either fully registered form (*au nominatif pur*), in which case they will be inscribed in an account maintained by the Issuer or by a registration agent (appointed in the relevant Final Terms) for the Issuer, or in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Bondholder.

Materialised Covered Bonds will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global Certificate**") will initially be issued in relation to Materialised Covered Bonds. Such Temporary Global Certificate will subsequently be exchanged for definitive Materialised Covered Bonds with, where applicable, coupons for interest or talons attached (the "**Definitive Materialised Covered Bonds** "), on or after a date expected to be on or about the fortieth (40^{th}) day after the issue date of the Covered Bonds (subject to postponement as described in section "Temporary Global Certificate in respect of Materialised Covered Bonds") upon certification as to non-U.S. beneficial ownership as more fully described herein. Temporary Global Certificates will (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, be deposited on the issue date with a common depositary for Euroclear and Clearstream, and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream or delivered outside a clearing system, be deposited as agreed between the Issuer and the Relevant Dealer(s) (as defined below). In the case of a Tranche which is not intended to be cleared through Euroclear and/or Clearstream, the Covered Bonds of such Tranche cannot be listed on the Official List of the Luxembourg Stock Exchange and traded on the Regulated Market of the Luxembourg Stock Exchange.

Covered Bonds to be issued under the Programme are expected on issue to be rated AAA by Fitch Ratings Ireland Limited and Aaa by Moody's France S.A.S. (together, the "**Rating Agencies**"). The rating of the relevant Covered Bonds will be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. As of the date of this Base Prospectus, each of the Rating Agencies is established in the European Union and registered under Regulation (EU) no. 1060/2009 as amended (the "**CRA Regulation**") and is included in the list of registered credit rating agencies published by the ESMA on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk).

German law Covered Bonds will be issued in materialised registered form only.

See section "Risk Factors" below for certain information relevant to an investment in the Covered Bonds to be issued under the Programme.

ARRANGER

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CREDIT MUTUEL ARKÉA

PERMANENT DEALER
CREDIT MUTUEL ARKÉA

This Base Prospectus (together with all supplements thereto from time to time), constitutes a base prospectus for the purposes of Article 8.1 of the Prospectus Regulation and contains or incorporates by reference all relevant information concerning the Issuer which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, as well as the base terms and conditions of the French Law Covered Bonds to be issued under the Programme. The terms and conditions applicable to each Tranche not contained or incorporated by reference herein (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the relevant Final Terms.

This Base Prospectus is to be read and construed in conjunction with (i) any document and/or information which is incorporated herein by reference in accordance with Article 27 of the *Loi relative aux prospectus pour valeurs mobilières* dated 16 July 2019 implementing the Prospectus Regulation in Luxembourg and Article 19 of the Prospectus Regulation (see section "Documents Incorporated by Reference" below), (ii) any supplement thereto that may be published from time to time and (iii) in relation to any Tranche of Covered Bonds, the relevant Final Terms.

This Base Prospectus (together with all supplements thereto from time to time) may only be used for the purposes for which it has been published.

The Arranger and the Dealer(s) have not separately verified the information contained or incorporated by reference in this Base Prospectus. Neither the Arranger nor any of the Dealer(s) makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other information supplied in connection with the Programme (including any information incorporated by reference) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealer(s) that any recipient of this Base Prospectus or any other financial statements should purchase the Covered Bonds. Each prospective investor in Covered Bonds should determine for itself the relevance of the information contained or incorporated by reference in this Base Prospectus and its purchase of Covered Bonds should be based upon such investigation as it deems necessary. Neither the Arranger nor any of the Dealers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or prospective investor in the Covered Bonds of any information that may come to the attention of the Dealer(s) or the Arranger.

No person is or has been authorised to give any information or to make any representation other than those contained or incorporated by reference in this Base Prospectus in connection with the issue or sale of the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or the Dealer(s) (as defined in section "General Description of the Programme" of this Base Prospectus). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and the offering or sale of Covered Bonds in certain jurisdictions may be restricted by law. The Issuer, the Arranger and the Dealer(s) do not represent that this Base Prospectus may be lawfully distributed, or that any Covered Bonds may

be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger or the Dealer(s) which is intended to permit a public offering of any Covered Bonds or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required other than in compliance with Article 1.4 of the Prospectus Regulation. Accordingly, no Covered Bond may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Covered Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Covered Bonds.

The Covered Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"**) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act (**"Regulation S"**) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Covered Bonds may include Materialised Covered Bonds in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Covered Bonds may not be offered or sold or, in the case of Materialised Covered Bonds in bearer form, delivered within the United States or, in the case of certain Materialised Covered Bonds in bearer form, to, or for the account or benefit of, United States persons as defined in the U.S. Internal Revenue Code of 1986, as amended (the** "Code"**). The Covered Bonds are being offered and sold outside the United States in offshore transactions in reliance on Regulation S.**

For a description of these and certain further restrictions on offers, sales and transfers of Covered Bonds and on distribution of this Base Prospectus, see section "Subscription and Sale". Persons into whose possession this Base Prospectus or any Covered Bonds may come, are required by the Issuer, the Dealer(s) and the Arranger to inform themselves about and to observe any such restriction on the distribution of this Base Prospectus and the offering and sale of Covered Bonds. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Covered Bonds in the United States of America, Japan, the EEA (including France, Italy and the Netherlands) and the United Kingdom.

MiFID II product governance / target market – The Final Terms in respect of any Covered Bonds will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Covered Bonds, taking into account the five (5) categories referred to in item 18 of the Guidelines published by the ESMA on 5 February 2018, and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "distributor"**) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU, as amended (**"MiFID II"**) is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.**

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"**), any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealer(s) nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.**

UK MiFIR product governance / target market – The Final Terms in respect of any Covered Bonds will include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "distributor") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

PRIIPs / IMPORTANT - EEA RETAIL INVESTORS - If the Final Terms in respect of any Covered Bonds include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Covered Bonds are not intended, to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) no. 1286/2014, as amended (the "PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the Final Terms in respect of any Covered Bonds include a legend entitled "Prohibition of Sales to UK Retail Investors" as "Applicable", the Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing MiFID II as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or the Dealer(s) to subscribe for, or purchase, any Covered Bonds.

None of the Arranger, the Dealer(s) or the Issuer makes any representation to any prospective investor on the Covered Bonds regarding the legality of its investment under any applicable laws. Any prospective investor in the Covered Bonds should be able to bear the economic risk of an investment in the Covered Bonds for an indefinite period of time.

Prospective purchasers of Covered Bonds should ensure that they understand the nature of the relevant Covered Bonds and the extent of their exposure to risks and that they consider the suitability of the relevant Covered Bonds as an investment in the light of their own circumstances and financial condition. Covered Bonds involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of their Covered Bonds. For more information, see section "Risk Factors".

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "euro" and "EUR" are to the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam, references to "Sterling" are to the lawful currency of the United Kingdom, references to "U.S. Dollar" are to the lawful currency of the United States of America, references to "Yen" are to the lawful currency of Japan and references to "Swiss Francs" are to the lawful currency of Switzerland.

In this Base Prospectus, any references to "euro equivalent" means the euro equivalent amount of the relevant amount denominated in the Specified Currency (as defined in Section "Terms and Conditions of the French law Covered Bonds" of this Base Prospectus), provided that, if any Borrower Advance is denominated in a Specified Currency and the Issuer and the Borrower have agreed in advance the foreign exchange rate that will be applicable, in the final terms for the related Borrower Advance, then the amount of Eligible Assets that will be required to be granted by the Collateral Providers in accordance with the relevant terms of the Collateral Security Agreement, as security for the repayment of such Borrower Advance and which shall secure the "euro equivalent" amount of such Borrower Advance, shall be calculated using the above mentioned pre-agreed foreign exchange rate.

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GENERAL DESCRIPTION OF THE PROGRAMME

The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Covered Bonds the relevant Final Terms.

This section "General Description of the Programme" constitutes a general description of the Programme for the purposes of Article 25.1(b) of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019. It does not, and is not intended to, constitute a summary of this Base Prospectus within the meaning of Article 7 of the Prospectus Regulation, or any implementing regulation thereof.

Words and expressions defined in the section entitled "Terms and Conditions of the French law Covered Bonds" below shall have the same meanings in this section. Unless otherwise specified, the expression "Covered Bonds" shall include the French law Covered Bonds and the German law Covered Bonds to the extent permitted by the terms and conditions applicable to the French law Covered Bonds and the German law Covered Bonds, as applicable.

1. THE PARTIES UNDER THE PROGRAMME

Issuer:	Arkéa Home Loans SFH, a limited liability company (*société anonyme*) incorporated under French law and duly licensed French specialised credit institution (*établissement de crédit spécialisé*) with the status of *société de financement de l'habitat* (see section "**The Issuer**").
Arranger:	Crédit Mutuel Arkéa.
Administrator, Borrower, Issuer Accounts Bank, Issuer Calculation Agent, Collateral Security Agent, Cash Collateral Provider:	Crédit Mutuel Arkéa.
Crédit Mutuel Arkéa Group:	Crédit Mutuel Arkéa, the Crédit Mutuel Entities and any Other Entity.
Dealer(s):	Crédit Mutuel Arkéa. The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "**Permanent Dealer(s)**" are to Crédit Mutuel Arkéa as Dealer and to any such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealer(s)**" are to all Permanent Dealers and any such persons appointed as a dealer in respect of one or more Tranches.

Fiscal Agent, Principal Paying Agent, Paris Paying Agent and Calculation Agent in respect of the French law Covered Bonds:	BNP Paribas Securities Services.
Luxembourg Listing Agent in respect of the French law Covered Bonds:	BNP Paribas Securities Services, Luxembourg Branch.
Rating Agencies:	Fitch Ratings Ireland Limited and Moody's France S.A.S.
Asset Monitor:	Deloitte & Associés
Specific Controller:	Cailliau Dedouit et Associés
Substitute Specific Controller:	Mr. Rémi Savournin

2. THE PROGRAMME

Description:	Programme for the continuous offer of Covered Bonds called "*obligations de financement de l'habitat*" within the meaning of Article L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*), the principal and interest of which benefit from the *Privilège* (statutory priority in right of payment**)** created by Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*). See section "**Summary of the SFH Legal Framework**".
Programme Limit:	Up to €13,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Covered Bonds outstanding at any one time.
Method of Issue:	The Covered Bonds may be distributed on a syndicated or non-syndicated basis. The Covered Bonds will be issued in series (each a "**Series**"), the Covered Bonds of each Series being intended to be interchangeable with all other Covered Bonds of that Series.
Issuable in Series; Tranches:	The Covered Bonds will be issued in Series having one or more issue dates and on terms otherwise identical (or identical save as to the issue date, issue price, first payment of interest and nominal amount of the Tranche). Each Series may be issued in Tranches 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) 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.
Maturities:	Subject to compliance with all relevant laws, regulations and directives, the Covered Bonds may have any maturity as specified in the relevant Final Terms (the "**Final Maturity Date**"), subject to such minimum maturity as may be required by the applicable legal and/or regulatory requirements. An extended final maturity date (the "**Extended Final Maturity Date**") may be specified in the relevant Final Terms of a Series of Covered Bonds in accordance with the applicable Conditions, each such Covered Bonds being referred to as "**Soft Bullet Covered Bonds**".
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Covered Bonds may be issued in Euro, Sterling, U.S. dollars, Yen, Swiss Francs and, subject to prior Rating Affirmation (as defined below), in any other currency agreed between the Issuer and the relevant Dealer(s).
Denomination(s):	The Covered Bonds will be issued in the Specified Denomination(s) (as defined herein) set out in the relevant Final Terms, provided that all Covered Bonds admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under the Prospectus Regulation, shall have a minimum denomination of €1,000 (or its equivalent in any other currency at the time of issue) or such higher amount as may be allowed or required from time to time in relation to the relevant Specified Currency. Dematerialised Covered Bonds will be issued in one (1) Specified Denomination only.
Status:	Subject to the Priority Payment Orders, the principal and interest of the Covered Bonds and, where applicable, any related Coupons will constitute direct, unconditional, unsubordinated and privileged obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and equally and rateably with all other present and futur obligations (included the Covered Bonds of all other Series) and other resources raised by the Issuer benefiting from the *Privilège*. The Covered Bonds are issued under Articles L. 513-28 to L. 513-32 of the French Monetary and Financial Code (*Code monétaire et financier*). Holders of Covered Bonds benefit from the *Privilège* (priority in right of payment) provided for in Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*) over all the assets and revenues of the Issuer. See Condition 5(b) under section "**Terms and Conditions of the French law Covered Bonds**".
Negative Pledge:	There will be a negative pledge as set out in Condition 5(a) under section "**Terms and Conditions of the French law Covered Bonds**".
Issuer Event of Default:	Under certain circumstances, subject to the legal framework applicable to a *société de financement de l'habitat* ("**SFH**"),

	upon the occurrence of an Issuer Event of Default (as set out in Condition 10 under section "**Terms and Conditions of the French law Covered Bonds**"), the Representative or holders of any series of the French law Covered Bonds or holders of a German law Covered Bond may be able to cause the principal amount of all Covered Bonds of such Series or such German law Covered Bond to become immediately due and payable (but subject to the relevant Priority Payment Order), together with any accrued interest thereon, as of the date on which the notice for payment is received by the Fiscal Agent.
Redemption Amount:	Subject to any laws and regulations applicable from time to time and unless previously redeemed, purchased and cancelled as provided in the Terms and Conditions of the Covered Bonds or their maturity is extended, the Covered Bonds will be redeemed at their Final Maturity Date at their Final Redemption Amount (which is its nominal amount).
Optional Redemption:	The Final Terms issued in respect of each Tranche will state whether such Covered Bonds may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Bondholders, and if so the terms applicable to such redemption.
Early Redemption:	Except as provided in section "**Optional Redemption**" above, Covered Bonds will be redeemable at the option of the Issuer prior to their stated maturity only for tax reasons (as provided in Condition 7(f)) or illegality (as provided in Condition 7(g)).
Taxation:	All payments of principal and interest and other revenues to be made 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. If such a withholding or deduction is required by the French law, the Issuer will have to gross-up its payments to the fullest extent then permitted by law and subject to certain exceptions.
Interest Periods and Interest Rates:	The length of the interest periods for the Covered Bonds and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. The Covered Bonds may have a maximum interest rate, a minimum interest rate or both. The use of interest accrual periods permits the Covered Bonds to bear interest at different rates in the same interest period. All such information (except the method of calculation) will be set out in the relevant Final Terms.
Fixed Rate Covered Bonds:	Fixed interest will be payable in arrears on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Covered	

Bonds:

Floating Rate Covered Bonds will bear interest determined separately for each Series as follows:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, INC., and as amended and updated as at the issue date of the first Tranche of the Covered Bonds of the relevant Series, or

(b) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service which shall be either EURIBOR, LIBOR, EUR-CMS or any reference rate that might replace them, or, if "*Benchmark Replacement*" is specified as applicable in the relevant Final Terms, any successor rate or any alternative rate.

in each case plus or minus any applicable margin, if any, and calculated and payable as indicated in the applicable Final Terms. Floating Rate Covered Bonds may also have a maximum rate of interest, a minimum rate of interest or both.

For the avoidance of doubt, the minimum rate of interest shall not be, in any case, lower than zero.

Fixed/Floating Rate Covered Bonds:

Fixed/Floating Rate Covered Bonds are Covered Bonds for which a change of interest basis is specified to be applicable in the relevant Final Terms.

Zero Coupon Covered Bonds:

Zero Coupon Covered Bonds may be issued at their nominal amount or at a discount to it and will not bear interest.

Form of Covered Bonds:

French law Covered Bonds

French law Covered Bonds may be issued in either dematerialised form ("**Dematerialised Covered Bonds**") or materialised form ("**Materialised Covered Bonds**").

Dematerialised Covered Bonds may, at the option of the Issuer, be issued in bearer form (*au porteur*) or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant holder, in either fully registered form (*au nominatif pur*) or administered form (*au nominatif administré*). No physical documents of title will be issued in respect of Dematerialised Covered Bonds.

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

German law Covered Bonds

German law Covered Bonds will be issued in materialised registered form.

Representation of French law Bondholders:

French law 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 a separate legal entity and will act in part through a representative (the "**Representative**") and in part through collective decisions of the French Law Bondholders.

Governing Law:

French law Covered Bonds will be governed by, and construed in accordance with, French law.

The Issuer may from time to time issue German law Covered Bonds governed by, and construed in accordance with, German law (except for the *Privilège,* which will be governed by French law). The form of terms and conditions of the German law Covered Bonds is contained in the Agency Agreement.

The French law Covered Bonds and German law Covered Bonds will benefit from the same security and rights.

Central Depositary:

Euroclear France in respect of Dematerialised Covered Bonds.

Clearing Systems:

Euroclear France as central depositary in relation to Dematerialised Covered Bonds and, in relation to Materialised Covered Bonds, Clearstream and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s).

Initial Delivery of Dematerialised Covered Bonds:

At least one (1) Paris business day before the issue date of each Tranche of Dematerialised Covered Bonds, the *Lettre comptable* relating to such Tranche shall be deposited with Euroclear France as Central Depositary.

Initial Delivery of Materialised Covered Bonds:

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

Issue Price:

Covered Bonds may be issued at their nominal amount or at a discount or premium to their nominal amount. The issue price of

	the Covered Bonds will be specified in the relevant Final Terms.
Listing and Admission to Trading on a regulated market:	As specified in the relevant Final Terms, (i) application may be made for a Series of French law Covered Bonds to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and/or any other Regulated Market in accordance with the Prospectus Regulation and/or any other market and (ii) a Series of Covered Bonds may be unlisted. The German law Covered Bonds will not be admitted to trading.
Rating:	Covered Bonds issued under the Programme are expected on issue to be rated AAA by Fitch Ratings Ireland Limited ("**Fitch**") and Aaa by Moody's France S.A.S ("**Moody's**" and, together with Fitch, the "**Rating Agencies**"). The ratings of the Covered Bonds will be specified in the relevant Final Terms. As of the date of this Base Prospectus, each of the Rating Agencies is established in the European Union and registered under Regulation (EU) no. 1060/2009 as amended by Regulation (EU) no. 513/2011, as amended (the "**CRA Regulation**") and is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency.
Selling Restrictions:	There are restrictions on the offer and sale of Covered Bonds and the distribution of offering material in various jurisdictions. In connection with the offering and sale of a particular Tranche of any particular Series, additional selling restrictions may be imposed in the relevant supplement to the Base Prospectus (see section "**Subscription and sale**"). The Issuer is Category 1 for the purposes of Regulation S under the United States Securities Act. Materialised Covered Bonds will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) or any successor regulation issued under the U.S. Internal Revenue Code of 1986 as amended (the "**Code**") section 4701(b) that contains rules identical to the rules that currently apply under Code section 163(f)(2)(B) (the "**D Rules**") unless (i) the relevant Final Terms states that such Materialised Covered Bonds are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) or any successor regulation issued under Code section 4701(b) that contains rules identical to the rules that currently apply under Code section 163(f)(2)(B) (the "**C Rules**") or (ii) such Materialised Covered Bonds are issued other than in compliance

with the D Rules or the C Rules but in circumstances in which the Covered Bonds will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

The relevant Final Terms will specify whether TEFRA Rules are applicable and, in this case, if TEFRA C or D are applicable.

3. GENERAL INFORMATION

General Information: Copies of this Base Prospectus and various other documents are available free of charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the registered office of the Issuer.

RISK FACTORS

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Covered Bonds issued under the Programme. The Issuer believes that the following factors may affect its ability to fulfil its obligations related to Covered Bonds issued under the Programme. Most of these factors are contingencies which may or may not occur.

Factors which the Issuer believes are specific to the Covered Bonds and material for an informed investment decision with respect to investing in the Covered Bonds issued under the Programme are described below. In each category below the Issuer sets out the most material risks (in descending order of importance), taking into account the negative impact of such risks and the probability of their occurrence. Additional risks and uncertainties, not included in the risk factors below, which, on the date of this Base Prospectus, are not known by the Issuer or are considered to be not material nor specific, may have a significant impact on the Issuer, its activities, its financial condition or the Covered Bonds.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents deemed to be incorporated by reference herein) and make their own opinion about risk factors prior to making any investment decision. Investors should in particular conduct their own analysis and evaluation of the risks relating to the Issuer, its financial condition and the Covered Bonds and consult their own financial or legal advisers about risks associated with the investment in a particular Series of Covered Bonds and the suitability of investing in the Covered Bonds in light of their particular circumstances.

The Issuer considers that the Covered Bonds shall only be purchased by investors who are (or are advised by) financial institutions or other professional investors who have sufficient knowledge and experience to appropriately evaluate the risks associated with the Covered Bonds.

Words and expressions defined elsewhere in this Base Prospectus have the same meanings when used below.

1. RISKS RELATED TO THE ISSUER

1.1 Risks related to the Issuer's activity and operations

Limited resources available to the Issuer

In the absence of any Borrower Event of Default, the Issuer's ability to meet its obligations under the Covered Bonds will depend on the amount of scheduled principal and interest paid by the Borrower under the Borrower Facility Agreement and the timing thereof and/or, as applicable, the amounts received under hedging agreement(s) (if any) and/or the proceeds generated by Permitted Investments, (as defined in section "**Material Contracts**" of this Base Prospectus) and/or the available amount under the Share Capital Proceeds Account and/or payments proceeds under Legal Substitution Assets. As of the date of this Base Prospectus, Crédit Mutuel Arkéa's long-term credit ratings are Aa3 by Moody's France S.A.S and A by Fitch France S.A.S. and Crédit Mutuel Arkéa's short-term credit ratings are P-1 by Moody's France S.A.S and F1 by Fitch France S.A.S.

Pursuant to the Cash Collateral Agreement, the Issuer will benefit from any Cash Collateral to be provided by the Cash Collateral Provider under the circumstances described under the Cash Collateral Agreement.

Upon the occurrence of a Borrower Event of Default and enforcement of the Collateral Security granted by the Collateral Providers, and without prejudice to any other unsecured recourse the Issuer may have under the Secured Liabilities, the Issuer's ability to meet its obligations under all the

Covered Bonds will depend on the revenue proceeds from the Collateral Security Assets granted by the Collateral Providers which would have been enforced in favour of the Issuer (meaning the amount of principal and interest paid directly to the Issuer by the relevant debtors under the Home Loan receivables which would have been transferred to the Issuer upon enforcement of such Collateral Security or the price or value of such Home Loan receivables and related Home Loan Security upon the sale or refinancing thereof by the Issuer) and/or, as applicable the amounts received under hedging agreement(s) (if any), and/or the revenue proceeds generated by Permitted Investments, and/or the amount of any Cash Collateral provided by the Cash Collateral Provider under the Cash Collateral Agreement, and/or the available amount under the Share Capital Proceeds Account, and/or payments proceeds under Legal Substitution Assets.

If such amounts are not sufficient for the Issuer to meet its obligations under the Covered Bonds, the Issuer will not have any further source of funds available other than the recourse the Issuer has under the Secured Liabilities until such Secured Liabilities are repaid in full.

The occurrence for whatever reason of an Issuer Event of Default will not automatically trigger the cross occurrence of a Borrower Event of Default, and the Issuer will in the absence of a Borrower Event of Default be unable to enforce the Collateral Security in order to cure such Issuer Event of Default. Therefore, notwithstanding the occurrence of such an Issuer Event of Default while no Borrower Event of Default shall have occurred, the Issuer's ability to meet its obligations under the Covered Bonds might be materially adversely affected and will continue to depend only on the amount of scheduled principal and interest paid by the Borrower under the Borrower Facility Agreement and the timing thereof and/or, as applicable, the amounts received under the hedging agreement(s) (if any) and/or the revenue proceeds generated by Permitted Investments and/or any Cash Collateral and/or the available amount under the Share Capital Proceeds Account and/or payments proceed under Legal Substitution Assets. As a result, Bondholders could lose all or a substantial part of their investment in the Covered Bonds.

Issuer's sole liability under the Covered Bonds

The Issuer is the only entity with the obligation to pay principal and interest with respect to the Covered Bonds. The Covered Bonds are not and will not be the obligation or responsibility of any other entity, including (but not limited to) Crédit Mutuel Arkéa (in any capacity, but in particular in its capacity as Borrower, Administrator, Issuer Calculation Agent, Cash Collateral Provider or Collateral Security Agent), the Collateral Providers, the Dealer(s), the Representative, the Paying Agents, the Asset Monitor, any counterparty to any hedging agreement(s) entered into by the Issuer (if any) or any company in the same group of companies as any of the foregoing entities, or the shareholders, directors or agents of any company in the same group of companies as the foregoing entities. In the case of a Borrower Event of Default, there can be no assurance that the Collateral Security Assets will be sufficient to pay in full the amounts payable under the Covered Bonds, which may adversely affect the Issuer's ability to meet its obligations under the Covered Bonds. As a result, Bondholders could lose all or a substantial part of their investment in the Covered Bonds.

The Issuer relies on Crédit Mutuel Arkéa and any entity of the Crédit Mutuel Arkéa Group or their respective successors acting in several capacities for the Issuer

The Issuer has entered into a number of agreements with Crédit Mutuel Arkéa and other entities of the Crédit Mutuel Arkéa Group, who has agreed to perform services for the Issuer. In particular, but without limitation:

- Crédit Mutuel Arkéa has been appointed as Administrator to provide the Issuer with necessary advice, assistance and know-how, whether technical or otherwise in connection with the day to day management and corporate administration of the Issuer and to ensure that the Issuer exercises each of its rights and perform each of its obligations under the Programme Documents;

- Crédit Mutuel Arkéa has been appointed as Issuer Calculation Agent to make calculations as provided under the Programme Documents and in particular to make calculations relating to the Asset Cover, the Legal Liquidity Reserve and the Amortisation Test;

- the Issuer has entered into the Collateral Security Agreement with Crédit Mutuel Arkéa (as Collateral Security Agent and Collateral Provider) and the entities of the Crédit Mutuel Arkéa Group (as Collateral Providers), who have agreed to administer and monitor the Collateral Security Assets and/or the Collateral Security;

- the Issuer has entered into the Cash Collateral Agreement with Crédit Mutuel Arkéa (as Cash Collateral Provider), who has agreed to provide cash collateral to the Issuer upon certain rating trigger events occurring.

Under the relevant Programme Documents, the Issuer may in certain circumstances terminate the appointment of Crédit Mutuel Arkéa or any other entity of the Crédit Mutuel Arkéa Group that may be appointed (such termination not being effective until a substitute entity with the required rating shall have replaced Crédit Mutuel Arkéa or the relevant entity of the Crédit Mutuel Arkéa Group (as applicable), in which case the transfer of the function to an entity outside the Crédit Mutuel Arkéa Group may result in delays, increased costs and/or losses in collection of sums due to the Issuer under its assets, could create operational and administrative difficulties for the Issuer, and could adversely affect its ability to perform its obligations under the Covered Bonds. Therefore, the Issuer may be unable to pay to the Bondholders the full principal amount of their Covered Bonds and the full interest due on the Covered Bonds.

In addition, if the Collateral Providers and/or the Collateral Security Agent fail to adequately administer the Collateral Security Assets and/or the Collateral Security, this may lead to diminished value of the Collateral Security or any part thereof, and in turn, the ability of the Issuer to make payments under the Covered Bonds.

Failure of Crédit Mutuel Arkéa to provide cash collateral where required under the Cash Collateral Agreement may adversely affect the Issuers' ability to perform its obligations under the Covered Bonds.

Substitution risk

In the event of a downgrading of the short-term and/or long-term debt of or certain other parties to the Programme Documents which triggers the need for a substitution, or if under certain other circumstances the substitution of Crédit Mutuel Arkéa is appropriate pursuant to the terms of the Programme Documents, no assurance can be given that a substitute entity will be found.

In particular, if there is a downgrading of the long-term debt of Crédit Mutuel Arkéa or its successors, as the Administrator, or another termination event of its appointment occurs pursuant to the terms of the Administrative Agreement, the Issuer will be entitled to terminate the appointment of the Administrator and appoint a new administrator in its place. There can be no assurance that a substitute administrator with sufficient experience would be found and would be willing and able to serve on the same or similar terms found in the Administrative Agreement. In particular, upon the occurrence of any Borrower Event of Default and the subsequent enforcement of the Collateral Security and the transfer to the Issuer of the Collateral Security Assets, there can be no assurance that a substitute administrator with sufficient experience of servicing such transferred Collateral Security Assets could be found who would be willing and able to serve on the same or similar terms found in the Administrative Agreement. The ability of a substitute administrator to perform the required services fully would depend, among other things, on the information, software and records available at the time of the appointment. No Administrator has (nor will have, as applicable) any obligation itself to advance payments that the Borrower fails to make in a timely manner. The Representative is not obliged under any circumstance to act as an Administrator or to monitor the proper performance of

obligations by any Administrator. Any delay or inability to appoint a substitute administrator may affect the realisable value of the Collateral Security Assets or any part thereof, and/or the ability of the Issuer to make payments under the Covered Bonds. As a result, Bondholders could lose all or a substantial part of their investment in the Covered Bonds.

Modification, alteration or amendment of the Programme Documents without Bondholder prior consent

Subject to the qualifications described in the relevant Programme Document(s) to which it is a party, the Issuer may, with prior Rating Affirmation and without the prior consent or sanction of any of the Bondholders, concur with any person in making or sanctioning any modifications, alterations or supplements to any Programme Document to which it is a party. Such modifications, alterations or supplements may materially and adversely affect the interest of the Issuer or the Bondholders but shall be made with prior Rating Affirmation.

Subject to the qualifications described in the relevant Programme Document(s) to which it is a party, the Issuer may, without prior Rating Affirmation and without the prior consent or sanction of any of the Bondholders, concur with any person in making or sanctioning any modifications, alterations or supplements to any Programme Document to which it is a party if such modification, alteration or supplement is:

- to cure any ambiguity, omission, defect or inconsistency in the relevant Programme Document;

- to evidence or effect the transition of any party to a Programme Document to which it is a party to any successor;

- to add to the undertakings and other obligations of any party (except the Issuer) under a Programme Document to which it is a party; or

- to comply with any mandatory requirements of applicable laws and regulations.

Therefore, the rights of the Bondholders may negatively affected as they may be bound by changes to which they have not agreed.

Interest and currency risks

According to Article 12 of the Regulation (*réglement*) no. 99-10 dated 9 July 1999, as amended, issued by the *Comité de la Réglementation Bancaire et Financière* (Banking and Financial Regulation Committee) ("**CRBF Regulation**"), the Issuer shall dispose of a system for measuring overall interest rate risks under the conditions set forth in Articles 134 to 139 of the *arrêté* dated 3 November 2014 relating to the internal control of credit institutions, payment services and investment services subject to the supervision of the *Autorité de contrôle prudentiel et de résolution*. The level of rate and maturity matching between the assets and the liabilities of the Issuer shall be verified by the Specific Controller.

Each Borrower Advance granted by the Issuer to the benefit of the Borrower under the Borrower Facility Agreement shall be made available in the same Specified Currency and according to the same interest conditions to those applicable to the Covered Bonds funding such Borrower Advance. As a consequence, as long as a Borrower Event of Default has not occurred, the Issuer shall not be exposed to any currency and interest risk regarding the Borrower Advances and the Covered Bonds.

There is no assurance that the Home Loan receivables that are part of the Collateral Security bear interest by way of the same conditions as those of the Covered Bonds and are denominated in the same currency as the Covered Bonds. Upon the occurrence of a Borrower Event of Default and the

enforcement of the Collateral Security, Home Loan receivables and related Home Loans Security will be transferred to the Issuer. In order to hedge any interest rate or currency risk, the Issuer shall enter into any hedging agreement(s) or put in place any other coverage mechanism(s) such as without limitation, overcollateralisation, cash reserve, or selection rules for the Home Loan receivables.

On the date of this Base Prospectus, potential interest risk is covered by an overcollateralisation between the Collateral Security Assets and the Covered Bonds. Any delay or inability to enter into hedging agreements may negatively affect the ability of the Issuer to make payments under the Covered Bonds.

Liquidity risk

The Issuer is legally bound to ensure at any time adequate coverage of its liquidity needs for a 180 calendar days period by any of the assets set on in Article R. 513-7 of the French Monetary and Financial Code (*Code monétaire et financier*) (see section "**Summary of the SFH Legal Framework - Liquidity needs coverage**"). Pursuant to Article R. 513-7 of the French Monetary and Financial Code (*Code monétaire et financier*), the assessment of the Issuer's liquidity needs must be made by taking into account expected principal and interests inflows due to the Issuer under the Collateral Security Assets and net flows under hedging agreement(s) (if any).

Any such liquidity needs must be covered by the Issuer with eligible Legal Substitution Assets or with assets that are eligible as collateral to the credit transactions (*opérations de crédit*) of the Banque de France in accordance with the monetary policy and intra-day credit operations rules of the Eurosystem. The Issuer may also benefit from additional contractual undertakings, such as, at the date of this Base Prospectus, an obligation of the Cash Collateral Provider to fund a Cash Collateral into the credit of the Cash Collateral Account in the conditions described in sections "**Material Contracts**", "**Asset Monitoring - The Legal Liquidity Reserve**" and "**Asset Monitoring - The Pre-Maturity Test**".

If the Issuer is not able to cover its liquidity needs with any of the tools and instruments legally and contractually available to it, the Issuer would still be allowed to subscribe for its own *obligations de financement de l'habitat*, within the limit of ten (10) per cent. of the total outstanding amount (*encours total*) of the resources benefiting from the Privilège as at the date of their subscription, for the sole purpose of granting them as collateral to credit transactions (*opérations de crédit*) of the Banque de France in accordance with the provisions of Article L. 513-26 of the French Monetary and Financial Code (*Code monétaire et financier*) (see section "**Summary of the SFH Legal Framework - Subscription by the *société de financement de l'habitat* of its own *obligations de financement de l'habitat* as eligible collateral with the Banque de France**").

In addition, pursuant to the Regulation (*réglement*) no. 99-10 dated 9 July 1999, as amended, issued by the CRBF Regulation, the Issuer must ensure that the average life of its assets does not exceed a certain duration the average life of its liabilities benefiting from the *Privilège* (see section "**Summary of the SFH Legal Framework - Liquidity needs coverage**").

In any case, if the Issuer is not able to cover its liquidity needs, the Issuer's ability to make payments under the Covered Bonds may be negatively affected.

1.2 Risks related to the Borrower

Borrower's ability to pay under the Borrower Facility Agreement

Neither the Issuer, the Borrower nor any other party to the Programme Documents (other than upon certain circumstances, the Cash Collateral Provider and without prejudice to the Collateral Security granted by the Collateral Providers) guarantees or warrants the full and timely payment by the

Borrower of any sums of principal or interest payable under the Borrower Advances, being part of the Issuer assets.

Should the Borrower be subject to any applicable insolvency proceedings (including, the procedures of safeguard, moratorium, suspension of payments, controlled management, liquidation or similar insolvency proceedings), this would impair the ability of the Issuer to claim against the Borrower to obtain timely payment of amounts of principal and interest due and payable under the Borrower Advances.

However in such event, the Issuer would be entitled to accelerate the payment of such amounts and then immediately enforce the Collateral Security or the Cash Collateral (including upon and following the commencement of insolvency proceedings against the Cash Collateral Provider and/or the Collateral Providers).

In any case, the Issuer may not receive sufficient funds and as a result its ability to make payments under the Covered Bonds may be materially adversely affected.

Credit rating of the Covered Bonds may be affected by various factors

In the rating agencies' methodologies, the credit rating of a covered bond program is linked to the credit rating attributed to the issuer's parent. The rating criteria for the Issuer include both the financial health of its parent, Crédit Mutuel Arkéa, as well as the strength of the support which is granted by the entities of the Crédit Mutuel Arkéa Group as Collateral Providers by way of the Collateral Security and various other structural features such as any Cash Collateral that aim to achieve a de-linkage between the rating of Crédit Mutuel Arkéa and the rating of the Covered Bonds. Nevertheless, if the Collateral Security and the other support granted to the Issuer prove insufficient or fail to be granted to the Issuer in accordance with the Programme Documents, decreases in the credit rating of Crédit Mutuel Arkéa may cause a decrease in the credit rating of the Covered Bonds. Furthermore, failure to meet any overcollateralisation requirement required by the Rating Agencies may result not only in the occurrence of a Borrower Event of Default but also in a downgrade of the rating assigned to the Covered Bonds.

If the credit rating of the Covered Bonds were reduced due to these factors, such downgrade may adversely affect the value of the outstanding Covered Bonds, increase the Issuer's cost of borrowing and adversely affect the Issuer's ability to issue new Covered Bonds.

Risk relating to the disaffiliation of Crédit Mutuel Arkéa Group from the Crédit Mutuel

A. Change in the organization of the main players involved in the public stock ownership offering

1) A cooperative banking group independent from the Crédit Mutuel

Crédit Mutuel Arkéa's Board of Directors, held on 17 January 2018, mandated its managers to take any action that would enable Crédit Mutuel Arkéa to become a cooperative banking group independent from the rest of Crédit Mutuel, in order to pursue its original development strategy based on three strengths: its territorial anchoring, its culture of innovation and its intermediate size.

The directors of the local banks and Federations of Crédit Mutuel de Bretagne, du Sud-Ouest and du Massif Central were invited to vote during the first half of 2018 in an orientation vote. At the end of the consultation process initiated by the local banks of the Crédit Mutuel Arkéa Group and the holding of the Federations' Boards of Directors, the Crédit Mutuel Arkéa Group has officialized the results of the votes of the 307 local banks that were cast. 94.5% of these local banks voted in favour of the proposed independence of Crédit Mutuel Arkéa, which will thus become a cooperative and territorial group, independent from the rest of Crédit Mutuel. This vote acknowledges the Crédit Mutuel Arkéa

Group's desire to withdraw from the Crédit Mutuel group and makes it possible to initiate the project aimed at defining the terms and conditions of its disaffiliation in the context of the general decision (the "**DCG**") No1-2019, relating to the disaffiliation of the Crédit Mutuel branches at their request.

This project aims to preserve the fundamental characteristics of the cooperative model and the raison d'êtreof the Crédit Mutuel Arkéa Group. It is also a development driver and will enable the Crédit Mutuel Arkéa Group to continue to serve its members, customers and partners**.**

2) *Operational implementation of disaffiliation*

The Crédit Mutuel Arkéa Group has begun the operational implementation of its disaffiliation. The Board of Directors of Crédit Mutuel Arkéa, on 29 June 2018, approved the target organisation plan for the future independent group and called on the local banks to give their opinion on the implementation of this plan. Work to define the detailed technical details of the project has been under way for several months and discussions are underway with the supervisory authorities.

The disaffiliation operations will then be initiated in conjunction with the Confédération Nationale du Crédit Mutuel(the "CNCM"), within the limits of the powers attributed to it by law.

On 18 February 2019, CNCM's Board of Directors recognised the possibility of leaving the Crédit Mutuel group by adopting DCG n°1-2019, relating to the disaffiliation of the Crédit Mutuel branches at their request. In this context, the Crédit Mutuel Arkéa Group wishes to withdraw from the Crédit Mutuel group.

In accordance with the DCG I, the main stages of disaffiliation are as follows:

(i) The Boards of Directors of the local banks of the Crédit Mutuel Arkéa Group wishing to disaffiliate from the Crédit Mutuel group will have to adopt a notification file of the planned disaffiliation. The Boards of Directors of the local banks will be consulted following the conclusion of ongoing discussions with the ECB and the ACPR on the basis of a consultation file;

(ii) Each Federation must then notify the CNCM of the planned disaffiliation of each local banks;

(iii) Once authorised by the CNCM Board of Directors within two months of receiving the proposed disaffiliation, each Federation may organise a consultation of the members of each local banks meeting in an extraordinary general meeting. The disaffiliation project must be adopted by a two-thirds majority of the members present or represented;

(iv) In the event of approval of the proposed disaffiliation by the members, the CNCM Board of Directors shall rule on the request for disaffiliation within two months of receipt of the complete file transmitted by the federations. In particular, a memorandum of understanding between the outgoing local banks and the CNCM setting out the commitments of the mutuals and the practical procedures for their disaffiliation must be concluded.

3) The Crédit Mutuel Arkéa Group's target scheme

Under the draft target scheme, the Crédit Mutuel Arkéa Group will be formed around Arkéa (currently Crédit Mutuel Arkéa), a cooperative limited company with variable capital and a union of cooperatives, which will remain individually licensed as a cooperative bank.

Arkéa will in particular be governed by Act 47-1775 of 10 September 1947 on the status of cooperation (the "**1947 Act**") and Article L. 512-1 of the French Monetary and Financial Code.

The local banks would take the form of Local Cooperatives (the "**LCs**") and would no longer be credit institutions. The local banks will retain their status as cooperative companies with variable capital, and will continue to constitute among themselves the union of Arkéa cooperatives, pursuant to the 1947 Law. The purpose of the new LCs will be refocused on their primary *raison d'être* : to develop membership and facilitate access to banking, financial and insurance services. They will be in charge of supporting and promoting membership as part of their regional outreach.

To this end, all the regulated financial activities of the local banks will be transferred to Arkéa, which will accordingly open local branches within the LCs. In addition, as part of this new organization, all banking and investment services will then be carried out by Arkéa's local branch, which will be opened on the same premises as those of LC.

Each LC will also be able to advise its local Arkéa branch to provide banking, financial and insurance services tailored to its members.

In accordance with the 1947 Law, each member will continue to participate in the social life of the LC according to the principle of "one person, one vote" and to stand as a candidate for the election of the members of the Board of Directors of his LC. LCs will continue to hold the A shares issued by Arkéa. In other words, Arkéa's governance will be based on the involvement and participation of each LC playing its role as shareholder.

In addition, a cooperation pact between all LCs and Arkéa will be concluded for a period of 99 years with a view to implementing solidarity, mutual aid and support mechanisms to help LCs fulfil their primary mission, i.e. to promote access to banking, financial and insurance services for all.

Regional federations will ensure the smooth running and good governance of the LCs.

A share issuance scheme is currently under discussion with the ACPR and the ECB. In this respect, it is specified that the work in progress favours a scheme in which Arkéa's shares would be issued by Arkéa itself. In any event, the proposed plan will be submitted to the authorities beforehand.

B. Risks relating to the complexity of the context and risks linked to the disaffiliation of the Arkéa Group from the Crédit Mutuel group

Crédit Mutuel Arkéa considers that the factors described below could affect the implementation of the disaffiliation of the Arkéa Group from the Crédit Mutuel group. They are linked to events that may or may not occur. Their probability of occurrence and their extent in the event of occurrence are assessed by Crédit Mutuel Arkéa for each risk factor.

The disaffiliation project as envisaged by Crédit Mutuel Arkéa is unprecedented and complex to carry out. Investors' attention is drawn to the complexity of the situation linked to the plan to disaffiliate the Arkéa Group from the Crédit Mutuel group and to the uncertainties and risks involved. This complexity relates in particular, but not exclusively, to the accounting and prudential consolidation mechanisms which will have to be implemented and which are intended to determine the scope of supervision of the Crédit Mutuel Arkéa Group by the supervisory authorities once it is no longer part of the Crédit Mutuel.

Because of its novel and complex nature, the disaffiliation project presupposes, for its implementation, that conditions are met, in particular with regard to the various stages described in the paragraph on the operational implementation of disaffiliation.

Prior to any investment decision, potential investors should conduct an in-depth analysis of the disaffiliation project, of the Crédit Mutuel Arkéa Group's target organizational structure as described above and of the related uncertainties and risks, as described below. In particular, investors should carefully review all the information included in this document and, in particular, when making their

investment decision, should consider the risk factors related to the change in the organization of the main players in the shares and the risks related to the disaffiliation of the Crédit Mutuel Arkéa Group from the Crédit Mutuel listed in this document.

The implementation of the Crédit Mutuel Arkéa Group's disaffiliation will not alter its nature as a cooperative and territorial group. However, its disaffiliation from the Crédit Mutuel group has consequences which may be difficult for the investor to grasp but which must be understood and analysed before taking any investment decision. Because of its unprecedented nature, Crédit Mutuel Arkéa cannot guarantee that the project will be carried through to completion, that it will not have to be subject to major changes compared with what was initially planned or that new difficulties will not emerge during its implementation.

1) *Risks related to the local banks*

> Uncertainties regarding the shares issued by the local banks before the Crédit Mutuel Arkéa Group's disaffiliation from the Crédit Mutuel group

The analysis carried out by Crédit Mutuel Arkéa of the implementation of the disaffiliation of the Crédit Mutuel Arkéa Group from the Crédit Mutuel has confirmed that, in the planned target scheme, the A, B and C shares issued by the local banks to date will not be affected.Indeed, the cases of early redemption based on a legal basis applicable to A, B and C shares result from (i) the 1947 Law and (ii) EU Regulation (EU) No 575/2013 of 26 June 2013, as amended in view of the capital quality of the shares. These texts do not include any case of early redemption relating to the loss of the local banks banking license or change of purpose as long as thecooperative status remains.Similarly, the contractual terms and conditions of the A, B and C shares do not include any case of early redemption relating to the loss of the local banks approval.The risk is therefore low, in the planned target scheme, that the shares issued by the local banks before the Crédit Mutuel Arkéa Group's disaffiliation from the Crédit Mutuel will be affected.

>Uncertainties regarding the implementation of a new share issue scheme following the disaffiliation of the Crédit Mutuel Arkéa Group from the Crédit Mutuel

The disaffiliation of the local banks from Crédit Mutuel will entail the loss of the benefit of the collective banking licence granted under the conditions of Article R.511-3 of the French Monetary and Financial Code, which will have an impact on their ability to issue, in the future, B shares by way of a public offer.To date, these B shares are a key source of financing for Crédit Mutuel Arkéa. A share issue plan is currently being discussed with the ACPR and the ECB. In this respect, it is specified that the work in progress favours a scheme in which Arkéa's shares would be issued by Arkéa itself. In any event, the proposed plan will be submitted to the authorities beforehand.

It is therefore possible that the Crédit Mutuel Arkéa Group will not obtain the agreement of the authorities, which could prevent the disaffiliation project from being carried out in accordance with the planned target scheme.

>Risks related to the fate of the local banks that voted against the disaffiliation project

In the context of the DCG, the operational implementation of the disaffiliation of the Crédit Mutuel Arkéa Group remains subject to the approval and vote of the Boards of Directors of the local banks, as the disaffiliation of Crédit Mutuel Arkéa (the Crédit Mutuel Arkéa Group's inter-federal bank) does not automatically result in the disaffiliation of the local banks that are shareholders of the Crédit Mutuel Arkéa Group.

The local banks that vote against the disaffiliation from the Crédit Mutuel, or do not wish to participate in the vote, may not be part of this new organisation.

Even if 94,5 % of the local banks that voted in 2018 did so in favour of independence, these results do not in any way prejudge the results of the future vote of the local banks on the operational implementation of this disaffiliation from the Crédit Mutuel group.

Each local bank will be called upon to decide on the implementation phase of the disaffiliation of the Crédit Mutuel Arkéa Group in order to approve the disaffiliation project, the terms and conditions of disaffiliation and the filing of a disaffiliation request by the Federation concerned, in accordance with the DCG.

Local banks that choose to vote against disaffiliation may join another federal or inter-federal fund in order to benefit from a new collective agreement. This new affiliation will not constitute a case of early redemption of the A, B and C shares held by the members. These local banks will be reimbursed for the A shares they hold in the share capital of Crédit Mutuel Arkéa.

It is possible that some local banks may ultimately choose to vote against the disaffiliation from the Crédit Mutuel. However, the financial consequences for the Crédit Mutuel Arkéa Group will depend on the number and characteristics (shares, reserves, loans, deposits) of the local banks that choose to vote against the disaffiliation. On the basis of the orientation vote in April 2018, the impact of this exit on the Crédit Mutuel Arkéa Group would be low.

>Risks related to the final vote of the members

The local banks that vote for the disaffiliation of the Crédit Mutuel group will have to convene their extraordinary general meeting in order to adopt the disaffiliation project in accordance with the DCG and to approve the amendment of their articles of association relating thereto.

The vote of the members, which, in accordance with Article 2.3 of the DCG, may not take place less than two months after the CNCM's authorization to convene the extraordinary general meeting of the local banks concerned, shall relate to the express approval of the disaffiliation project, the terms of disaffiliation appearing in the notification file previously approved by the Boards of Directors of these local banks and its consequences, particularly financial, for these local banks and their members, in accordance with Appendix 2 of the DCG.

In accordance with Appendix 2 of the DCG, a presentation document summarising the main points of the notification file and the amendments to the Articles of Association shall be notified to the members at least fifteen (15) days before each extraordinary general meeting is held. The members will thus be able to decide on the basis of clear, precise and exhaustive information on the proposed disaffiliation and its consequences for their local banks, its members, its customers, its creditors, its employees and the entire Crédit Mutuel group, in accordance with the DCG.

The extraordinary general meeting of each local banks fund concerned must decide in favour of the request for disaffiliation by a two-thirds majority of the members present or represented, in accordance with Article 2.4 of the DCG.

In the event of disapproval by an extraordinary general meeting, the Federation concerned may not transmit a new request for disaffiliation from the local banks concerned before a period of three (3) years, in accordance with Article 2.3 of the DCG.

The results of the orientation vote on the Crédit Mutuel Arkéa Group's proposed independence in no way prejudges the results of the future vote of the local banks on the operational implementation of this disaffiliation from the Crédit Mutuel.

It is possible that the extraordinary general meetings of some local banks may not adopt the disaffiliation project and may not approve the amendment of their Articles of Association relating thereto. However, the financial consequences for the Crédit Mutuel Arkéa Group will depend on the

number and characteristics (shares, reserves, loans, deposits) of the local banks that choose to vote against the proposed disaffiliation and the amendment of their articles of association. On the basis of the orientation vote in April 2018, the impact of this exit on the Crédit Mutuel Arkéa Group would be low.

2) Risks related to the Crédit Mutuel Arkéa Group

Following the disaffiliation of the Crédit Mutuel Arkéa Group from the Crédit Mutuel, of which CNCM is the central body, Arkéa (currently Crédit Mutuel Arkéa) will still be authorised as a cooperative bank and supervised directly by the ACPR and the ECB.

>Risks related to the agreement of the supervisory authorities

In accordance with the provisions of the French Monetary and Financial Code, in conjunction with the disaffiliation of Crédit Mutuel Arkéa from the Crédit Mutuel, CNCM, as the central body, must notify ACPR of the disaffiliation of Crédit Mutuel Arkéa.

The ACPR and the ECB will have to review the banking licence of Crédit Mutuel Arkéa and the local banks attached to it.

At this stage, detailed and documented work is underway with these authorities to obtain their agreement. No assurance can be given as to whether their agreement will be obtained or as to the timing and modalities of obtaining their agreement. The change in Crédit Mutuel Arkéa's corporate name will require the prior approval of these authorities.

It is therefore possible that the Crédit Mutuel Arkéa Group will not obtain the agreement of the ACPR and the ECB, which could prevent the disaffiliation project from going ahead as planned.

>Risks related to prudential calculations

In addition, the disaffiliation of the Crédit Mutuel Arkéa Group from the Crédit Mutuel could lead to a change in the internal model for calculating weighted risks leading to an increase in capital requirements, or even a switch to a standard model.

At December 31, 2020, credit risk is determined for €119 billion of net risk exposures, of which:

-€77 billion of risk exposures are assessed using an internal ratings approach,

-€42 billion of risk exposures are already assessed using a standard approach.

As a result, the disaffiliation of the Crédit Mutuel group could lead to a review of the weighted risk assessment method for the €77 billion of credit risk exposures currently assessed using an internal rating approach, without calling into question the financial strength of the Crédit Mutuel Arkéa Group.

>Risks related to the practical arrangements for disaffiliation set by DCG

DCG stipulates that the notification file must mention 'the commitments proposed by the bank to compensate all past and future costs borne by the Crédit Mutuel group entities as a result of the planned disaffiliation'. In addition, the application file for disaffiliation which will be sent to CNCM by the Federations after the vote of the members of the local banks concerned who are affiliated to them must include the draft memorandum of understanding setting out the commitments of these local banks and the practical arrangements for disaffiliation.

Within this framework, the local banks will make a financial proposal to the CNCM Board of Directors based on objective and legally founded elements.

Lastly, the DCG provides that the Board of Directors of the CNCM must adopt the final terms of disaffiliation, 'taking into account, in particular, the effective date of disaffiliation of the fund concerned, the amount of the indemnity to be paid to the Caisse Centrale de Crédit Mutuel and the memorandum of understanding setting out the commitments of the local bank and the practical arrangements for disaffiliation'. The DCG does not specify either the methods of calculation of this compensation or its amount, which may in fine be significant, which Crédit Mutuel Arkéa could then contest.

Furthermore, in accordance with Article 2.4 of the DCG, in the event of a change in the legal or factual circumstances between the authorization given to the Federations to organize the vote of the members and the vote of approval of each extraordinary general meeting, or after the latter vote, the CNCM Board of Directors may ask the local banks and federations concerned for any useful additional information in order to "assess at short notice whether the essential conditions for disaffiliation are still met and the consequences of such a change for the Crédit Mutuel group in the event of disaffiliation" and "decide whether to follow up on the request for disaffiliation".

It is therefore possible that Crédit Mutuel Arkéa does not agree with CNCM on the practical arrangements for disaffiliation set by DCG, which could prevent the disaffiliation project from being carried out.

>Risks related to the commercial stakes of disaffiliation

The disaffiliation of the Crédit Mutuel Arkéa Group from the Crédit Mutuel has a number of consequences, in particular the commercial stakes involved in the adoption by Crédit Mutuel Arkéa of a name and trademarks that do not use the terms 'Crédit Mutuel'.

Furthermore, the possibility of opening up a large number of local banks in the territory of the Brittany and South-Western France Federations could increase competition with the Crédit Mutuel Arkéa Group in these two territories.

In any event, competition in the banking sector in France is strong. The Crédit Mutuel Arkéa Group considers that the intensification of competition in the context of its disaffiliation project will not affect its development capacities.

The preparatory work leading to the adoption of a new brand is being completed in order to initiate a new commercial and industrial dynamic.

It is therefore possible that the disaffiliation of Arkéa's Group from the Crédit Mutuel could have commercial impacts on the Crédit Mutuel Arkéa Group. However, the work in progress makes it possible to determine that the consequences of the occurrence of this risk are slight.

>Risks related to the governance of Crédit Mutuel Arkéa

The CNCM thus amended its Articles of Association by an extraordinary general meeting on 16 May 2018 (the "**Articles of Association**").

A new Article 29 relating to the sanctions that may be pronounced by the CNCM has been incorporated into the Articles of Association. This new Article 29 is accompanied by a disciplinary regulation which would have the same legal force as the statutes.

The regulatory measures referred to in the powers of the Board of Directors refer to the creation of a new Article 33 of the Articles of Association, entitled "Withdrawal of confidence or approval as a regulatory measure", allowing for the removal of the heads of the regional groups outside of any sanction procedure.

It is possible that these provisions of the Articles of Association will be implemented by the CNCM, as the potential negative impact on the Crédit Mutuel Arkéa Group can be assessed as significant.

>Risks related to potential litigation

Following the implementation of the disaffiliation of the Crédit Mutuel Arkéa Group from the Crédit Mutuel group, there is a risk of a legal challenge to the disaffiliation of the Crédit Mutuel Arkéa Group, in particular in the context of the application of the DCG.

In addition, the operational implementation of the disaffiliation of the Crédit Mutuel Arkéa Group could give rise to various claims or give rise to litigation against the Crédit Mutuel Arkéa Group by members, customers or counterparties of the Crédit Mutuel group.

Any litigation or claims thatmight be potentially broughtcould have a potentially significant negative impact on the Crédit Mutuel Arkéa Group.

>Risks related to the loss of inter-federal solidarity

As from the effective date of disaffiliation, Crédit Mutuel Arkéa will no longer benefit from the national inter-federal solidarity mechanism in the event of the Crédit Mutuel Arkéa Group becoming independent from Crédit Mutuel.

However, it is specified that Crédit Mutuel Arkéa has its own solidarity mechanism which would intervene in the first instance.

A cooperation pact between all LC and Arkéa will thus be concluded for a period of 99 years with a view to implementing solidarity, mutual aid and support mechanisms to help LC fulfil its primary mission, i.e. to promote access to banking, financial and insurance services for all.

The exit of Crédit Mutuel Arkéa from the national inter-federal solidarity mechanism could lead to the lowering of certain financial ratings of the Crédit Mutuel Arkéa Group. However, it should be noted that Fitch Ratings already assigns a rating to the Crédit Mutuel Arkéa Group independently of the Crédit Mutuel group, without taking account of this national inter-federal solidarity mechanism.

At this stage, there is no certainty as to how this situation could evolve and/or the timing of its outcome, or the impact it could have on the B Units.

1.3 Risks related to the Collateral Security Assets

Maintenance of value of the Collateral Security prior to or following enforcement thereof

If the collateral value of the Home Loan receivables granted as Collateral Security in favour of the Issuer pursuant to the Collateral Security Agreement has not been maintained in accordance with the terms of the Asset Cover Test or the Amortisation Test or the other provisions of the Programme Documents, the value of the relevant Collateral Security Assets or any part thereof (both before and after the occurrence of a Borrower Event of Default) or the price or value of such Home Loan receivables and related Home Loan Security upon the sale or refinancing thereof by the Issuer may be affected.

The value of the properties securing the Home Loans may decrease as a result of any number of factors, including the national or international economic climate, regional economic or housing conditions, changes in tax laws, mortgage interest rates, inflation, the availability of financing, yields on alternative investments, increasing utility costs and other day-to-day expenses, political developments and government policies. In addition, as the properties securing the Home Loans are predominantly located in France, the value of such properties may therefore decline in the event of a general downturn in the value of property in France.

In addition, with respect to any sale or refinancing of the Home Loan receivables granted as Collateral Security and the related Home Loan Security to third parties, the Issuer will not be permitted to give warranties or indemnities as to those assets. There is no assurance that representations or warranties previously given by the Collateral Providers with respect to such assets pursuant to the terms of the Collateral Security Agreement may benefit a third party purchaser of such assets upon sale or refinancing thereof by the Issuer. Accordingly, there is a risk that the price or value of such assets upon the sale or refinancing thereof by the Issuer be adversely affected by the lack of representations and warranties which in turn could adversely affect the ability of the Issuer to make payments when due under the relevant Series of Covered Bonds.

The materialisation of any of the foregoing factors could materially adversely affect the Issuer's business, financial condition, cash flows and results of operations, and may result in the Issuer having insufficient funds to meet its obligations under the Covered Bonds.

No prior notification to debtors under the Home Loan receivables granted as Collateral Security

The Collateral Security Agreement will provide that the Home Loan receivables, either governed by French law or by Belgian law, will be granted as Collateral Security without notification or information of the underlying debtors of the Home Loans. Such as under French law, in case of the transfer by way of security (*remise en pleine propriété à titre de garantie*) to the benefit of the Issuer of Home Loans governed by Belgian law, the Home Loans are transferred without the need for debtors' involvement.

Such debtors will only be notified if and when the relevant Collateral Security is enforced following the occurrence of a Borrower Event of Default and then title to the Home Loan receivables and related Home Loan Security has been transferred to the Issuer. Notification of such debtors will only be effected once, following such Borrower Event of Default, the relevant Collateral Security has been enforced. As long as no such notification has taken place, any payments made by any debtor under the relevant Home Loan receivables will continue to be validly made by such debtors to the relevant Collateral Provider, even though title to such Home Loan receivables would have been validly transferred to the Issuer upon enforcement of the relevant Collateral Security. Debtors may raise against the Issuer (or the Colalteral Security Agent) all rights and defences which existed against the Collateral Provider prior to notification of the assignment.

There is no guarantee that notification to the debtors under the relevant Home Loans will be made at the times mandated and there can be no guarantee or assurance as to the ability of the Issuer to obtain effective direct payment from the debtors under the relevant Home Loans in a sufficiently timely manner, all of which may affect payments under the Covered Bonds. In such circumstances, a shortfall in distributions of interest or repayment of principal to Bondholders may result.

Until notification to the debtors has been given informing them that insolvency proceedings have been opened against the Collateral Providers, a statutory stay of execution under mandatory rules of French insolvency law will prevent the Issuer from taking recourse against the Collateral Providers for repayment of collections received by the Collateral Providers under the relevant Home Loans which are commingled with other funds of the Collateral Providers.

1.4 Risk related to the Home Loans and related Home Loan Security

Debtors' ability to pay under the Home Loans

The debtors under the Home Loans are individuals having borrowed under the Home Loans in order to finance the acquisition of real estate property.

If following enforcement of the Collateral Security, the Issuer does not receive the full amount due from the debtors in respect of such Home Loans, this may affect the ability of the Issuer to make payments under the Covered Bonds.

The Issuer may therefore be exposed to the occurrence of credit risk in relation to the debtors under the Home Loans.

None of the Borrower, the Collateral Providers, the Issuer or any other party to the Programme Documents does guarantee or warrant full and timely payment by the debtors under the Home Loans of any sums payable under such Home Loans.

Furthermore, the French debtors under the Home Loans may benefit from the favourable legal and statutory provisions of the French Consumer Code (*Code de la consommation*), pursuant to which any individual may, under certain circumstances, and subject to certain conditions, request and obtain from a French specialized committee (*Commission de surendettement des particuliers*) a grace period, a reduction of the amount of all and any of its indebtedness and any interest relating thereto and, as the case may be, a full or partial extinguishment of its indebtedness against a credit institution.

The ability of a debtor under the Home Loans to make timely payment of amounts due under such Home Loans will mainly depend on his assets and his liabilities as well as his ability to generate sufficient income to make payments under the relevant Home Loans. His ability to generate income may be adversely affected by a large number of factors, some of which (i) relate specifically to the debtor himself (including but not limited to his age and health, employment situation, family situation, creditworthiness or expropriation) or (ii) are more general in nature (such as changes in governmental regulations, fiscal policy, etc.). As a result, the Issuer's ability to meet its obligations under the Covered Bonds may be materially adversely affected.

Set-off by debtors under French law

Set-off under French law can operate by statute (*compensation légale*) or be agreed by contract (*compensation contractuelle*) or be ordered by court (*compensation judiciaire*).

Statutory set-off operates as of right between two reciprocal debts (*dettes réciproques*) provided that such debts are, at the same time, fungible (*fongibles*), certain (*certaines*), liquid (*liquides*) as well as due and payable (*exigibles*). A contract or a court may expand statutory set-off possibilities where, with respect to two reciprocal and fungible debts, such debts are not at the same time certain, liquid and due and payable. In particular, set-off may not be refused by a court if requested between debts that are deemed mutual (*dettes connexes*) by contract or on an economic standpoint.

Since no provision under the Home Loan agreements expressly allows a debtor to expand statutory set-off possibilities nor expressly provides for a mutuality (*connexité*) between claims owed by a debtor to a Collateral Provider and claims that such debtor may have against such Collateral Provider under other contracts, such as a bank account or a deposit contract, etc. but, at the same time, no provision under the Home Loan agreements expressly provides for a waiver of set-off, a debtor under a Home Loan is entitled to invoke either (i) a statutory or a judicial set-off, or (ii) a set-off based on a mutuality of claims (*connexité*) should such mutuality be provided for by another contract than the Home Loan agreement or the global economic relationship which would exist between a debtor under a Home Loan and a Collateral Provider.

However, a set off such as referred to in (i) or (ii) above may become a risk for the Issuer under the sole circumstances where the Home Loan receivables would have been transferred to the Issuer following the enforcement of a Borrower Event of Default.

Following such transfer and as long as the debtors under the Home Loans would have not been notified of such transfer, the debtors would be entitled to invoke statutory and judicial set-off as if no

transfer had taken place. After notification of the transfer, a debtor under a Home Loan would still be entitled to invoke statutory set-off against the Issuer if prior to the notification of the transfer, the above mentioned conditions for statutory set-off were satisfied.

A set off between inter-related debts (*dettes connexes*) is available as of right. Inter-related debts (*dettes connexes*) mainly result from economic inter-relationship. In this latter case, mutuality of claims will be determined on a case by case basis, depending on the factual circumstances then existing. The most likely circumstances where set off would have to be considered are when counterclaims resulting from a current account relationship will allow a debtor to set off such counterclaims against sums due under a Home Loan. In this situation however, French case law stated that there was no mutuality of claims, notwithstanding that the installment under the home loan was to be paid by way of direct debit from the funds standing to the credit of the relevant current account since the parties did not intend to inter relate their current account relationship and the lending transaction on an economical standpoint.

As a result of the set-off of amounts due and payable by a debtor to the Borrower with amounts the Borrower owes in respect of the Home Loans, the Home Loans will, partially or fully, be extinguished. Such extinction may negatively affect the Issuer's ability to meet its obligations towards the Bondholders under the Covered Bonds.

Set-off by debtors under Belgian law

Notwithstanding the transfer by way of security (*remise en pleine propriété à titre de garantie*) by the Collateral Providers to the Issuer of the relevant Home Loan receivables governed by Belgian law, for so long as the Belgian debtors are not notified of such transfer, the Belgian debtors under such Home Loan receivables may be entitled, under certain conditions, to set-off the relevant Home Loan receivable against a claim they may have *vis-à-vis* the Collateral Providers.

Under Belgian law, set-off rights may continue to arise in respect of reciprocal claims between the debtor and the Collateral Providers, as soon as such reciprocal claims exist and are fungible, liquid (*vaststaand/liquide*) and payable (*opeisbaar/exigible*), potentially reducing amounts to be received by the Issuer under the Home Loan receivables which would have been validly transferred by way of security to the Issuer.

However, the provisions of the Belgian act of 3 August 2012 on various measures to facilitate the mobilization of receivables in the financial sector (*wet betreffende diverse maatregelen ter vergemakkelijking van de mobilisering van schuldvorderingen in de financiële sector / loi relative à des mesures diverses pour faciliter la mobilisation de créances dans le secteur financier*) as amended from time to time (the "**Belgian Mobilisation Act**") have reduced such risk. The Issuer will no longer be subject to set-off risk: (a) following notification of the transfer of the Home Loan receivable to the debtors (or acknowledgement thereof by the relevant debtors), to the extent the conditions for set-off are only satisfied after such notification (or acknowledgment); and (b) regardless of any notification or acknowledgement of the transfer, following the start of insolvency proceedings or the occurrence of a situation of concurrence of creditors (samenloop/concours) in relation to the Collateral Providers, to the extent the conditions for set-off are only satisfied following or as a result of such insolvency proceedings or concurrence of creditors.

Despite the foregoing, the Issuer's ability to make payments under the Covered Bonds may be negatively affected.

Defence of non-performance under Belgian law

Under Belgian law, a debtor may in certain circumstances in case of default of its creditor invoke the defence of non-performance, pursuant to which it would be entitled to suspend payment under its obligations until its counterparty has duly discharged its obligations due and payable to the debtor. The

exception of nonperformance is subject to various conditions, the most important ones being: (a) the debt in respect of which payment is suspended must be due and must be conditional upon payment of a debt owed by the other party; (b) the other party must have defaulted on its debt, in a material way; (c) the amount/value involved in the suspension must be in proportion to the amount/value of the default; (d) finally, there must be a close interrelationship between the two debts, typically such close interrelationship is accepted to exist where both debts arise under the same contract or otherwise are so closely interrelated that they are a part of a single transaction (as to the possible existence of closely interrelated debts (see "**Set-off by debtors under Belgian law**" above).

If all such conditions are met, the defence of non-performance may be invoked by a debtor in respect of a Home Loan receivable which could potentially reducing amounts to be received by the Issuer under the Home Loan receivables which would have been validly transferred to it.

However, pursuant to the Belgian Mobilisation Act, a debtor cannot invoke the defence of non performance (a) following notification of the sale or the transfer to the relevent debtors (or acknowledgement thereof by the relevant debtor), to the extent the conditions for defence of non-performance are only satisfied after such notification (or acknowledgment); and (b) regardless of any notification or acknowledgement of transfer, following the start of insolvency proceedings or the occurrence of a situation of concurrence of creditors (*samenloop/concours*) in relation to the Collateral Providers, to the extent the conditions for defence of non-performance are only satisfied following or as a result of such insolvency proceedings or concurrence of creditors.

Despite the foregoing, the Issuer's ability to make payments under the Covered Bonds may be negatively affected.

No independent investigation – representations and warranties

None of the Issuer, the Arranger, the Dealer(s), the Administrator or any other party to any Programme Document has undertaken or will undertake any investigations, searches or other due diligence regarding the Home Loans, the related Home Loan Security or as to the status and/or the creditworthiness of the debtors under the Home Loans. Each of them has relied solely on the representations and warranties given by the Collateral Providers under the Collateral Security Agreement.

If any breach of eligibility criteria relating to any Home Loan is material and (if capable of remedy) is not remedied, the Collateral Providers shall be required under the Collateral Security Agreement to provide sufficient eligible Home Loan receivables in order to maintain compliance with the Asset Cover Test.

Failure to maintain compliance with the Asset Cover Test and/or Minimum Overcollateralisation Ratio may result in the Issuer having insufficient funds to meet its obligations under the Covered Bonds. As a result, the Issuer's ability to make payments under the Covered Bonds may be negatively affected.

Changes to the lending criteria of the Collateral Providers

Each of the Home Loans originated by the Collateral Providers will have been originated in accordance with its lending criteria at the time of origination. It is expected that each Collateral Provider's lending criteria will generally consider type of financed property, term of loan, age of applicant, the loan-to-value ratio, status of applicants and credit history. One of the Home Loans Eligibility Criteria requires that, prior to the date upon which the Home Loan has been made available to the borrower thereof, all lending criteria and preconditions as applied by the originator of the Home Loan pursuant to its customary lending procedures were satisfied. Each of the Collateral Providers retains the right to revise its lending criteria from time to time.

If the lending criteria change in a manner that affects the creditworthiness of the Home Loans, that may lead to increased defaults by borrowers thereof and may affect the realisable value of the Collateral Security Assets or part thereof, and the ability of the Issuer to make payments under the Covered Bonds upon the service of a Borrower Enforcement Notice and then transfer of title to the Home Loan receivables and Home Loan Security in favour of the Issuer. As a result, the Issuer's ability to make payments under the Covered Bonds may be negatively affected.

Mortgage and other privilege

a) Mortgage Mandates (and similar rights) under Belgian law

Certains Home Loan may only be partly secured by a mortgage (meaning that the mortgage is for a lower amount than the initial loan amount).

Generally, the debtor of the relevant Home Loan governed by Belgian law may have granted a mortgage mandate (*hypothecair mandaat / mandate hypothécaire*) or a promise of mortgage (*hypothecair belofte / promesse d'hypothèque*). Neither a mortgage mandate nor a promise of mortgage constitutes an actual security which creates a priority right of payment out of the proceeds of a sale of the mortgaged property. The mortgage mandate is an irrevocable power of attorney granted by a borrower (or a third party provider) to certain attorneys enabling them to create a mortgage as security for the loan (a "**Mortgage Mandate**"), while a promise of mortgage is the mere contractual undertaking of a borrower (or a third party provider) to create a mortgage as security for the loan (a "**Promise of Mortgage**"). An effective mortgage will only become enforceable against third parties upon registration of such mortgage at the Mortgage Registration Office. The ranking of the mortgage is based on the date of registration. The registration is dated the day on which the mortgage deed pertaining to the creation of the Mortgage and the "registration extracts" (*borderellen*/*bordereaux*) are registered at the Mortgage Registration Office. When a Mortgage Mandate is converted into a Mortgage or a Mortgage is created further to the exercise of a Promise of Mortgage, stamp duties (*registratierechten*/*droits d'enregistrement*) and other costs will be payable.

The following limitations, amongst others, exist in relation to the conversion of Mortgage Mandates or exercise of a Promise of Mortgage:

(a) a debtor that has granted a Mortgage Mandate or a Promise of Mortgage may grant a mortgage to a third party that will rank in priority to the Mortgage to be created pursuant to the conversion of the Mortgage Mandate or to the exercise of the Promise of Mortgage, although this would generally constitute a breach of the contractual obligations of such debtor;

(b) if a conservatory attachment (*bewarend beslag*/*saisie conservatoire*) or an executory attachment (*uitvoerend beslag*/*saisie exécution*) on the mortgaged asset has been made by a third party creditor of the debtor, a mortgage registered pursuant to the exercise of the Mortgage Mandate or a Promise of Mortgage after the writ of attachment has been recorded at the Mortgage Registration Office, will not be enforceable against such creditor;

(c) if a debtor is a merchant or commercial entity, the effectiveness of the Mortgage Mandate or Promise of Mortgage can be limited by insolvency laws applicable to such debtor;

(d) if the debtor, as the case may be, is an individual, and started collective debt settlement proceedings, a mortgage registered at the mortgage register after the judge has declared the request admissible, is not enforceable against the other creditors; and

(e) besides the possibility that the debtor may grant a Mortgage to another lender as referred to above, the mortgage to be created pursuant to a Mortgage Mandate or the Promise of Mortgage may also rank after certain legal mortgages (such as *e.g*. the legal Mortgage of the

Treasury) to the extent these mortgages are recorded with the Mortgage Registration Office before the exercise of the Mortgage Mandate or the Promise of Mortgage.

However, for Home Loans which are partially secured by a Mortgage, only the portion of Home Loans which are effectively secured by a mortgage will be taken into account for the calculation of the cover ratio.

The Issuer's ability to make payments when due on the Covered Bonds may be negatively affected by the legal procedures described above.

b) Shared Mortgages under Belgian law

Certain Home Loans constitute term advances under a revolving credit facility (*kredietopening / ouverture de crédit*). Moreover, mortgages (*hypotheek / hypothèque*) securing Home Loans may further secure other advances or loans made from time to time under such revolving credit facility in addition all other amounts which a debtor owes or in the future may owe to the Collateral Provider acting as lender. A mortgage which secures all other amounts which the debtor owes or in the future may owe to the Collateral Provider acting as a lender under the revolving credit facility in addition to the Home Loan or the revolving credit facility is called an all sums mortgage (*alle sommen hypotheek / hypothèque pour toute somme*) (an "**All Sums Mortgage**"). As a consequence of the assignment of a Home Loan to the Issuer, the Issuer and the Collateral Provider may thus share the benefit of the same mortgage (a "**Shared Mortgage**") since it will secure both the Home Loan (security in favour of the Issuer) and other loans originated under the same revolving credit facility, if any, or any other obligations owing from time to time to the Collateral Provider, if any (security in favour of the Collateral Provider).

Pursuant to Article 81*quater* of the Belgian mortgage Act of 16 December 1851 (*Hypotheekwe* / *Loi hypothécaire*) (the "**Belgian Mortgage Act**"), advances granted under a revolving facility secured by a mortgage can be transferred to a credit institution, such as the Issuer. Furthermore, pursuant to Articles *81quater* and *81quinquies* of the Belgian Mortgage Act, an advance or loan secured by an All Sums Mortgage which is transferred to a credit institution, such as the Issuer, shall rank in priority to any debt which arises after the date of the transfer and which is also secured by the same All Sums Mortgage. However, whereas the transferred loan ranks in priority to further loans, it will have equal ranking with loans or debts which existed at the time of the transfer and which were secured by the same All Sums Mortgage, unless contractually deviated.

The Issuer's ability to make payments when due on the Covered Bonds may be negatively affected by the legal procedures described above.

The Issuer's limited ability to liquidate the properties secured under the Home Loans efficiently and in a timely manner

a) Foreclosure

Most of the rules on enforcement proceedings have been codified in a new code entered into force on 1st June 2012[1]. Rules regarding foreclosure can be found under Articles L.311-1 *et seq*. and R. 321-1 *et seq*. of the French Code of Civil Enforcement Procedures (*Code des procédures civiles d'exécution*).

Specific rules are provided for lender's privileges and mortgages registered in the French departments of Haut-Rhin, Bas-Rhin and Moselle. These specific rules do not substantially change the outline of the procedures set out below.

[1] Decree no. 2012-783 of 30 May 2012 and order no. 2011-1895 of 19 December 2011 on the legislative section of the French Code of Civil Enforcement Procedures (*Code des procedures civiles d'exécution*).

Foreclosure on property located in France by secured creditors may require the sale of the property at a public auction if the sale cannot be made voluntarily by the debtor (*conversion en vente volontaire* or *à l'amiable*). The foreclosure procedure may take up to one and a half (1.5) years in normal circumstances.

Pursuant to Article R. 321-1 *et seq*. of the French Code of Civil Enforcement Procedures (*Code des procédures civiles d'exécution*), the first step in the foreclosure procedure consists in delivering a foreclosure notice to the debtor by a bailiff or process server (*commandement de saisie immobilière*). This notice is filed at the French Land and Charges Registry (known since 1st January 2013 as the *fichier immobilier*) having jurisdiction in the district where the real property is located.

The next step is to instruct a local lawyer to prepare the terms of the sale of the property at auction, including the reserve price of the relevant real property (such instruction is not mandatory in the departments of Haut-Rhin, Bas-Rhin and Moselle).

Finally, a number of legal notices must be given prior to the sale. The debtor may file objections against such foreclosure (including the reserve price), the validity of which will be decided by a competent court. If no bid is made at the public auction, and provided there is only one (1) foreclosing creditor, such foreclosing creditor is declared the highest bidder and is thus obliged to purchase the property at the reserve price specified in the terms of the sale.

If no agreement is reached (for instance if the sale price of the property is substantially below the amount of the secured debt), the third party will still be entitled to offer to pay the sale price to the secured creditors in order to clear all privileges and mortgages granted over the relevant property (*purge judiciaire*, Articles 2476 *et seq*. of the French Civil Code (*Code Civil*)). Secured creditors may refuse this offer if they believe that the sale price has been underestimated by the debtor and the third party. In this case, an auction will be ordered with a minimum bid corresponding to the price offered by the relevant third party to the secured creditor, plus ten per cent (10%).

The Issuer's ability to liquidate the properties secured under the Home Loans efficiently and in a timely manner, and in turn to make payments when due on the Covered Bonds, may be negatively affected by the legal procedures described above.

b) Insolvency proceedings

Furthermore, the Issuer's ability to liquidate the properties secured under the Home Loans efficiently and in a timely manner, and in turn to make payments when due on the Covered Bonds, may be adversely affected by the initiation of insolvency proceedings, which would result in a stay of proceedings against the mortgagor, including foreclosure. Such insolvency proceedings would result in further delay for the mortgagee.

The Issuer's ability to liquidate the properties secured under the Home Loans efficiently and in a timely manner may be adversely affected by indebtedness of physical persons and accordingly may affect the Issuer's ability to make payments under the Covered Bonds. If those persons have initiated proceedings with the household debt commission (*depôt de dossier devant la commission de surendettement*), the foreclosure procedure may be suspended pursuant to Articles R.322-15 to R.322-19 of the French Code of Civil Enforcement Procedures (*Code des procédures civiles d'exécution*). Such insolvency proceedings would result in further delay for the mortgagee. Such delays may negatively affect the timely payments in favour of Bondholders under the Covered Bonds.

Enforcement of Home Loan Guarantees

If following enforcement of the Collateral Security in favour of the Issuer and notification of the debtors under the Home Loans and then enforcement of its rights by the Issuer under the relevant Home Loan Guarantees against the guarantor, the later does not pay in whole or in part any amounts

due under the relevant Home Loan Guarantee for whatever reason or does not pay such amounts in a timely manner, this may affect the ability of the Issuer to make payments under the Covered Bonds.

1.5 Risks related to the global economic environment

The Covid-19 epidemic has significant macroeconomic impacts at both global and national levels.

Due to the intervention of public authorities and the measures implemented by the Crédit Mutuel Arkéa Group to manage the specific risks induced by the development of the epidemic, the first impacts of this epidemic are already visible on the Crédit Mutuel Arkéa Group's results in 2020. Given the uncertainties of the situation, these impacts are not definitive and will continue over the following years.

Description of the specific measures implemented by the Crédit Mutuel Arkéa Group to manage the specific risks induced by the development of the epidemic

The health situation in France and Belgium, the group's main markets, and its impact on the economic and social situation, led the group to take specific measures as soon as possible.

- Triggering of the emergency and business continuity plan, identifying essential services and implementing business continuity mechanisms in a general context of population containment;

- Triggering of reinforced risk monitoring systems:

    - With regard to operational risk, massive recourse to distance working to protect the health of employees and, in this context, strengthening of surveillance systems relating to cyber risks and fraud.

    - With regard to liquidity, implementation of reinforced vigilance in the spring of 2020 related to requests for repayment of short-term refinancing instruments.

    - On market risk, updating of stress scenarios (equities, spreads, etc.) with the movements observed during the crisis.

    - With regard to credit risk, the rapid deployment of economic support measures in the networks to provide our customers with the closest possible support was achieved in particular by relying on our technological know-how enabling efficient remote processing (the loans guaranteed by the government offer with electronic signature was made available on March 25) and by adapting the decision patterns for granting credit in the face of the number of loans guaranteed by the government and customer renegotiations. These actions were accompanied by the introduction of enhanced monitoring of business sectors identified as particularly impacted and reporting to the supervisor, both for banking customers and for customers in the private equity portfolio.

Nevertheless, the Covid-19 epidemic, which is still ongoing, could have a lasting impact on the Crédit Mutuel Arkéa Group's financial situation.

Description of the specific risks related to the development of the epidemic and the expected or observed impacts on the various components of the group's activity

From the very beginning of the epidemic in France, the Crédit Mutuel Arkéa Group has endeavoured to identify the specific risks associated with its development and to identify the consequences as it evolves. These specific risks are summarised below:

- Business model risk: the Crédit Mutuel Arkéa Group's business model consists of supporting and financing the real economy. The implementation of this business model is based on a certain number of projective hypotheses whose validity could be called into question by the socio-economic consequences of the epidemic and in particular by the sharp contraction of activity in France and Europe. Similarly, the competitive landscape could be negatively impacted by the consequences of the epidemic, with players pursuing an aggressive policy of winning or retaining customers in an unfavourable economic climate. These risks have been analysed and taken into account when the company's new strategic plan for 2024 was drawn up;

- Liquidity risk :

    - In a context of a sharp decline in economic activity for certain sectors of the economy, some customers may be led to increase the use of their overdraft authorisations, thereby creating potential tension on the group's liquidity. In 2020, it should be noted that a significant growth in deposits has been observed, as a result of the action of the European Central Bank and economic players.

    - Uncertainty about the evolution of the epidemic and its duration could lead to a lack of confidence in the markets, which in turn could lead to specific refinancing difficulties for banks;

- Operational risk :

    - The successive confinements of a very large proportion of the group's employees, as part of the measures decided by the government to curb the spread of the epidemic, may have led, in the first instance, to difficulties in continuing business and increased risks of error or delay in processing, hence the need to pay close attention to maintaining surveillance and control of the most critical operations in order to limit these risks. In addition, in the event of an incident, there could be a risk of a slower resolution but without major damage observed in 2020.

    - The current context has generated an increase in exposure to cyber risk and the risk of external fraud. In this context, particular attention has been paid and continues to be paid to keeping the monitoring systems operational and strengthening the monitoring of external access to the information system, given the significant expansion of remote working over time;

- Credit risk: the socio-economic impacts of the epidemic could lead to a large number of defaults by the counterparties with which the group is in contact, particularly in certain sectors of activity that are particularly impacted by the development of the epidemic and the associated restrictions on movement (tourism, air transport, etc.). These defaults were not recorded in 2020 but could have a significant adverse effect on the group's results and financial position in the coming years. A significant number of customer requests have already been noted and the cost of risk will increase in 2020 due to sector anticipation as a result of the first signs of deterioration in customer situations;

- Market risk: the high volatility of the financial markets linked to uncertainties about the development of the epidemic and the impact of this development on economic activity could have a potential financial impact on the Crédit Mutuel Arkéa Group's cash management activity and on the group's equity. The Crédit Mutuel Arkéa Group has not been heavily exposed in 2020 given the relatively short duration of the investment portfolio, but continues to be vigilant in this area.

  In addition, the socio-economic impacts of the epidemic could have consequences on the Crédit Mutuel Arkéa Group's shareholdings. In the case of unlisted investments or investments that are part of the Crédit Mutuel Arkéa Group's private equity activity, a specific valuation risk could emerge due to the socio-economic impacts of the epidemic on the business, cash flow and credit quality of these investments. A strengthening of this monitoring has enabled the group to actively monitor these risks;

Risks related to life insurance: a deterioration in the market situation related to the impacts of the epidemic, and in particular a fall in interest rates, an increase in bond defaults or a fall in equity and real estate assets could have a significant negative impact on the results of the Crédit Mutuel Arkéa Group's life insurance business. A significant increase in mortality or morbidity could also have an impact on Suravenir's results on its life insurance business. This was not the case in 2020 but remains a point of vigilance for 2021.

2. RISKS RELATED TO COVERED BONDS

2.1 Risks related to the Covered Bonds generally

EU Resolution and Recovery Directive

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**"), entered into force on 2 July 2014, and Regulation (EU) No. 806/2014 of the European Parliament and of the Council of the European Union dated 15 July 2014 as amended by Regulation (EU) 2019/877 of the European Parliament and of the Council dated 20 May 2019 (the "**SRM Regulation**") provides for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the authority designated by each EU Member State (the "**Resolution Authority**") with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimizing the impact of an institution's failure on the economy and financial system (including taxpayers' exposure to losses). Under the SRM Regulation a centralized power of resolution is established and entrusted to the Single Resolution Board (the "**SRB**") and to the national resolution authorities.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments such as the Covered Bonds if junior instruments prove insufficient to absorb all losses) absorb losses of the issuing institution under resolution in accordance with a set order of priority (the "**Bail-in Tool**"). They also include write-down/conversion powers with respect to institutions or groups which viability would otherwise be at threat or who require extraordinary financial support.

In addition to the Bail-in Tool, the BRRD provides the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution's business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including

altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

With respect to the *obligations de financement de l'habitat* and other covered bonds, the BRRD provides that the Resolution Authority shall not exercise the write down or conversion powers in relation to secured liabilities including covered bonds and liabilities in the form of financial instruments used for hedging purposes which form an integral part of the cover pool and which according to national law are secured in a way similar to covered bonds, whether they are governed by the law of a Member State or of a third country. Nevertheless, relevant claims for the purposes of the Bail-in Tool would still include the claims of the holders in respect of any Covered Bonds issued under the Programme, only if and to the extent that the bonds liability exceeded the value of the cover pool collateral against which it is secured. In such case, the write-down or conversion requirements could result in the full (i.e., to zero) or partial write-down or conversion into ordinary shares or other instruments of ownership of the bonds, or the variation of the terms of bonds (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered).

The application of any resolution measure under the French BRRD implementing provisions, or any suggestion of such application, with respect to the Issuer could materially adversely affect the rights of the holders of Covered Bonds, the price or value of an investment in the Covered Bonds and/or the ability of the Issuer to satisfy its obligations under the Covered Bonds. Moreover, if the Issuer's financial condition deteriorates, the existence of the Bail-in Tool or the exercise of write-down/conversion powers by the Resolution Authority independently of a resolution measure with respect to capital instruments and eligible liabilities (subject to conditions) or in combination with a resolution measure when it determines that the institution or its group will no longer be viable could cause the market price or value of the Covered Bonds to decline more rapidly than would be the case in the absence of such powers.

Bondholders may have only very limited rights to challenge and/or seek a suspension of any decision of the Resolution Authority to exercise its resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise.

Change of law

The terms and conditions of the French law Covered Bonds are based on French law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or administrative practice after the date of this Base Prospectus. Any such decision or change could be unfavourable to creditors' rights, including those of the French law Bondholders. If any change in law was unfavourable to the Issuer or the French law Bondholders, it could have an adverse or a significant adverse effect on the market value of the Covered Bonds (depending on the nature of the change) and could have potentially negative repercussions on the French law Bondholders' investment in the Covered Bonds. The risk of changes in law is higher for Covered Bonds with longer maturities.

Modification of the Conditions

Subject to the provisions of the relevant Final Terms, the French law Bondholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interest in a *Masse*, as defined in Condition 12, which will act in part through a representative (the "**Representative**") and in part through collective decisions of the French law Bondholders (the "**Collective Decisions**"). Collective Decisions are generally adopted either through a General Meeting or by unanimous consent following a written consultation. The terms and conditions of the French law Covered Bonds permit in certain cases defined majorities to bind all Bondholders including Bondholders who did not attend (or were not represented) and vote at the relevant General Meeting

and Bondholders who voted in a manner contrary to the majority. General Meetings or written consultations may deliberate on any proposal relating to a resolution to direct the Representative to take any action as provided under this Base Prospectus (including to serve an Issuer Enforcement Notice) 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, as more fully described in Condition 12. While it is not possible to assess the likelihood that the terms and conditions will need to be amended by way of a General Meeting or written consultation during the life of the Covered Bonds, if such a General Meeting were to take place or such a written consultation were to be taken, it is possible that a majority of French law Bondholders could adopt a decision that would modify the terms and conditions in a way that could impair or limit the rights of the French law Bondholders. However, the likelihood of a majority of French law Bondholders adopting a decision that would have a significant adverse effect on the French law Bondholders should not be overplayed.

2.2 Risks related to the Structure of a particular issue of Covered Bonds

Covered Bonds issued under the Programme will either be fungible with an existing Series (other than the German law Covered Bonds which will be issued in materialised registered form) or have different terms to an existing Series (in which case they will constitute a new Series). All Covered Bonds issued from time to time will rank *pari passu* with each other in all respects.

A wide range of Covered Bonds may be issued under the Programme. A number of these Covered Bonds may have features which contain particular risks for prospective investors. Set out below is a description of the most common such features.

Covered Bonds subject to optional redemption by the Issuer

An optional redemption feature of Covered Bonds is likely to limit their market value. During any period when the Issuer may elect to redeem Covered Bonds, the market value of such Covered Bonds generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer will redeem Covered Bonds when it appears that the Borrower is about to redeem the corresponding Borrower Advance(s) and the Borrower may be expected to redeem such corresponding Borrower Advance(s) when the general cost of borrowing of the Borrower is lower than the interest rate on such Borrower Advance(s). At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Covered Bonds being redeemed and may only be able to do so at a significantly lower rate. This could have a material adverse effet on the Bondholders could lose part of their investment in the Covered Bonds. Prospective investors should consider reinvestment risk in light of other investments available at that time.

Fixed Rate Covered Bonds

Investment in Covered Bonds which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of Covered Bonds.

While the nominal interest rate of a Fixed Rate Covered Bond is determined during the term of such Covered Bond or within a given period of time, the market interest rate (the "**Market Interest Rate**") typically varies on a daily basis. As the Market Interest Rate changes, the price of the Fixed Rate Covered Bond varies in the opposite direction. If the Market Interest Rate increases, the price of the Fixed Rate Covered Bond typically decreases, until the yield of such Fixed Rate Covered Bond equals approximately the Market Interest Rate. If the Market Interest Rate decreases, the price of a Fixed Rate Covered Bond typically increases, until the yield of such Fixed Rate Covered Bond equals approximately the Market Interest Rate. French law Bondholders should be aware that movements of

the Market Interest Rate can adversely affect the price of the Covered Bonds and could cause French law Bondholders to lose part of the capital invested if they decide to sell Covered Bonds during a period in which the market interest rate exceeds the fixed rate of the Covered Bonds. It is difficult to anticipate future market volatility in interest rates, but any such volatility may have a significant adverse effect on the price of the Covered Bonds and cause French law Bondholders who sell Covered Bonds on the secondary market to lose part of their initial investment.

Floating Rate Covered Bonds

Investment in Covered Bonds which bear interest at a floating rate comprises (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Covered Bonds but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Covered Bonds may be volatile in case of changes in the margin prevailing in the floating rate covered bond market for comparable Covered Bond Issuer or if changes, particularly short-term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Covered Bonds upon the next periodic adjustment of the relevant reference rate.

A key difference between Floating Rate Covered Bonds and Fixed Rate Covered Bonds is that interest income on Floating Rate Covered Bonds cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Covered Bonds at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the Conditions of the Covered Bonds provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. It is difficult to anticipate future market volatility in interest rates, but any such volatility may have a significant adverse effect on the yield of Floating Rate Covered Bonds and give rise to investment risk.

Risk relating to Benchmarks Regulation and other reforms and to certain benchmark rates that may be administered differently or discontinued in the future, including LIBOR

Interest rates and indices which are deemed to be "benchmarks" (including EURIBOR, LIBOR and EUR-CMS) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, to be subject to revised calculation methods, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Floating Rate Covered Bonds linked to or referencing such a "benchmark".

Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as may be amended from time to time (the "**Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). In the United Kingdom, the Benchmark Regulations as it forms part of domestic law by virtue of European Union (Withdrawal) Act 2018 ("**EUWA**") provides for equivalent sets of rules.

The Benchmarks Regulation could have a material impact on any Floating Rate Covered Bonds linked to or referencing a "benchmark", including in any of the following circumstances:

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

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

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks" (including EURIBOR, LIBOR and EUR-CMS): (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Floating Rate Covered Bonds linked to or referencing a "benchmark".

Regulation (EU) 2019/2089 of the European Parliament and of the Council of 27 November 2019 has amended the existing provisions of the Benchmarks Regulation by extending the transitional provisions applicable to material benchmarks and third-country benchmarks until the end of 2021.

The Benchmark Regulation was further amended by Regulation (EU) 2021/168 of the European Parliament and of the Council of 10 February 2021 which introduces a harmonised approach to deal with the cessation or wind-down of certain benchmarks by conferring the power to designate a statutory replacement for certain benchmarks on the Commission or the relevant national authority, such replacement being limited to contracts and financial instruments. In addition, the transitional provisions applicable to third-country benchmarks are extended until the end of 2023. The Commission is empowered to further extend this period until the end of 2025, if necessary.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Floating Rate Covered Bonds linked to or referencing a "benchmark".

UK national requirements may have a particularly significant impact on the calculation of LIBOR or whether LIBOR continues to exist as a benchmark. On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority (the "**FCA**"), which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021 (the "**FCA Announcement**").

Therefore, the continuation of LIBOR in its current form (or at all) after 2021 cannot be guaranteed. In a further speech on 12 July 2018, the Chief executive officer of the FCA, emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, may require an adjustment to the terms and conditions, or result in other consequences, in respect of any Floating Rate Covered Bonds linked to such benchmark (including but not limited to Floating Rate Covered Bonds whose interest rates are linked to LIBOR) depending on the specific provisions of the relevant terms and conditions applicable to the Floating

Rate Covered Bonds. Any such consequences could have a material adverse effect on the liquidity and value of and return on any such Floating Rate Covered Bonds.

On 5 March 2021, the FCA announced that a large number of LIBOR indices (including one-week and two-month US dollar LIBOR) will be discontinued after 31 December 2021, and that overnight and 12-month US dollar LIBOR will be discontinued after 30 June 2023. The FCA also announced that it would study the possibility of requiring the publication of one-month, three-month and six-month LIBOR after 30 June 2023, based on a "synthetic" methodology (meaning by reference to an authorised rate plus or minus a spread), solely for use in certain existing contracts that have no appropriate alternatives (which are unlikely to include the Covered Bonds).

Since the end of the transitional period for the withdrawal of the United Kingdom from the Union on 31 December 2020 ("**Brexit transitional period**") under the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union, LIBOR no longer qualifies as a critical benchmark under the Benchmarks Regulation. Accordingly, UK administrators included in the ESMA register of administrators and third-country benchmarks qualify as third country administrators and will be deleted from the ESMA register.

However, under Article 51 of Benchmarks Regulation, an index provider may continue to provide an existing benchmark that has been recognised as a critical benchmark, or an existing benchmark that has been recognised as a critical benchmark may be used for existing and new financial instruments until 31 December 2021. The use in the EU by supervised entities of a third-country benchmark is permitted for financial instruments, financial contracts and measurements of the performance of an investment fund that already reference that benchmark or which add a reference to such benchmarkbefore 31 December 2023. The Commission is empowered to further extend this period until the end of 2025, if necessary.

Other interbank offered rates such as EURIBOR (the European Interbank Offered Rate) (together with LIBOR, the "**IBORs**") suffer from similar weaknesses to LIBOR and as a result may be discontinued or be subject to changes in their administration. The new hybrid calculation of EURIBOR has already been adapted to the requirements of the Benchmarks Regulation. However, the EURIBOR is also subject to constant review and revision. It is currently not foreseeable whether EURIBOR will continue to exist permanently and beyond 2025 after LIBOR has expired.

Changes to the administration of an IBOR or the emergence of alternatives to an IBOR, may cause such IBOR to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of an IBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Floating Rate Covered Bonds referencing or linked to such IBOR. The development of alternatives to an IBOR may result in Covered Bonds linked to or referencing such IBOR performing differently than would otherwise have been the case if the alternatives to such IBOR had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Floating Rate Covered Bonds linked to or referencing such IBOR.

Whilst alternatives to certain IBORs for use in the bond market (including SONIA (for Sterling LIBOR) and rates that may be derived from SONIA) are being developed, in the absence of any legislative measures, as the case may be, outstanding covered bonds linked to or referencing an IBOR will only transition away from such IBOR in accordance with their particular terms and conditions.

Indeed, investors should be aware that, if an IBOR were disconstinued or otherwise unavailable, the Rate of Interest of the Covered Bonds will be determined for the relevant period by the fall-back provisions applicable to the Covered Bonds. However, such fall-back provisions may be deviated from if deemed unsuitable by the Commission or the relevant national authority, as mentioned above.

The Terms and Conditions of the Covered Bonds provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if an inter-bank offered rate (such as LIBOR or EURIBOR) or other relevant reference rate (such as EUR-CMS), and/or any page on which such benchmark may be published, becomes unavailable, or if the Issuer, the Calculation Agent, any Paying Agent or any other party responsible for the calculation of the Rate of Interest (as specified in the applicable Final Terms) are no longer permitted lawfully to calculate interest on any Floating Rate Covered Bonds by reference to such benchmark under the Benchmarks Regulation or otherwise.

Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Terms and Conditions of the Covered Bonds), with or without the application of an adjustment spread and may include amendments to the Terms and Conditions of the Covered Bonds to ensure the proper operation of the successor or replacement benchmark, all as determined by the Reference Rate Determination Agent and without the consent of the Bondholders. An adjustement spread if applied, could be positive or negative, and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark.

The Successor Rates or Alternative Rates may have no or very limited trading history and accordingly their general evolution and/or interaction with other relevant market forces or elements may be difficult to determine or measure. This could significantly affect the performance of an alternative rate compared to the historical and expected performance of the relevant benchmark.

In certain circumstances, the ultimate fallback for a particular Interest Period, including where no Successor Rate or Alternative Rate (as applicable) is determined, may be that the rate of interest for such Interest Period be based on the rate which applied for the immediately preceding Interest Period.

This ultimate fallback may result in the effective application of a Fixed Rate Covered Bonds linked to or referencing a "benchmark". In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of a Reference Rate Determination Agent, the relevant fallback provisions may not operate as intended at the relevant time. Any such consequences could have a material adverse effect on the value of and return on any such Floating Rate Covered Bonds.

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

Investors should consider all of these matters when making their investment decision with respect to the relevant Floating Rate Covered Bonds linked to or referencing such "benchmarks".

Fixed/Floating Rate Covered Bonds

Fixed/Floating Rate Covered Bonds may bear interest at a rate (i) that the Issuer may elect to convert from a fixed rate to a floating rate, from a floating rate to a fixed rate, from a fixed rate to another fixed rate or from a floating rate to another floating rate or (ii) that will automatically change from a fixed rate to a floating rate, or from a floating rate to a fixed rate, from a fixed rate to another fixed rate or from a floating rate to another floating rate, in each case on the date set out in the Final Terms. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of

such Covered Bonds since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, or if there is an automatic change from a fixed rate to a floating rate, as set out in the relevant Final Terms, the spread on the Fixed/Floating Rate Covered Bonds may be less favourable than then prevailing spreads on comparable Floating Rate Covered Bonds tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Covered Bonds. If the Issuer converts from a floating rate to a fixed rate, or if there is an automatic change from a floating rate to a fixed rate as set out in the relevant Final Terms, the fixed rate may be lower than then prevailing rates on its Covered Bonds. It is difficult to anticipate market volatility in interest rates, but any such volatility may have a significant adverse effect on the value of the Covered Bonds. Investors should also refer to the risk factors relating to Fixed Rate Covered Bonds and Floating Rate Covered Bonds.

Zero Coupon Covered Bonds

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Covered Bonds than on the prices of ordinary Covered Bonds because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Covered Bonds can suffer higher price losses than other Covered Bonds having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Covered Bonds are a type of investment associated with a particularly high price risk. Therefore, in similar market conditions the holders of Zero Coupon Covered Bonds could be subject to higher losses on their investments than the holders of other instruments such as Fixed Rate Covered Bonds or Floating Rate Covered Bonds. It is difficult to anticipate future market volatility in interest rates, but any such volatility may have a significant adverse effect on the value of the Covered Bonds.

Covered Bonds issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. It is difficult to anticipate future price volatility, but any such volatility may have an adverse effect on the market value of the Covered Bonds. Therefore, holders of Covered Bonds issued at a substantial discount or premium could be exposed to greater losses on their investment than holders of conventional interest-bearing securities.

2.3 Risks related to the market of the Covered Bonds

Market value of the Covered Bonds

The market value of the Covered Bonds will be affected by the creditworthiness of the Issuer and a number of additional factors, including, but not limited to, the market interest and yield rates and the time remaining to the maturity date.

The value of the French Law Covered Bonds that may be listed and admitted to trading on the Luxembourg Stock Exchange or any other Regulated Market depends on a number of interrelated factors, including economic, financial and political events in France, in the United Kingdom (including Brexit) or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the French Law Covered Bonds are traded. The price at which the holders of the French Law Covered Bonds will be able to sell the French Law Covered Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such holders and result in losing part of their investment in the French Law Covered Bonds.

An active trading market for the Covered Bonds may not develop

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

In addition, Bondholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Base Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Covered Bonds. Such lack of liquidity may result in investors suffering losses on the Covered Bonds in secondary resales even if there is no decline in the credit strength of the Issuer or the performance of the Collateral Security Assets. Furthermore, if additional and competing products are introduced in the markets, this may adversely affect the market value of the Covered Bonds.

Exchange rate risks and exchange controls

This Programme allows for Covered Bonds to be issued in a range of currencies (the "Specified Currency") as defined in Condition 6(a) of the Terms and Conditions of the Covered Bonds. The Issuer will pay principal and interest on the Covered Bonds in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Covered Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds and (3) the Investor's Currency-equivalent market value of the Covered Bonds.

Government and monetary or financial authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, holders whose financial activities are carried out or dependend principally in a currency or currency unit other than the relevant Specified Currency may receive less interest or principal than expected, or no interest or principal. If this risk ever materialises, the holders of the Covered Bonds may receive less interest or principal than expected, or no interest or principal.

IMPORTANT CONSIDERATIONS

Rating of the Covered Bonds and Rating Affirmation

The ratings assigned to the Covered Bonds by the Rating Agencies are based on the *Privilège*, the Collateral Security, the Home Loans and Home Loan Security, the Cash Collateral and the other relevant structural and credit enhancement features provided for under the Programme Documents, including, among other things, the short-term and/or long-term unsecured, unguaranteed and unsubordinated debt rating of the parties to the Programme Documents, and reflects only the views of the Rating Agencies. The Fitch and Moody's ratings address the likelihood of full and timely receipt by any of the relevant Bondholders of interest on the Covered Bonds and the likelihood of receipt by any of the relevant Bondholders of principal of the Covered Bonds by the relevant Final Maturity Date. There is no assurance that any such ratings will continue for any period of time or that it will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies as a result of changes in or unavailability of information or if, in the judgement of the Rating Agencies, circumstances so warrant.

A qualification, downgrade or withdrawal of the rating mentioned above may impact upon both the value of the Covered Bonds or their marketability in secondary market transactions.

The Rating Agencies will be notified of the exercise of certain discretions exercised by or on behalf of the Issuer under the Programme Documents. However, the Rating Agencies are under no obligation to revert to the Issuer (or any of its agents) regarding the impact of the exercise of such discretion on the ratings of the Covered Bonds and any decision as to whether or not to confirm, downgrade, withdraw or qualify the rating of all classes or any class of Covered Bonds based on such notification may be made at the sole discretion of the Rating Agencies at any time, including after the relevant action has been taken.

Agencies other than the Rating Agencies could seek to rate the Covered Bonds and if such unsolicited rating are lower than the comparable rating assigned to the Covered Bonds by the Rating Agencies, those unsolicited rating could have an adverse effect on the value and the marketability of the Covered Bonds. For the avoidance of doubt and unless the context otherwise requires, any references to "ratings" or "rating" in this Base Prospectus are to rating assigned by the specified Rating Agencies only.

In general, European regulated investors are restricted under Regulation (EC) no. 1060/2009 of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union, and whether or not the relevant credit rating agency is registered (or has applied for registration) under the CRA Regulation and is included in the list of registered credit rating agencies published on the website of the ESMA (www.esma.europa.eu).

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time and without prior notice by the assigning rating agency.

Taxation

Potential purchasers and sellers of the Covered Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Covered Bonds are transferred or other jurisdictions, including the relevant Issuer's

jurisdictions of incorporation, which may have an impact on the income received from the Covered Bonds. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Covered Bonds. Potential investors are advised to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Covered Bonds. Only these advisers are in a position to duly consider the specific situation of the potential investor.

Certain conflicts of interest

Conflicts of interest may arise during the life of the Programme as a result of various factors involving certain transaction parties. For example, such potential conflicts may arise because Crédit Mutuel Arkéa acts or may act in several capacities under the Programme Documents (including as Arranger, Dealer or Reference Rate Determination Agent) provided that its rights and obligations under the Programme Documents are not contractually conflicting and are independent from one another. Also during the course of their business activities, the Issuer, the Dealers and/or any respective affiliates may operate, service, acquire or sell properties, or finance loans secured by properties, which are in the same markets as the Home Loans. In such cases, the interest of any of those parties or their affiliates or the interest of other parties for whom they perform servicing functions may differ from, and compete with, the interest of the Issuer or of the Bondholders.

Forecasts and estimates

Estimates of the weighted average lives of the Covered Bonds contained in this Base Prospectus, together with any other projections, forecasts and estimates in this Base Prospectus are forward-looking statements. Such projections are speculative in nature and it can be expected that some or all of the assumptions underlying the projections will not prove to be wholly correct or will vary from actual results. Consequently, the actual results might differ from the projections and such differences might be significant.

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS

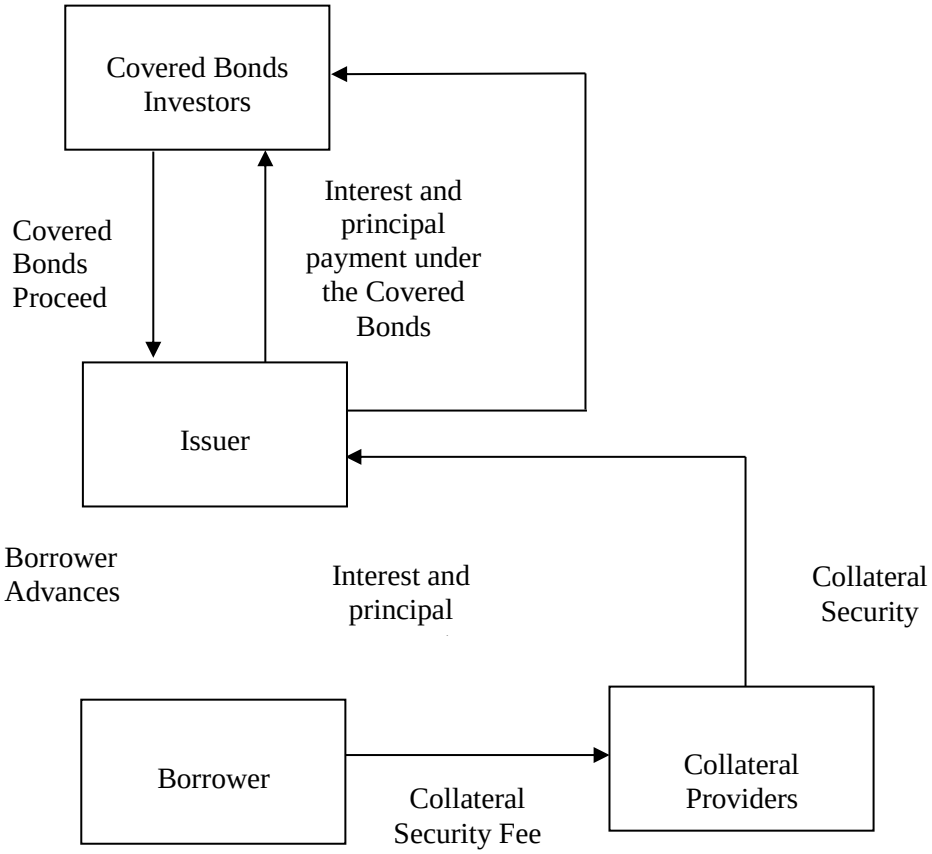
Arkéa Home Loans SFH accepts responsibility for the information contained or incorporated by reference in this document and the Final Terms of each Tranche of the Covered Bond issued under the Programme. To the best of its knowledge, the information contained or incorporated by reference in this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import.

Paris, 18 May 2021

Arkéa Home Loans SFH
232, rue du Général Paulet, B.P. 103
29802 Brest Cedex 9
France

Represented by: Philippe BAUDA
Chief Executive Officer

STRUCTURE DIAGRAM



For a description of the main terms of the Programme Documents entered into by the Issuer as of the date of this Base Prospectus, please refer to section entitled "**Material Contracts**".

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus shall be read and construed in conjunction with the following documents which have been previously or simultaneously published and filed with the CSSF and which are incorporated by reference in, and shall be deemed to form part of, this Base Prospectus:

- the annual financial report of Arkéa Home Loans SFH for the year ended, 31 December 2020, in the French language, which includes the financial statements of the Issuer as at, and for the year ended, 31 December 2020, including the audited cash flow statements of the Issuer for the financial years ended 31 December 2020 and 31 December 2019 (the "**2020 Financial Statements**") and the auditors' report thereon (the "**2020 Auditors' Report**" and together with the 2020 Financial Statements, the "**2020 Annual Financial Report**");

  https://www.arkea.com/banque/assurance/credit/upload/docs/application/pdf/2021-03/rfa_sfh_2020_def_gdb_complet.pdf

- the annual financial report of Arkéa Home Loans SFH for the year ended, 31 December 2019, in the French language, which includes the financial statements of the Issuer as at, and for the year ended, 31 December 2019, including the audited cash flow statements of the Issuer for the financial years ended 31 December 2019 and 31 December 2018 (the "**2019 Financial Statements** ") and the auditors' report thereon (the "**2019 Auditors' Report**" and together with the 2019 Financial Statements, the "**2019 Annual Financial Report**");

  https://www.arkea.com/banque/assurance/credit/upload/docs/application/pdf/2020-03/rapport_financier_annuel_sfh_31122019_signe.pdf

- the sections "Terms and Conditions of the French law Covered Bonds" of the following base prospectuses relating to the Programme:

  (i) Base Prospectus dated 22 December 2010 (the "**2010 Covered Bonds Conditions**") : https://www.arkea.com/banque/assurance/credit/upload/docs/application/pdf/2014-06/base-prospectus-credit-mutuel-arkea-covered-bonds-22122010.pdf,

  (ii) Base Prospectus dated 9 May 2011 (the "**2011 Covered Bonds Conditions**") : https://www.arkea.com/banque/assurance/credit/upload/docs/application/pdf/2014-06/base-prospectus-credit-mutuel-arkea-home-loans-sfh-09052011.pdf,

  (iii) Base Prospectus dated 14 June 2013 : https://www.arkea.com/banque/assurance/credit/upload/docs/application/pdf/2014-02/base-prospectus-credit-mutuel-arkea-home-loans-sfh-14062013.pdf and its second supplement dated 2 September 2013 (the "**2013 Covered Bonds Conditions**") : https://www.arkea.com/banque/assurance/credit/upload/docs/application/pdf/2014-02/supplement2-base-prospectus-credit-mutuel-arkea-home-loans-sfh-02092013.pdf,

  (iv) Base Prospectus dated 29 May 2015 (the "**2015 Covered Bonds Conditions**") : https://www.arkea.com/banque/assurance/credit/upload/docs/application/pdf/2016-11/base-prospectus-arkea-home-loans-sfh-29052015.pdf,

  (v) Base Prospectus dated 29 June 2016 (the "**2016 Covered Bonds Conditions**") : https://www.arkea.com/banque/assurance/credit/upload/docs/application/pdf/2016-11/base-prospectus-arkea-home-loans-sfh-29062016.pdf,

  (vi) Base Prospectus dated 27 June 2017 (the "**2017 Covered Bonds Conditions**") : https://www.arkea.com/banque/assurance/credit/upload/docs/application/pdf/2017-06/base-prospectus-arkea-home-loans-sfh-27062017.pdf,

(vii) Base Prospectus dated 13 September 2018 (the "**2018 Covered Bonds Conditions**") : https://www.arkea.com/banque/assurance/credit/upload/docs/application/pdf/2018-09/base-prospectus-arkea-home-loans-sfh-13092018.pdf,

(viii) Base Prospectus dated 28 June 2019 (the "**2019 Covered Bonds Conditions**") : https://www.arkea.com/banque/assurance/credit/upload/docs/application/pdf/2019-07/arkea_hl_sfh_-_2019_base_prospectus_v._finale.pdf and

(ix) Base Prospectus dated 9 April 2020 (the "**2020 Covered Bonds Conditions**") : https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2020-04/arkea_hl_sfh_-_2020_base_prospectus_-_v_finale_2020_04_09.pdf

The parts of these documents that are not incorporated by reference in this Base Prospectus are either not relevant for the investors or covered elsewhere in the Base Prospectus.

The Issuer assumes responsibility for the correct translation of the French version of the 2019 Annual Financial Report and the 2020 Annual Financial Report.

The documents incorporated by reference in this Base Prospectus may be obtained, free of charge, at the principal office of the Issuer during normal business hours and on the website of Crédit Mutuel Arkéa (http://www.arkea.com) so long as any of the Covered Bonds are outstanding. This Base Prospectus, the 2019 Annual Financial Report and the 2020 Annual Financial Report will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Unless otherwise explicitly incorporated by reference into this Base Prospectus in accordance with the list above,the information contained in the website of the Issuer shall not be deemed incorporated by reference herein, is for information purposes only and has not been scrutinized or approved by the competent authority.

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross reference list below. Any information not listed in the cross-reference list below, but included in the documents incorporated by reference, is not incorporated by reference and is not relevant for investors.

Cross-reference list

INFORMATION INCORPORATED BY REFERENCE (Annex VI item 11 of the European Delegated Regulation 2019/980/EU)	**REFERENCE**
11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
11.1 Historical financial information	
2019 Annual Financial Report	
- **Balance sheet**	Page 39 of the 2019 Annual Financial Report
- **Income statements**	Page 40 of the 2019 Annual Financial Report
- **Notes**	Pages 40 to 49 of the 2019 Annual Financial Report
- **Cash Flow Statements**	Page 48 of the 2019 Annual Financial Report
- **Auditor's report relating to the above**	Pages 50 to 56 of the 2019 Annual Financial Report
2020 Annual Financial Report	
- **Balance sheet**	Page 43 of the 2020 Annual Financial Report
- **Income statements**	Page 44 of the 2020 Annual Financial Report
- **Notes**	Pages 48 to 55 of the 2020 Annual Financial Report
- **Cash Flow Statements**	Page 54 of the 2020 Annual Financial Report
- **Audit report from the auditors relatingto the above**	Pages 56 to 64 of the 2020 Annual Financial Report

The Covered Bonds Previous Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of Covered Bonds to be assimilated (*assimilables*) and form a single series with Covered Bonds already issued under the relevant Covered Bonds Previous Conditions.

Cross-reference list in respect of the Covered Bonds Previous Conditions

INFORMATION INCORPORATED BY REFERENCE	REFERENCE
2010 Covered Bonds Conditions	
Terms and Conditions of the French law Covered Bonds	Pages 40 to 68 of the Base Prospectus dated 22 December 2010
2011 Covered Bonds Conditions	
Terms and Conditions of the French law Covered Bonds	Pages 45 to 74 of the Base Prospectus dated 9 May 2011
2013 Covered Bonds Conditions	
Terms and Conditions of the French law Covered Bonds	Pages 42 to 73 of the Base Prospectus dated 14 June 2013 and pages 2 to 3 of its second supplement dated 2 September 2013
2015 Covered Bonds Conditions	
Terms and Conditions of the French law Covered Bonds	Pages 76 to 112 of the Base Prospectus dated 29 May 2015
2016 Covered Bonds Conditions	
Terms and Conditions of the French law Covered Bonds	Pages 77 to 113 of the Base Prospectus dated 29 June 2016
2017 Covered Bonds Conditions	
Terms and Conditions of the French law Covered Bonds	Pages 75 to 111 of the Base Prospectus dated 27 June 2017
2018 Covered Bonds Conditions	
Terms and Conditions of the French law Covered Bonds	Pages 98 to 137 of the Base Prospectus dated 13 September 2018
2019 Covered Bonds Conditions	
Terms and Conditions of the French law Covered Bonds	Pages 103 to 141 of the Base Prospectus dated 28 June 2019
2020 Covered Bonds Conditions	
Terms and Conditions of the French law Covered Bonds	Pages 53 to 92 of the Base Prospectus dated 9 April 2020

Non-incorporated parts of the 2010 Covered Bonds Conditions, 2011 Covered Bonds Conditions, 2013 Covered Bonds Conditions, 2015 Covered Bonds Conditions, 2016 Covered Bond Conditions,

2017 Covered Bonds Conditions, 2018 Covered Bonds Conditions, 2019 Covered Bonds Conditions and 2020 Covered Bonds Conditions are not relevant for investors.

TERMS AND CONDITIONS OF THE FRENCH LAW COVERED BONDS

*The following is the text of the terms and conditions (the "**Conditions**") that, as completed, in accordance with the provisions of the relevant Final Terms, shall be applicable to the French law Covered Bonds. The form of terms and conditions applicable to the German law Covered Bonds is contained in the Agency Agreement (as defined below)*

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 completed 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 completed shall be endorsed on Definitive Materialised Covered Bonds.

Words and expressions defined in the Agency Agreement, or defined or used in the applicable Final Terms shall have the same meanings when used in these Conditions unless the context otherwise requires or unless otherwise stated provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail. References in the Conditions to "Covered Bonds" are to the Covered Bonds of one (1) Series only and not to all Covered Bonds that may be issued under the Programme.

The Covered Bonds are issued by Arkéa Home Loans SFH (the "**Issuer**"), on a syndicated or non-syndicated basis, in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical save as to the issue date, issue price, first payment of interest and nominal amount of the Tranche), 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) 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**") in accordance with the applicable Conditions.

The Covered Bonds are issued with the benefit of an amended and restated agency agreement dated 18 May 2021 (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)**". BNP Paribas Securities Services and/or any other agent(s) appointed pursuant to the Agency Agreement will not benefit from the *Privilège* for the payment of its fees or any other amounts that might be due to it/them by the Issuer under the Agency Agreement. 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 are referred to below as the "**Couponholders**".

Copies of the Final Terms applicable to a Series of Covered Bonds may be obtained, upon request, free of charge, from the registered office of the Issuer provided that, if such Series of Covered Bonds is neither admitted to trading on a regulated market in the European Economic Area (the "**EEA**") nor offered in the EEA in circumstances where a Base Prospectus is required to be published under Regulation 2017/1129/EU dated 14 June 2017, as amended (the "**Prospectus Regulation**"), the applicable Final Terms will only be obtainable by a Bondholder holding one or more Covered Bonds and such Bondholder must produce evidence satisfactory to the Issuer as to its holding of such Covered Bonds and identity.

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

1. Definitions

"**Base Prospectus**" means the Base Prospectus, dated 18 May 2021 of the Issuer, in the form approved by the *Commission de Surveillance du Secteur Financier* in Luxembourg.

"**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 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, as appropriate.

"**Closing Date**" means the date of the issuance of the first Series of Covered Bonds (including German law Covered Bonds) by the Issuer. "**German law Covered Bonds**" means covered bonds which are governed by German law, the form of terms and conditions of which is contained in the Agency Agreement.

"**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 "**Material Contracts**" 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) calendar days after the receipt by the Fiscal Agent (with copy to the Issuer and, where applicable, the Specific Controller) 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 (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 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, any insolvency or bankruptcy proceedings set out in Book VI of the French Commercial Code (*Code de commerce*), it being understood that the Issuer applying for the appointment of an *ad hoc* representative (*mandataire ad hoc*) or entering into a conciliation procedure (*procédure de conciliation*) or being subject to such application with its principal creditors will not constitute an event of default pursuant to new Article L. 611-16 of the French Commercial Code (*Code de commerce*). Pursuant to such new Article L. 611-16 of the French Commercial Code (*Code de commerce*), any contractual provision to the contrary shall be null and void; 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 Coupons relating to them, are Outstanding and such case of cessation being subject to prior Rating Affirmation).

"**Majority Bondholders**" means (i) in relation to any Series of Covered Bonds, a decision of the General Meeting (as defined in Condition 12) of such Series taken in accordance with Condition 12(d) and (ii) in relation to German law Covered Bonds, an approval of one or more German law Bondholders holding at least two-thirds (⅔) 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, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled or held by the Issuer, for so long as such Covered Bonds are held by the Issuer 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 Documents**" means:

(a) the Shareholder Letter of Undertaking (see section "**The Issuer – Issuer Share Capital, Subordinated Loans and Issuer Majority Shareholder's undertakings**");

(b) the Subordinated Loan agreements (see section "**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 section "**Material Contracts**");

(d) the *Convention d'Externalisation et de Mise à Disposition de Moyens* (see section "**The Issuer – Issuer Risk Management**");

(e) the Issuer Accounts Agreement (see section "**Material Contracts**");

(f) the terms and conditions (including the terms and conditions of the German law Covered Bonds);

(g) the Agency Agreement;

(h) the Dealer Agreement (see section "**Subscription and Sale**");

(i) the Borrower Facility Agreement (see section "**Material Contracts**");

(j) the Collateral Security Agreement (see section "**Material Contracts**");

(k) the Cash Collateral Agreement (see section "**Material Contracts**");

(l) the Calculation Services Agreement (see section "**Material Contracts**");

(m) the Asset Monitor Agreement and the engagement letter of the Asset Monitor (see section "**Material Contracts**");

(n) the Master Definitions and Construction Agreement, provided for the definitions of defined terms used under some other Programme Documents; and

(o) the hedging agreement(s) (if any).

"**Rating Affirmation**" means, with respect to any specified action, determination, or appointment, and except as otherwise specified herein and/or in any Programme Documents, notification by the Issuer to the relevant Rating Agencies, for so long as any Covered Bonds are rated by them, of such specified action, determination or appointment which does not result in the downgrading, or withdrawal, of the ratings then assigned to the Covered Bonds.

"**Rating Agencies**" means Fitch Ratings Ireland Limited ("**Fitch**") , Moody's France S.A.S. ("**Moody's**") or any other rating agency of equivalent standing or any successor thereto.

"**Regulated Market**" means a regulated market (within the meaning of Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014 on markets in financial instruments, 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.

2. Form, Denomination and Title

(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.* and R.211-1 *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 depositary) which shall credit the accounts of the relevant 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**").

Unless this possibility is expressly excluded in the relevant Final Terms and to the extent permitted by applicable law, the Issuer may at any time request from the central depositary identification information of holders of Dematerialised Covered Bonds in bearer form (*au porteur*) such as the name or the company name, nationality, date of birth or year of incorporation and mail address or, as the case may be, email address of such holders as well as the quantity of Covered Bonds held by each of them and any restrictions applicable to the Covered Bonds.

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 SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**").

(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 or the Extended Final Maturity Date, as the case may be), Coupons and Talons in these Conditions are not applicable.

In accordance with Articles L. 211-3 *et seq.* and R.211-1 *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**", "**Fixed/Floating Rate Covered Bonds**" and "**Zero Coupon 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 in accordance with the applicable Conditions.

(b) Denomination

The Covered Bonds will be issued in the specified denomination set out in the relevant Final Terms (the "**Specified Denomination(s)**"), provided that all Covered Bonds admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under the Prospectus Regulation shall have a minimum denomination of €1,000 (or its equivalent in any other currency at the time of issue) or such higher amount as may be allowed or required from time to time in relation to the relevant Specified Currency. Dematerialised Covered Bonds will 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, 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 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.

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

Subject to the Priority Payment Orders, the principal and interest of the Covered Bonds, and, where applicable, any related Coupons are direct, unconditional, unsubordinated and, pursuant to the provisions of Condition 5(b), privileged obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and equally and rateably with all other present and future obligations (including the French law Covered Bonds and German law Covered Bonds of all other Series) and other resources raised by the Issuer benefiting from the *Privilège* described in Condition 5.

5. Covenants

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

(a) Negative Pledge

Except in accordance with the Programme Documents, the Issuer will not create or permit to subsist any privilege, 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, 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) Privilège (***Statutory Priority in Right of Payment***)

The principal and interest of the Covered Bonds will benefit from the *privilège* (statutory priority in right of payment) created by Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "***Privilège***").

Accordingly, notwithstanding any legal provisions to the contrary (including Livre VI of the French Commercial Code (*Code de commerce*)), pursuant to Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*):

(i) all amounts payable to the Issuer in respect of loans or assimilated receivables, exposures and securities referred to in Articles L. 513-3 to L. 513-7 and L. 513-29 of the French Monetary and Financial Code (*Code monétaire et financier*) and forward financial instruments referred to in Article L. 513-10 of the French Monetary and Financial Code (*Code monétaire et financier*), in each case after any applicable set-off, together with the claims in respect of deposits made by the Issuer with credit institutions, shall be allocated in priority to the payment of any sums due in respect of *obligations de financement de l'habitat* (such as the Covered Bonds) and any other resources raised by the Issuer and benefiting from the *Privilège*;

(ii) in case of conciliation (*conciliation*), safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) and judicial liquidation (*liquidation judiciaire*), the amounts due by the Issuer from time to time under the *obligations de financement de l'habitat* (including the Covered Bonds) or any other resources or liabilities benefiting from the *Privilège* shall be paid on their contractual due date, and in priority to all other Issuer's debts, whether or not preferred or secured, including interest resulting from

agreements whatever their duration. Accordingly, until all creditors benefiting from the *Privilège* have been paid in full, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer;

(iii) the judicial liquidation of the Issuer will not result in the acceleration of payment of *obligations de financement de l'habitat* and the other debts benefiting from the *Privilège*.

(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, 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) 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 if applicable, 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.

German law Covered Bonds (a) are subject to the particular limited recourse provisions specified in the terms and conditions of the German law Covered Bonds the form of which is included in the Agency Agreement and (b) are not subject to non-petition provisions.

(h) Notification of Issuer Events of Default

In respect of any Series, the Issuer undertakes to promptly inform the Rating Agencies, 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 Agencies, the Representative or the Administrator, the Issuer shall confirm to the Rating Agencies, 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.

(i) 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 "**Material Contracts**" of this Base Prospectus) has been served, except for the purposes of subscription by the Issuer of Auto-held Covered Bonds in accordance with Condition 19;

(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, except for the purposes of subscription by the Issuer of Auto-held Covered Bonds in accordance with Condition 19; or

(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, except for the purposes of subscription by the Issuer of Auto-held Covered Bonds in accordance with Condition 19; or

(v) for so long as, regarding the Pre-Maturity Test (as defined in section "**Asset Monitoring - The Pre-Maturity Test**" of this Base Prospectus), a Cash Collateral Funding Notice (as defined in the section "**Asset Monitoring - The Pre-Maturity Test**" of this Base Prospectus) has been delivered and the required amount has not been funded within the required time frame, except for the purposes of subscription by the Issuer of Auto-held Covered Bonds in accordance with Condition 19.

(j) Rating of further Issuance

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

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 which shall be either the London Interbank Offered Rate (the "**LIBOR**"), the Euro Interbank Offered Rate (the "**EURIBOR**"), the mid-market annual swap rate for a euro denominated interest swap transaction (the "**EUR-CMS**") or any reference rate that might replace them.

"**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:

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

where:

"Y_1" is the year, expressed as a number, in which the first (1st) day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first (1st) day of the Calculation Period falls;

"M_2" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be thirty-one (31), in which case D_1 will be thirty (30); and

"D_2" 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 D_1 is greater than twenty-nine (29), in which case D_2 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:

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

where:

"Y_1" is the year, expressed as a number, in which the first (1st) day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first (1st) day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" 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 D_1 will be thirty (30); and

"D_2" 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 Final Maturity Date (or the Extended Final Maturity Date, as the case may be) or (ii) such number would be thirty-one (31), in which case D_2 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 EU that have adopted or adopt the single currency in accordance with the Treaty on the functioning of the European Union 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 or such other date as specified in the relevant Final Terms.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., in their updated versions applicable as at the date of issue of the first Tranche of the relevant Series. Investors should consult the Issuer should they require a copy of the ISDA Definitions.

"**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 is the relevant Benchmark, shall be the Euro-zone, and if LIBOR is the relevant Benchmark, shall be London).

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

"**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 arrears on each Interest Payment Date.

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.

If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Payment Date and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(i) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(ii) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(iii) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

(c) Interest on Floating Rate Covered Bonds

(i) *Interest Payment Dates:* Each Floating 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 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 Interest 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 the relevant Final Terms in accordance with 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 or such other date as 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.

Where any Floating Rate Option is specified in the relevant Final Terms as being determined by linear interpolation in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Floating Rate Option, one of which shall be determined as if the Designated Maturity were the period of time (for which rates are available) next shorter than the length of the relevant Interest Period, and the other of which shall be determined as if the Designated Maturity were the period of time (for which rates are available) next longer than the length of the relevant Interest Period.

Unless a higher Minimum Rate of Interest is stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero. For the avoidance of doubt, "Minimum Rate of Interest" shall refer to the relevant rate plus any relevant margin.

(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 (other than the EUR-CMS) 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 (other than the EUR-CMS) 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 (other than the EUR-CMS), 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) *Fallback provision*: Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and a Benchmark Event occurs in relation to an Original Reference Rate at any time when the Conditions of any Covered Bonds provide for any rate of interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply and prevail over other fallbacks specified in Condition 6(c)(iii).

(A) Reference Rate Determination Agent

The Issuer shall use reasonable endeavours to appoint a Reference Rate Determination Agent, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6(c)(iv)(B)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 6(c)(iv)(C)) and any Benchmark Amendments, if any (in accordance with Condition 6(c)(iv)(D)).

A Reference Rate Determination Agent appointed pursuant to this Condition 6(c)(iv) shall act in good faith and in a commercially reasonable manner as an

expert and (in the absence of manifest error or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Calculation Agent or any other party responsible for determining the Rate of Interest specified in the applicable Final Terms, or the Bondholders for any determination made by it pursuant to this Condition 6(c)(iv).

(B) Successor Rate or Alternative Rate

If the Reference Rate Determination Agent determines that:

(a) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 6(c)(iv)(D)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Covered Bonds (subject to the further operation of this Condition 6(c)(iv)); or

(b) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 6(c)(iv)(D)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Covered Bonds (subject to the further operation of this Condition 6(c)(iv)).

(C) Adjustment Spread

If the Reference Rate Determination Agent, determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate(s) of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(D) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 6(c)(iv) and the Reference Rate Determination Agent determines (A) that amendments to the Conditions of the Covered Bonds (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days or Relevant Screen Page) are strictly necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (B) the relevant terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 6(c)(iv)(E), without any requirement for the consent or approval of Bondholders, vary the Conditions of the Covered Bonds to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 6(c)(iv), the Issuer shall comply with the rules of any stock exchange on which the Covered Bonds are for the time being listed or admitted to trading.

(E) Notices, etc.

The Issuer shall, after receiving such information from the Reference Rate Determination Agent, notify the Fiscal Agent, the Calculation Agent, the Paying Agents, the Representative (if any) and, in accordance with Condition 17 (*Notices*), the Bondholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and of the specific terms of any Benchmark Amendments, determined under this Condition 6(c)(iv). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such notice, will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be final and binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agent, the Representative and the Bondholders.

(F) Fallbacks

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date, no Reference Rate Determination Agent has been appointed or no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision, the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided elsewhere in these Conditions of the Covered Bonds will continue to apply to such determination, provided that such fallbacks may in certain circumstances, lead to apply the Rate of Interest determined as at the last preceding Interest Determination Date.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 6(c)(iv), *mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified in accordance with this Condition 6(c)(iv) (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Conditions including, for the avoidance of doubt, the fallbacks specified in 6(c)(iii)(B)(3) above, will continue to apply).

(G) Definitions

In this Condition 6(c)(iv):

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

a) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement

of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;

b) in the case of an Alternative Rate (or in the case of a Successor Rate where (a) above does not apply), is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or

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

"**Alternative Rate**" means, in the absence of Successor Rate, an alternative benchmark or screen rate which the Reference Rate Determination Agent determines in accordance with this Condition 6(c)(iv) and which is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Covered Bonds.

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

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

b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six (6) months prior to the specified date referred to in (b)(i);

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

d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six (6) months prior to the specified date referred to in (d)(i);

e) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six (6) months;

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

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

"**Reference Rate Determination Agent**" means a financial institution of international repute or an adviser of recognised standing with appropriate expertise, at all times acting in good faith and in a commercially reasonable manner, appointed by the Issuer at its own expense under Condition 6(c)(iv)(A) (which may be one of the Dealers involved in the issue of the Covered Bonds and/or the Calculation Agent).

"**Original Reference Rate**" means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Covered Bonds, including Relevant Rate and CMS Rate.

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

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

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

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(d) Fixed/Floating Rate Covered Bonds:

Fixed/Floating Rate Covered Bonds are Covered Bonds for which a change of interest basis (the "**Change of Interest Basis**") is specified to be Applicable in the relevant Final Terms.

Fixed/Floating Rate Covered Bonds may bear interest at a rate that:

(i) The Issuer may elect to convert on the date set out in the Final Terms (the "**Switch Date**") from a Fixed Rate to a Floating Rate, from a Floating Rate to a Fixed Rate, from a Fixed Rate to another Fixed Rate or from a Floating Rate to another Floating Rate. The Issuer election to change the interest basis (the "**Issuer Change of Interest Basis**") should be deemed effective after a valid notification sent by the Issuer to the relevant Bondholders within the period specified in the relevant Final Terms; or

(ii) will automatically change from a Fixed Rate to a Floating Rate, from a Floating Rate to a Fixed Rate, from a Fixed Rate to another Fixed Rate or from a Floating Rate to another Floating Rate (the "**Automatic Change of Interest Basis**") at the date(s) set out in the Final Terms (the "**Automatic Switch Date**").

(e) 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 (or the Extended Final Maturity Date, as the case may be) pursuant to Condition 7(d) and is not paid when due, the amount due and payable prior to the Final Maturity Date (or the Extended Final Maturity Date, as the case may be) shall be the Early Redemption Amount or the Optional Redemption Amount, as the case may be. As from the Final Maturity Date (or the Extended Final Maturity Date, if any), 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(d)(i)).

(f) 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.

(g) Margin, Maximum/Minimum Rates of Interest 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 or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be. For the avoidance of doubt, the Minimum Rate of Interest shall not be, in any case, lower than zero.

(iii) For the purposes of any calculations required pursuant to these Conditions, (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.

(h) 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 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. 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 Interest Amounts payable in respect of each of those Interest Accrual Periods.

(i) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption 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 or Optional Redemption Amount obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption 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 (4^{th}) 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.

(j) Calculation Agent and Reference Banks

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) 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, 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 Condition 7(i), each Covered Bond shall be finally redeemed on the final maturity date specified in the relevant Final Terms (the "**Final Maturity Date**") at its Final Redemption Amount (which is its nominal amount).

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

If a Call Option 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) calendar days' irrevocable notice in accordance with Condition 17 to the holders of Covered Bonds redeem all or, if so provided, some, of the Covered Bonds on any optional redemption date (as specified in the relevant Final Terms) (the "**Optional Redemption Date**"). Any such redemption of Covered Bonds shall be at their Optional Redemption Amount (as specified in the relevant Final Terms) 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 on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption 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 in respect of Dematerialised Covered Bonds, the redemption shall be effected by reducing the nominal amount of such Dematerialised Covered Bonds in a Series in proportion to the aggregate nominal amount redeemed, 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.

(c) Redemption at the Option of Bondholders

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) calendar days' notice to the Issuer 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, 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 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.

(d) Early Redemption Amount and Optional Redemption Amount

(i) *Zero Coupon Covered Bonds*

(A) The Early Redemption Amount payable in respect of any Zero Coupon Covered Bond, upon redemption of such Covered Bond pursuant to Condition 7(e) or (f) or upon it becoming due and payable as provided in Condition 10 or the Optional Redemption Amount pursuant to Condition 7(b) or 7(c) shall be the amortised nominal amount the ("**Amortised Nominal Amount**") (calculated as provided below) of such Covered Bond.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such Covered Bond shall be the scheduled Final Redemption Amount of such Covered Bond on the Final Maturity Date (or the Extended Final Maturity Date, if any) discounted at a rate per annum (expressed as a percentage) equal to the amortisation yield (which 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(e) or (f) or upon it becoming due and payable as provided in Condition 10 or the Optional Redemption Amount pursuant to Condition 7(b) or 7(c) is not paid when due, the Early Redemption Amount or the Optional 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 (or the Extended Final Maturity Date, if any), in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Covered Bond on the Final Maturity Date (or the Extended Final Maturity Date, if any) together with any interest that may accrue in accordance with Condition 6(f).

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*

(A) 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 (e) or (f) 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.

(B) The Optional 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 7(b) or 7(c) will be determined on the following basis:

"**Optional Redemption Amount**" = Y × Specified Denomination

Where:

"**Y**" means the ratio expressed as a percentage specified in the relevant Final Terms.

(e) 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) calendar 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 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) calendar 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 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) calendar days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Covered Bonds, or, if applicable, Coupons or, if that date is passed, as soon as practicable thereafter.

(f) 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) calendar days' irrevocable notice in accordance with Condition 17 to the holders of Covered Bonds, 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 the Lender 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 and Couponholders.

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

(g) 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 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.

Covered Bonds so purchased by the Issuer may be either (i) held and resold or (ii) cancelled in accordance with Condition 7(h) below, all in accordance with applicable laws and regulations.

(h) Cancellation

All Covered Bonds purchased by or on behalf of the Issuer to be cancelled, 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 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 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.

(i) 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 applicable 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 Final Redemption Amount of the relevant Series is not paid by the Issuer 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**"). Interest will continue to accrue on such Final Redemption 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 Agencies, the Administrator 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 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 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 (i) 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)).

Fixed Rate Covered Bonds in definitive form 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 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 (i) any applicable fiscal or other laws, regulations and directives but without prejudice to Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. 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 Dematerialised Covered Bonds in fully registered form, a Registration Agent and (v) 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 outside the United States 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 or Coupon is not a Business Day, the holder shall not be entitled to payment until the next following Business Day, nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**Business Day**" means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised 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 or Coupons 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 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 Couponholders, 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 in respect of any Covered Bond or Coupon, as the case may be:

(i) *Other connection:* to, or to a third party on behalf of, a Bondholder 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 or Coupon; or

(ii) *More than thirty (30) calendar days after the Relevant Date:* in the case of Definitive Materialised Covered Bonds, more than thirty (30) calendar days after the Relevant Date except to the extent that the Bondholder or Couponholder would have been entitled to such additional amounts on presenting it for payment, where presentation is required, on the thirtieth (30^{th}) such day.

References in these Conditions to (A) "**principal**" shall be deemed to include any premium payable in respect of the Covered Bonds, all 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.

10. Events of Default

Subject to the legal framework applicable to an SFH, if an Issuer Event of Default occurs in respect of any Series of French law Covered Bonds, 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 Administrator and to the Rating Agencies) given before all defaults 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.

11. Prescription

Claims against the Issuer for payment in respect of any amount due under the Covered Bonds 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

Subject to the provisions of Condition 12(i) below with respect to Covered Bonds issued with a denomination of less than €100,000 (or its equivalent in any other currency), the Bondholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (the "***Masse***") which will be governed by the provisions of articles L.228-46 *et seq.* of the French Commercial Code (*Code de commerce*) as supplemented by this Condition 12.

(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 collective decisions of the Bondholders (the "**Collective Decisions**").

The *Masse* alone, to the exclusion of all individual Bondholders, shall exercise the common rights, actions and benefits which may accrue with respect to the Covered Bonds.

(b) Representative

The names and addresses of the Representative and its alternate (if any), will be set out in the relevant Final Terms.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms. No additional remuneration is payable in relation to any subsequent Tranche of any given Series.

In the event of death, liquidation, retirement, resignation or revocation of appointment of the Representative, such Representative will be replaced by its alternate, if any. Another Representative may be appointed.

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the alternate Representative (if any) at the head office of the Issuer.

(c) Powers of Representative

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Bondholders, with the capacity to delegate its powers.

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

(d) Collective Decisions

Collective Decisions are adopted either in a general meeting (the "**General Meeting**") or by unanimous consent of the Bondholders following a written consultation (the "**Written Unanimous Decision**").

In accordance with Article R.228-71 of the French Commercial Code (*Code de commerce*), the rights of each Bondholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Account Holder, the Issuer or the Registration Agent (as the case may be) of the name of such Bondholder as of 0:00 Paris time, on the second (2nd) business day in Paris preceding the date set for the Collective Decision. Collective Decisions must be published in accordance with Condition 12(h).

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Covered Bonds of such Series.

(i) General Meetings

A General Meeting may be called at any time, 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 a General Meeting to be called. If such General Meeting has not been called within two (2) months after such demand, the Bondholders may commission one of them to petition the competent court to appoint an agent (*mandataire*) who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if the Bondholders present or represented hold at least one-fifth (1/5) of the principal amount of the Covered Bonds then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a two-third (2/3) majority of votes held by the Bondholders attending such General Meeting or represented thereat, except when the General Meeting deliberates on any proposal for a merger or demerger of the Issuer in the circumstances provided for under Articles L.236-13 and L.236-18 of the French Commercial Code (*Code de commerce*), in which case the decision will be taken by a simple majority of votes held by the Bondholders attending such General Meeting or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 12(h) not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

Each Bondholder has the right to participate in a General Meeting in person, by proxy or by correspondence.

Each Bondholder or representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, 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 and at any other place specified in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, and during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

(ii) Written Unanimous Decisions

At the initiative of the Issuer or the Representative, Collective Decisions may also be taken by a Written Unanimous Decision.

Such Written Unanimous Decision shall be signed by or on behalf of all the Bondholders without having to comply with formalities and time limits referred to in Condition 12(d)(i). Approval of a Written Unanimous Decision may also be given by way of electronic communication allowing the identification of Bondholders in accordance with Article L.228-46-1 of the French Commercial Code (*Code de commerce*) ("**Electronic Consent**"). Any such decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Bondholders. Such Written Unanimous Decision may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such Bondholders and shall be published in accordance with Condition 12(h).

(iii) Exclusion of certain provisions of the French Commercial Code (*Code de commerce*)

The provisions of Article L.228-65 I. 1° and 4° of the French Commercial Code (*Code de commerce*) and the related provisions of the French Commercial Code (*Code de commerce*) shall not apply to the Covered Bonds.

(e) Expenses

The Issuer shall pay all expenses relating to the operations of the *Masse*, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by the Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Covered Bonds.

(f) 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 of any Series of Covered Bonds will be the Representative of the single *Masse* of all subsequent Tranches in such Series.

(g) Sole Bondholder

If and for so long as the Covered Bonds of any Series are held by a sole Bondholder and unless a Representative has been appointed in relation to such Series, such Bondholder shall exercise all powers, rights and obligations entrusted to the *Masse* by the provisions of the French Commercial Code (*Code de commerce*).

From the date of appointment of the Representative in relation to any Series, if and for so long as the Covered Bonds of such Series are held by a sole Bondholder, such Bondholder shall exercise all powers, rights and obligations entrusted to the Bondholders acting through Collective Decisions by the provisions of the French Commercial Code (*Code de commerce*).

The Issuer shall hold a register of the decisions taken by the sole Bondholder in this capacity and shall make it available, upon request, to any subsequent holder of any of the Covered Bonds of such Series.

(h) Notices to Bondholders

Any notice to be given to Bondholders in accordance with this Condition 12 and pursuant to Articles R.228-79 and R.236-11 of the French Commercial Code (*Code de commerce*) shall be published on the website of Crédit Mutuel Arkéa (http://www.arkea.com) and,

(i) in the case of the holders of Covered Bonds in registered form (*au nominatif*), mailed to them at their respective addresses, in which case they shall 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) in the case of the holders of Covered Bonds in bearer form (*au porteur*), given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Covered Bonds are for the time being cleared.

(i) Benchmark Discontinuation

Solely in the context of a Benchmark Event which leads to the application of a Benchmark Amendment, the Bondholders shall be deemed to have agreed and approved any Benchmark Amendments or such other necessary changes pursuant to Condition 6(c)(iv).

(j) Full *Masse*

For Covered Bonds issued with a denomination of less than €100,000 (or its equivalent in any other currency), Condition 12 shall apply to the Covered Bonds subject to the following modifications:

(i) The second paragraph of Condition 12(d)(i) shall be deleted and replaced by the following paragraph:

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

(ii) Condition 12(d)(iii) shall not apply to the Covered Bonds.

(iii) Except if the Final Terms specify "Issue outside France" as applicable, Condition 12(e) shall be deleted and replaced by the following:

"(e) Expenses

The Issuer shall pay all expenses relating to the operations of the *Masse*, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by Collective Decisions."

For the avoidance of doubt, in this Condition 12, the expression "outstanding" shall not include the Covered Bonds subscribed or purchased by the Issuer which are held by the Issuer and not cancelled in accordance with applicable laws and regulations as referred to in Condition 7(g).

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

If, in the case of any Materialised Covered Bonds, a Definitive Materialised Covered Bond, 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, 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, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Covered Bonds, 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;

(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 (or the Extended Final Maturity Date, as the case may be) of each

relevant Series of Covered Bonds (provided that, in the event 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 satisfied only up to a certain percentage of such Available Funds (as determined in accordance with the then applicable Priority Payment Order) and, after payment of such percentage, the obligations of the Issuer with respect to such amounts owed on the relevant date shall be discharged in full);

(d) that, in accordance with paragraph 2 of Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), in the event of a conciliation (*conciliation*), safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) of the Issuer, the amounts due by the Issuer from time to time under the *obligations de financement de l'habitat* (including the Covered Bonds) and any other resources or liabilities benefiting from the *Privilège* shall be paid on their contractual due date, and in priority to all other Issuer's debts, whether or not preferred or secured, including interest resulting from agreements whatever their duration. Accordingly, until all creditors benefiting from the *Privilège* have been paid in full, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer;

(e) that, in accordance with paragraph 3 of Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), the Covered Bonds and the other debt benefiting from the *Privilège* shall not become due and payable as a result of the judicial liquidation (*liquidation judiciaire*) of the Issuer; and

(f) that, in accordance with Article L. 513-31 of the French Monetary and Financial Code (*Code monétaire et financier*), the provisions of Article L. 632-2 of the French Commercial Code (*Code de commerce*) (*nullités facultatives de la période suspecte*) shall not apply to payments made by the Issuer in application of the Programme Documents.

German law Covered Bonds are subject to the particular limited recourse provisions specified in the terms and conditions of the German law Covered Bonds a form of which is included in the Agency Agreement.

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 (or the Extended Final Maturity Date, as the case may be) 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.

German law Covered Bonds are not subject to non-petition provisions.

Despite the fact that the Issuer is almost entirely owned by Crédit Mutuel Arkéa, pursuant to the provisions of Article L. 513-20 of the French Monetary and Financial Code (*Code monétaire et financier*), the safeguard procedure, judicial reorganisation or liquidation (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) of Crédit Mutuel Arkéa, in its capacity as shareholder of the Issuer, shall not be extended to the Issuer.

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

The Issuer may from time to time without the consent of the Bondholders 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.

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 (4^{th}) 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 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.

(e) For the avoidance of doubt, Condition 17 shall not apply to notices to be given pursuant to Condition 12.

18. Governing Law and Jurisdiction

(a) Governing Law

The Covered Bonds, 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, Coupons or Talons may be brought before any competent courts in Brest.

19. Subscription by the Issuer of Covered Bonds as eligible collateral with the Banque de France

Pursuant to Article L. 513-26 of the French Monetary and Financial Code (*Code monétaire et financier*), and notwithstanding the provisions of Articles 1349 of the French Civil Code (*Code civil*) and Articles L. 228-44 and L. 228-74 of the French Commercial Code (*Code de commerce*), the Issuer as *société de financement de l'habitat* may subscribe to its own Covered Bonds (the "**Auto-held Covered Bonds**") for the sole purpose of granting them as

collateral to the credit transactions with the *Banque de France* in accordance with the rules of the Eurosystem, provided that the Issuer's liquidity needs cannot be funded otherwise. Such recognition as eligible collateral will depend upon satisfaction of the Eurosystem eligibility criteria as specified by the European Central Bank. The Covered Bonds thus subscribed by the Issuer must meet the following conditions:

- the outstanding principal amount of the Auto-held Covered Bonds does not exceed ten per cent. (10%) of the outstanding principal amount of any liabilities of the Issuer benefiting from the *Privilège* on the subscription date of the Auto-held Covered Bonds by the Issuer;

- the Auto-held Covered Bonds are deprived of the rights provided for under Articles L. 228-46 to L. 228-89 of the French Commercial Code (*Code de commerce*) for so long as they are held by the Issuer;

- the Auto-held Covered Bonds are granted as collateral to the French central bank (*Banque de France*) or they are cancelled within the eight (8) calendar days from their settlement date or from the date they are no more granted as collateral, as applicable; and

- the Auto-held Covered Bonds cannot be subscribed by a third party.

The Specific Controller certifies these conditions are met in a report delivered to the *Autorité de contrôle prudentiel et de résolution*.

The cancellation of any Auto-held Covered Bond by the Issuer shall be notified by the Administrator to the Rating Agencies in accordance with the Administrative Agreement.

USE OF PROCEEDS

For the avoidance of doubt, it is specified that the expression "Covered Bonds" will include German law and French law Covered Bonds, in the following section.

The net proceeds of the issue of Covered Bonds will be used to fund the Borrower Advances that the Issuer (as Lender) will make available to Crédit Mutuel Arkéa (as Borrower) under the Borrower Facility Agreement.

TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF MATERIALISED COVERED BONDS

The following description is only applicable to Materialised French law Covered Bonds.

Temporary Global Certificates

A Temporary Global Certificate without interest coupons (a "**Temporary Global Certificate**") will initially be issued in connection with each Tranche of Materialised Covered Bonds, which will be delivered on or prior to the issue date of the Tranche with a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and for Clearstream Banking, S.A. ("**Clearstream** "). Upon the delivery of such Temporary Global Certificate with a Common Depositary, Euroclear and Clearstream will credit each subscriber with a nominal amount of Covered Bonds equal to the nominal amount thereof for which it has subscribed and paid.

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

Exchange

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

(i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable, in whole, but not in part, for Definitive Materialised Covered Bonds; and

(ii) otherwise, in whole but not in part, upon certification if required under U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D)(3) (or any successor regulation issued under the Code section 4701(b) containing rules substantially indentical to those currently applying under Code section 163(f)(2)(B)) as to non-U.S. beneficial ownership for Definitive Materialised Covered Bonds.

While any Materialised Covered Bond is represented by a Temporary Global Certificate, any payment payable in respect of such Materialised Covered Bond prior to the Exchange Date (as defined below) will be made only to the extent that the certification described in (ii) above has been received by Euroclear and/or Clearstream, and Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certification received) to the relevant Paying Agent. The holder of a Temporary Global Certificate will not be entitled to collect any payment due thereon on or after the Exchange Date unless, upon due certification as described above, exchange of the Temporary Global Certificate for an interest in Definitive Materialised Covered Bond is improperly refused or withheld.

Delivery of Definitive Materialised Covered Bonds

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to, or to the order of, the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Covered Bonds. In this Base Prospectus, "**Definitive Materialised Covered Bonds**" means, in relation to any Temporary Global Certificate, the Definitive Materialised Covered Bonds for which such Temporary Global Certificate

may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Covered Bonds will be security printed in accordance with any applicable legal and stock exchange requirement.

Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Certificate in respect of any Materialised Covered Bonds, the day falling after the expiry of forty (40) calendar days after its issue date, provided that in the event any further Materialised Covered Bonds which are to be assimilated with such first mentioned Materialised Covered Bonds are issued prior to such day pursuant to Condition 15(a), the Exchange Date may, at the option of the Issuer, be postponed to the day falling after the expiry of forty (40) calendar days after the issue date of such further Materialised Covered Bonds.

In the case of Materialised Covered Bonds with an initial maturity of more than three hundred sixty-five (365) calendar days (and that are not relying on the C Rules), the Temporary Global Certificate shall bear the following legend:

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

THE ISSUER

For the avoidance of doubt, it is specified that the expression "Covered Bonds" will include German law and French law Covered Bonds and the expression "Bondholders" includes any holder of such Covered Bonds, in the following section.

General information about the Issuer

The Issuer was incorporated on 3 November 2000, under the name "Eurobretagne VII", as a French limited liability company with a board of directors (*société anonyme à conseil d'administration*). Its term of existence is ninety-nine (99) years from the date of its incorporation. From the date of its incorporation and until 10 October 2008 when it adopted the name "Crédit Mutuel Arkéa Covered Bonds" and the Programme was set up, the Issuer was a dormant entity owned by Crédit Mutuel Arkéa and did not engage in any business activity.

Following the enactment of Law no. 2010-1249 dated 22 October 2010 on banking and financial regulation (the "**SFH Law**") and of Decree no. 2011-205 dated 23 February 2011, establishing the new status of "*société de financement de l'habitat*", and in accordance with the provisions of Article 74 of the SFH Law, the Issuer has opted for the regime of *société de financement de l'habitat*. On 28 March 2011, the Issuer was granted the authorisation to opt for the status of société de financement de l'habitat by the *Autorité de contrôle prudentiel et de résolution*. The name of the Issuer was changed, initially, on 20 April 2011 for "Crédit Mutuel Arkéa Home Loans SFH", which was the legal and commercial name of the Issuer. On 4 December 2014, the name of the Issuer was changed for "Arkéa Home Loans SFH". As a consequence, the Issuer is now governed by the SFH Legal Framework as described below. See section "**Summary of the SFH Legal Framework**". For the avoidance of doubt, pursuant to the SFH Legal Framework, all Covered Bonds issued at any time by the Issuer (including Covered Bonds issued before the adoption of the status of *société de financement de l'habitat* by the Issuer) shall qualify as *obligations de financement de l'habitat*.

As a result of the entry into force on 1st January 2014 of the Ordinance no. 2013-544 dated 27 June 2013 relating to credit institutions and financing company, the Issuer became automatically a specialised credit institution (*établissement de crédit spécialisé*) as from 1st January 2014.

The Issuer is governed by:

(a) the French Commercial Code (*Code de commerce*); and

(b) the French Monetary and Financial Code (*Code monétaire et financier*).

The Issuer's exclusive corporate purpose set out in Article 2 of the Issuer's by-laws is to finance home loans (*prêts à l'habitat*) and hold financial assets which are eligible under the SFH Legal Framework. Despite the fact that a *société de financement de l'habitat* may subscribe for any units or notes (other than subordinated units or subordinated notes) issued by *organismes de titrisation*, which are French securitisation vehicles, or other similar foreign vehicles, the Issuer has decided to not invest in these units or notes.

In order to finance such transactions, the Issuer may issue bonds called *obligations de financement de l'habitat* that benefit from the *Privilège* (or incur other forms of borrowings benefiting from the *Privilège*) and may also issue ordinary bonds or raise other sources of financing which do not benefit from the *Privilège* in accordance with, and subject to, the SFH Legal Framework.

The Issuer is registered with the French *Registre du commerce et des sociétés* de Brest under number 433 383 205.

The Issuer's registered office and principal place of business is located at 232, rue du Général Paulet, B.P. 103, 29802 Brest Cedex 9. The telephone number of the Issuer's registered office is: + 33 2 98 00 94 85. The website of the Issuer is: https://www.arkea.com/banque/assurance/credit/mutuel/ecb_5039/fr/home-loans-sfh. The information on this website does not form part of the Base Prospectus unless that information is incorporated by reference into the Base Prospectus.

On the date of this Base Prospectus, 99.9 per cent. of the Issuer's share capital is held by Crédit Mutuel Arkéa.

"**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.

According to Article L. 513-29.-IV of the Monetary and Financial Code (*Code monétaire et financier*), the Issuer, as a *société de financement de l'habitat*, is not allowed to hold shares in other companies.

Issuer's activities

Issuer's activities are limited to the transactions expressly authorized by the SFH Legal Framework (see section "**Summary of the SFH Legal Framework**").

On the date of this Base Prospectus, the Issuer has entered into the contracts describes in section entitled "**Material Contracts**".

Limited recourse

Each party to any Programme Document will agree:

(a) not to seek recourse under any obligation, covenant or agreement of the Issuer contained in any Programme Document 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 any Programme Document 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 any Programme Document or implied therefrom and, as a condition of and in consideration for the execution by the Issuer of any Programme Document, 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 any Programme Document;

(b) to limit its recourse against the Issuer under any Programme Document to amounts payable or expressed to be payable to it by the Issuer in respect of its obligations and liabilities under any Programme Document (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 any Programme Document) 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 any Programme Document shall be recoverable only from and to the extent of the amount of the Available Funds, as calculated on the relevant payment date (provided that, in the event 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 under any claim of any party under any Programme Document and all other claims ranking *pari passu* to any such claim, then the claim of such party against the Issuer shall be satisfied only up to a certain percentage of such Available Funds (as determined in accordance with the then applicable Priority Payment Order) and, after payment of such percentage, the obligations of the Issuer with respect to any amount owed on the relevant date to such party shall be discharged in full);

(d) that, in accordance with paragraph 2 of Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), in the event of a conciliation (*conciliation*), safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) of the Issuer, the amounts due by the Issuer from time to time under the *obligations de financement de l'habitat* (including the Covered Bonds) and any other resources or liabilities benefiting from the *Privilège* shall be paid on their contractual due date, and in priority to all other Issuer's debts, whether or not preferred or secured, including interest resulting from agreements whatever their duration. Accordingly, until all creditors benefiting from the *Privilège* have been paid in full, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer;

(e) that, in accordance with paragraph 3 of Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), the Covered Bonds and the other debt benefiting from the *Privilège* shall not become due and payable as a result of the judicial liquidation (*liquidation judiciaire*) of the Issuer; and

(f) that, in accordance with Article L. 513-31 of the French Monetary and Financial Code (*Code monétaire et financier*), the provisions of Article L. 632-2 of the French Commercial Code (*Code de commerce*) (*nullités facultatives de la période suspecte*) shall not apply to payments made by the Issuer in application of the Programme Documents.

German law Covered Bonds are subject to the particular limited recourse provisions specified in the terms and conditions of the German law Covered Bonds a form of which is included in the Agency Agreement.

Non-petition

Each party to any Programme Document will also agree that prior to the date which is eighteen (18) months and one (1) day after the earlier of (i) the Final Maturity Date (or the Extended Final Maturity Date, as the case may be) 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 any Programme Document 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 party shall survive the termination of any Programme Document and the payment of all sums owing under any such Programme Document.

German law Covered Bonds are not subject to non-petition provisions.

No risk of Issuer consolidation upon insolvency of Crédit Mutuel Arkéa

The Issuer is a ring-fenced, bankruptcy remote entity. Pursuant to the provisions of Article L. 513-20 of the French Monetary and Financial Code (*Code monétaire et financier*), the safeguard procedure, judicial reorganisation or liquidation (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) of Crédit Mutuel Arkéa, in its capacity as shareholder of the Issuer, will not be extended to the Issuer.

Restrictions on mergers or reorganisations

The Issuer will undertake in the Conditions not to enter into any merger, re-organisation or similar transaction without prior Representative Consent and Rating Affirmation.

Issuer Financial Elements

The financial year of the Issuer runs from 1 January to 31 December. The annual and interim results of the Issuer shown hereafter are the non consolidated accounts. The Issuer does not produce consolidated financial statements.

Prudential ratios

The Issuer's prudential ratios are assessed at the group consolidated level and at the Issuer level. At the date here of, the regulatory capital of the Issuer consists in Core Tier 1 only.

Debt securities

As of the date of this Base Prospectus, the Issuer's debt securities (*dettes représentées par un titre*) amounted to € 7,799,891,464.30.

Issuer Share Capital, Subordinated Loans and Issuer Majority Shareholder's undertakings

Share capital

As of the date of this Base Prospectus, the Issuer's issued share capital is €70,000,000 (seventy million euros) consisting of seven million (7,000,000) ordinary shares with a par value of €10 (ten euros) each and is fully paid up. The share capital may be increased or decreased in accordance with legal provisions. New shares can be issued either at par value or at a premium.

A capital increase can only be approved by an extraordinary general meeting of shareholders, on the basis of a report by the board of directors (*conseil d'administration*).

An extraordinary general meeting of shareholders can delegate the necessary powers to the board of directors (*conseil d'administration*) to increase the share capital on one or more occasions, to establish the terms of the increase, to certify that such terms have been carried out and to amend the Issuer's articles of association accordingly.

A reduction in capital can be decided by an extraordinary general meeting of shareholders, which may delegate to the board of directors (*conseil d'administration*) all the necessary powers to carry out such a reduction.

Subordinated Loans

At any time after the Closing Date, the Issuer may also benefit from subordinated shareholder's loans to be granted by Crédit Mutuel Arkéa (the "**Subordinated Loans**").

Each Subordinated Loan agreement will provide that all amounts to be paid by the Issuer under this Subordinated Loan agreement will be paid according to the relevant Priority Payment Order, as described in Condition 15 of the section "**Terms and Conditions of the French law Covered Bonds**".

Each Subordinated Loan agreement will include Limited Recourse and Non petition provisions, as described in section "**Issuer's Activities – Limited Recourse**" and "**Issuer's Activities – Non-Petition**".

No amendment, modification, alteration or supplement shall be made to the Subordinated Loan agreements without prior Rating Affirmation if the same materially and adversely affects the interests of the Issuer or the Bondholders and the consent of the *Autorité de contrôle prudentiel et de résolution*, as per the relevant provisions of the Subordinated Loan agreement.

For the avoidance of doubt, the Subordinated Loan agreements may be amended, modified, altered or supplemented without prior Rating Affirmation:

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

(b) to evidence or effect the transition of any party to a Subordinated Loan agreement to any successor;

(c) to add to the undertakings and other obligations of Crédit Mutuel Arkéa under a Subordinated Loan agreement; or

(d) to comply with any mandatory requirements of applicable laws and regulations.

The Subordinated Loan agreements shall be governed by, and construed in accordance with, French law. The Issuer and Crédit Mutuel Arkéa, as lender, have agreed to submit any dispute that may arise in connection with the Subordinated Loan agreements to the jurisdiction of the competent courts of Paris.

Shareholder Letter of Undertaking

As the majority shareholder of the Issuer and pursuant to a letter of undertaking (the "**Shareholder Letter of Undertaking**"), Crédit Mutuel Arkéa undertakes in favour of the Bondholders of Covered Bonds of all Series to be issued, represented by their respective Representative:

(a) not to take or participate in any corporate action or other steps or legal proceedings for the voluntary winding-up, dissolution or reorganisation of the Issuer or of any or all of the Issuer's revenues and assets;

(b) not to take or participate in any corporate action or other steps or legal proceedings for the voluntary appointment of a receiver, administrator, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer with respect to the Issuer or of any or all of the Issuer's revenues and assets;

(c) not to amend the constitutional documents (and in particular the articles of association) of the Issuer other than as expressly contemplated under the Programme Documents or without a prior Representative Consent and Rating Affirmation;

(d) unless required by any administrative or regulatory authorities or under any applicable law or regulation (as the same shall have been notified by the Issuer and/or Crédit Mutuel Arkéa to the Rating Agencies) or unless approved by Crédit Mutuel Arkéa subject to prior Rating Affirmation, that Crédit Mutuel Arkéa will procure that the Issuer will at all times comply with its undertakings and other obligations as set forth in the banking license of the Issuer or in the related application form (*dossier d'agrément*) filed with the *Autorité de contrôle prudentiel et de résolution* (formerly, the *Comité des établissements de crédit et des entreprises d'investissement* (CECEI));

(e) not to permit any amendments to the Programme Documents other than as expressly permitted or contemplated under the Programme Documents and prior Rating Affirmation;

(f) not to permit that the Issuer cease to be consolidated within the tax group formed under the *régime d'intégration fiscale* provided by Articles 223 A *et seq*. of the French General Tax Code (*Code général des impôts*), with Crédit Mutuel Arkéa as head of that tax group and not to amend the tax consolidation agreement (*convention d'intégration fiscale*) as in force on the Signing Date between Crédit Mutuel Arkéa and the Issuer without prior Rating Affirmation;

(g) not to create or permit to subsist any encumbrance over the whole or any part of the shares of the Issuer it owns;

(h) not to sell, transfer, lease out or otherwise dispose of, by one or more transactions or series of transactions (whether or not related), whether voluntarily or involuntarily, the whole or any part of the shares of the Issuer it owns; and

(i) to take any necessary steps, which are available to it as shareholder, to remain majority shareholder of the Issuer.

Issuer management bodies

The chairman and chief executive officer

Mr. Marc Paradis, Chairman of the board of directors (*Président du conseil d'administration*) organises and supervises the work of the board of directors (*conseil d'administration*). It ensures the efficient functioning of the board of directors (*conseil d'administration*) which determines the Issuer's business strategy and monitors its implementation in accordance with French applicable corporate laws.

Mr. Philippe Bauda, Chief executive officer (*directeur général*) and Mr Julien Le Calvez, Deputy chief executive officer (*directeur général délégué*) are vested with the broadest powers to act on behalf of the Issuer in all circumstances. In accordance with French applicable corporate laws, each of the chief executive officer (*directeur général*) and the vice chief executive officer (*directeur général délégué*) represents the Issuer *vis-à-vis* third parties.

Board of directors (conseil d'administration)

The board of directors (*conseil d'administration*) consists of a minimum of three (3) members and a maximum of eighteen (18) members. The term of office is three (3) years.

*Members of the board of directors (*conseil d'administration*)*

On the date of this Base Prospectus, the board of directors (*conseil d'administration*) consists of 6 (six) members.

Name and Position	Date of appointment
Mr. Paradis, Marc, Chairman of the board of directors of the Issuer	10 December 2020
Mr. Bauda, Philippe, Chief executive officer	4 March 2021
Mr. Le Calvez, Julien, Deputy chief executive officer and Director	4 March 2021
Mr. Le Dro, Pierrick, Director	13 April 2018
Crédit Mutuel Arkéa, Director represented by Mrs. LE DOUCEN-DINAHET, Sylvie	7 March 2019
Mr. Bezard, Jérôme, Director	13 April 2018
Mr. Morvan, Jérémy, Director	28 April 2010

The members of the board of directors (*conseil d'administration*) have their business addresses at the registered office of the Issuer.

Mr. Marc Paradis, Chairman of the board of directors (*Président du conseil d'administration*) of the Issuer is also Chairman of the management board of Financo, which is a subsidiary of Crédit Mutuel Arkéa;

Mr. Philippe Bauda, Chief executive officer of the Issuer and representative of Crédit Mutuel Arkéa at the board of directors (*conseil d'administration*) of the Issuer, is also Head of Financial Management Control (*Directeur de la direction Pilotage Financier*) of Crédit Mutuel Arkéa and chief executive officer (*directeur général*) of Arkéa Public Sector SCF;

Mr. Julien Le Calvez, Deputy chief executive officer of the Issuer, is also deputy chief executive officer (*directeur général délégué*) of Arkéa Public Sector SCF ;

Mr. Pierrick Le Dro is also member of the board of the *fédération* of Crédit Mutuel de Bretagne and chairman of the board of directors (*président du conseil d'administration*) of a *Caisse locale* (the *Caisse locale de Caudan*);

Mr. Jérôme Bezard is also Chairman of the board of directors (*président du conseil d'administration*) of a *Caisse locale* (the *Caisse locale de Caudan*).

Rights and duties of the board of directors (conseil d'administration)

In accordance with French applicable corporate laws and the articles of association of the Issuer, the board of directors (*conseil d'administration*) determines the scope of the Issuer's business activities. Without prejudice to the powers expressly granted to meetings of the shareholders, and in so far as the articles of association permit, the board of directors (*conseil d'administration*) deals with all matters relating to the conduct of the Issuer's business, within the limit of the corporate purpose (*objet social*) of the Issuer. When dealing with third parties, the Issuer is bound by acts of the board of directors (*conseil d'administration*) which do not come within the scope of the Issuer's corporate purpose, unless it can prove that the third party knew that a specific action was out of that scope.

The board of directors (*conseil d'administr*ation) shall carry out the inspections and verifications which it considers appropriate. The chairman of the board of directors (*conseil d'administration*) or the chief executive officer (*directeur général*) is required to send all the documents and information necessary to perform this task to each director (*administrateur*).

The chairman of the board of directors (*président du conseil d'administration*) organises and oversees the work of the board of directors (*conseil d'administration*) and reports to the shareholders' general meeting.

The Issuer identified no potential conflicts of interests between the duties to it by the members of the board of directors (*conseil d'administration*) and their private interests and/or other duties.

Rights and duties of the chief executive officer (directeur général)

The general management of the Issuer shall be performed by the chief executive officer (*directeur général*). The chief executive officer (*directeur général*) shall have the most extensive powers to act on behalf of the Issuer in all circumstances, but will exercise its powers subject to those that the law allocates explicitly to shareholders' meetings and to the board of directors (*conseil d'administration*).

With regard to the shareholders, the by-laws of the Issuer provides that some actions shall not be able to be taken by the board of directors (*conseil d'administration*), nor by the chairman (*président*), nor by any chief executive officer (*directeur général*) whatsoever, without the prior consent of the shareholders' general meeting. Such provisions of the by-laws of the Issuer restricting the actions the board of directors (*conseil d'administration*), the chairman (*président*) or the chief executive officer (*directeur général*) may take are not enforceable against third parties.

The Issuer Independent Representative

According to the by-laws of the Issuer, the board of directors (*conseil d'administration*) will, at any time, include an independent member (the "**Issuer Independent Representative**"), *i.e.* a member having no relationship with the Issuer, its shareholders or its management, which may compromise the independence of judgement by such member, as further described and detailed in the by-laws of the Issuer. On the date of this Base Prospectus, Mr. Jérémy Morvan is the Issuer Independent Representative.

Certain action, determination or appointment by the Issuer or the shareholders of the Issuer (such as specified under the terms and conditions and/or any other Programme Documents) may not be taken or made without written confirmation consent of the Issuer Independent Representative (the "**Issuer Independent Representative Consent**"). By way of example, the Programme Documents may not be amended without the prior Issuer Independent Representative Consent (except if any such amendment is expressly permitted or contemplated under the Programme Documents).

Issuer Statutory Auditors

As from 10 October 2008, the statutory auditors of the Issuer are:

(a) Deloitte & Associés, 185 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine, France; and

(b) Mazars, 61 rue Henri Régnault, 92075 Paris La Défense, France.

They are regulated by the Haut Conseil du Commissariat aux Comptes and duly authorised as Commissaires aux comptes.

Sterenn was statutory auditor of the Issuer as from 20 October 2000 until 10 October 2008 (excluded).

The financial statements of the Issuer as at and for the years ended 31 December 2020 and 31 December 2019 have been audited by the statutory auditors of the Issuer, who have issued an audit report for each of these financial statements.

External Supervision and oversight of the Issuer

The Autorité de contrôle prudentiel et de résolution

As a specialised credit institution (*établissement de crédit spécialisé*) and a *société de financement de l'habitat*, the Issuer is supervised by the *Autorité de contrôle prudentiel et de résolution*, an independent supervisory and control authority of banking and insurance activities in France, integrated within the framework of the *Banque de France*. The *Autorité de contrôle prudentiel et de résolution* is notably composed of the Governor of the *Banque de France* and various experts chosen for their expertise in banking and financial matters and is responsible for monitoring observance of the laws and regulations applicable to credit institutions as well as the soundness of their financial position.

The Issuer is subject to off-site monitoring and on-site inspections by the *Autorité de contrôle prudentiel et de résolution*. Off-site monitoring by the *Autorité de contrôle prudentiel et de résolution* consists of the examination of the Issuer's prudential and accounting records as well as regular contacts with the Issuer's board of directors (*conseil d'administration*) and statutory auditors. The Issuer is required to submit to the *Autorité de contrôle prudentiel et de résolution* an annual report on internal control procedures and the assessment and supervision of risk procedures and bi-annual reports setting forth its Overcollateralisation Ratio (pursuant to its status as a *société de financement de l'habitat*). In addition, statutory auditors are required to advise the *Autorité de contrôle prudentiel et de résolution* of any fact or decision that may constitute a breach of existing regulations and that is likely to have a significant effect on the financial situation, the profits or the asset composition of the Issuer or cause the statutory auditors to issue a qualified or adverse opinion.

Through on-site inspections, the *Autorité de contrôle prudentiel et de résolution* ascertains that the information disclosed by the Issuer accurately reflects its financial condition. The *Autorité de contrôle prudentiel et de résolution* may decide to make a recommendation, issue an injunction or institute disciplinary proceedings if it determines that the Issuer has contravened a law or regulation relating to its activity as a *société de financement de l'habitat*.

The Specific Controllers

The Issuer has appointed, in accordance with Article L. 513-23 of the French Monetary and Financial Code (*Code monétaire et financier*) a Specific Controller (*Contrôleur spécifique*) and a Substitute Specific Controller (*Contrôleur Spécifique Suppléant*), who are selected from the official list of auditors and are appointed by the board of directors (*conseil d'administration*) of the Issuer with the approval of the *Autorité de contrôle prudentiel et de résolution*.

The Specific Controller ensures that the Issuer complies with the SFH Legal Framework (in particular, verifying the quality and the eligibility of the assets and the Overcollateralisation Ratio). He also monitors the balance between the Issuer's assets and liabilities in terms of rates and maturity (cash flow adequacy) and notifies the board of directors (*conseil d'administration*), the managing director (*directeur général*) of the Issuer and the *Autorité de contrôle prudentiel et de résolution* if he considers such balance to be unsatisfactory.

The Specific Controller carries out various audits in cooperation with the Issuer's statutory auditors and is completely independent of the Issuer. In particular, the Specific Controller must control the valuation procedures of the real estate properties securing the Home Loan receivables that are granted as Collateral Security.

For the performance of its duties, the Specific Controller has access to all information from management, internal control data, and internal audit data. The Specific Controller is entitled to undertake, at any time, any necessary control of the Issuer that it deems appropriate and to review the Issuer's books and records. In addition, the Specific Controller is entitled to request information from third parties who have entered into transactions on behalf of the Issuer. It may request copies of

relevant agreements and documents from any credit institution or financing company entrusted with the management or the recovery of loans, bonds or other sources of financing of the Issuer pursuant to Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*) and copies of the home loan agreements, mortgage registration certificates and any other documents relating to the Home Loan receivables that are granted as Collateral Security it may consider relevant in order to carry out its duties.

The Specific Controller certifies, on a quarterly basis, compliance with legal and regulatory standards concerning the Overcollateralisation Ratio in connection with the issuance program of the Issuer and for any issue of resources of more than €500 million which benefit from the *Privilège*. Additionally, the Specific Controller certifies that documents the Issuer sends to the *Autorité de contrôle prudentiel et de résolution* meet legal and regulatory requirements. The Specific Controller submits an annual report on its activity to the board of directors (*conseil d'administration*) of the Issuer, and a copy is forwarded to the *Autorité de contrôle prudentiel et de résolution*.

The *Autorité de contrôle prudentiel et de résolution* can require information relating to the activity and the financial situation of the Issuer from the Specific Controller. The Specific Controller is required to disclose to the *Autorité de contrôle prudentiel et de résolution* any decision taken by the *société de financement de l'habitat* or its parent company, which constitute a violation of legal provisions and affect its financial situation, the continuity of the company or the certification of accounts. The Specific Controller is also required to advise the *Autorité de contrôle prudentiel et de résolution* of any fact or decision that could jeopardize the situation of the *société de financement de l'habitat* as a going concern.

The Specific Controller cannot conduct any activities that could undermine its independence and take, receive or retain any interest in the Issuer or Crédit Mutuel Arkéa. The Specific Controller is prevented from providing services exceeding the scope of its control to the Issuer or to Crédit Mutuel Arkéa

The Specific Controller is liable for any error or negligence committed in the exercise of its functions.

Managers may be sanctioned if the Specific Controller is not appointed, not invited to attend shareholders' meetings, prevented from conducting its control or not provided with useful documents that he has requested.

The Specific Controller attends all meetings of the shareholders of the Issuer and, on his request, may be heard by the board of directors (*conseil d'administration*) of the Issuer.

The Specific Controller and the Substitute Controller of the Issuer are:

Specific Controller	**Substitute Specific Controller**
Laurent Brun (Cailliau Dedouit et Associés) 19 rue Clément Marot 75008 Paris France	Mr. Rémi Savournin 19 rue Clément Marot 75008 Paris France

SUMMARY OF THE SFH LEGAL FRAMEWORK AND OTHER LEGAL ISSUES

As of the date of this Base Prospectus, the legal and regulatory regime applicable to the Issuer as *société de financement de l'habitat* (*SFH*) results from the following provisions (the "**SFH Legal Framework**"):

- Articles L. 513-3, L. 513-5, L. 513-7 to L. 513-26 and L. 513-28 to L. 513-33 of the French Monetary and Financial Code (*Code monétaire et financier*) (as they may be amended from time to time);

- Articles R. 513-1, R. 513-3, R. 513-4, R. 513-6 to R. 513-12, R.513-14, R. 513-15 to R. 513-18 and R. 513-19 to R. 513-21 of the French Monetary and Financial Code (*Code monétaire et financier*) (as they may be amended from time to time);

- the Regulation (*réglement*) no. 99-10 dated 9 July 1999 issued by the CRBF Regulation applicable to *sociétés de financement de l'habitat* (as it may be amended from time to time);

- various *Autorité de contrôle prudentiel et de résolution*'s instructions applicable to *sociétés de financement de l'habitat*.

The main provisions of the SFH Legal Framework as of the date of this Base Prospectus are summarized below. The SFH Legal Framework applicable to the Issuer may be amended from time to time after the date of this Base Prospectus.

Exclusive legal purpose

In accordance with the current SFH Legal Framework, *sociétés de financement de l'habitat (SFH)* may only grant or finance home loans (*prêts à l'habitat*) and hold securities and instruments that comply with legal eligibility criteria and, in order to finance these assets, to issue *obligations de financement de l'habitat* (or incur other forms of borrowings benefiting from the *Privilège*) and issue ordinary bonds or raise other sources of financing which do not benefit from the *Privilège*, including mortgage promissory notes (*billets à ordre hypothécaires*).

Sociétés de financement de l'habitat may carry out temporary transfers of securities, pledge a securities account and pledge or transfer all or part of the receivables held by them in accordance with the applicable provisions of the French Monetary and Financial Code (*Code monétaire et financier*). The receivables or securities thus transferred or pledged are not included in the cover pool (*assiette du Privilège*) defined in Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*) and are not taken into account for the calculation of the Overcollateralisation Ratio.

In order to hedge their interest and currency risks on loans, exposures, *obligations de financement de l'habitat* and other sources of financing benefiting from the *Privilège*, or to manage or hedge the global risk on their assets, liabilities and off balance sheet exposures, *sociétés de financement de l'habitat* may use derivative instruments as defined in Article L. 211-1 of the French Monetary and Financial Code (*Code monétaire et financier*). Pursuant to Article L. 513-10 of the French Monetary and Financial Code (*Code monétaire et financier*), any amounts due by the Issuer pursuant to these financial instruments, after applicable netting, benefit from the *Privilège*.

A *société de financement de l'habitat* is not allowed to hold equity participations or other forms of equity interest issued by other companies.

In addition:

- in accordance with Article L. 513-31 of the French Monetary and Financial Code (*Code monétaire et financier*), the provisions of Article L. 632-2 of the French Commercial Code (*Code de commerce*) (*nullités facultatives de la période suspecte*) are not applicable to contracts concluded by a *société de financement de l'habitat*, or to legal transactions made by or in favour of *société de financement de l'habitat*, as far as such contracts or transactions are directly related to the transactions referred to in Articles L. 513-28 to L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*);

- in accordance with Article L. 513-20 of the French Monetary and Financial Code (*Code monétaire et financier*), the bankruptcy proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) of a shareholder of a *société de financement de l'habitat* cannot be extended to the *société de financement de l'habitat* itself;

- any service/loan agreement pursuant to which a *société de financement de l'habitat* has delegated to another credit institution or financing company (*société de financement*) the management or the recovery of loans, exposures, assimilated receivables, securities, instruments, bonds or other sources of financing may be immediately terminated upon the opening of bankruptcy proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) affecting that credit institution or financing company (*société de financement*);

- in accordance with Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*) in case of *procédure de sauvegarde, de redressement ou de liquidation judiciaires* or conciliation proceedings (*procédure de conciliation*) of the Issuer, (i) such proceedings will not give rise to the right for the holders of the Covered Bonds to declare the Covered Bonds immediately due and payable and (ii) all cash flows generated by the assets of the Issuer are allocated as a matter of absolute priority to servicing liabilities of the Issuer which benefit from the *Privilège* as they fall due, in preference to all other claims, whether or not secured or statutorily preferred and, until payment in full of the liabilities of the Issuer which benefit from the *Privilège*, no other creditors may take any action against the assets of the Issuer; and

- in case of bankruptcy proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) of a *société de financement de l'habitat*, the Specific Controller will be responsible for filing claims on behalf of creditors benefiting from the *Privilège*.

Eligible assets

Pursuant to the SFH Legal Framework, the eligible assets of a *société de financement de l'habitat* (*SFH*) comprise, *inter alia*:

(i) home loans (*prêts à l'habitat*) which are secured by a first-ranking mortgage or other real estate security interests that are equivalent to a first-ranking mortgage (within the meaning of Article R. 513-4 of the French Monetary and Financial Code (*Code monétaire et financier*), or that are guaranteed by a credit institution, a financing company (*société de financement*), or an insurance company. The property must be located in France or in any other Member State of the European Union or the EEA or in a State that qualifies for the credit quality step 1 (*meilleur échelon de qualité de crédit*) given by an external rating agency recognised by the *Autorité de contrôle prudentiel et de résolution* as provided in Article L. 511-44 of the French Monetary and Financial Code (*Code monétaire et financier*);

(ii) loans granted to any credit institutions which are secured by the remittance, the transfer or the pledge of the receivables arising from the home loans referred to in (i) above;

(iii) units or notes (other than subordinated units or subordinated notes) issued by *organismes de titrisation*, which are French securitisation vehicles, or other similar foreign vehicles within the limits and conditions set out in the SFH Legal Framework;

(iv) promissory notes (*billets à ordre*) governed by Articles L. 313-42 *et seq*. of the French Monetary and Financial Code (*Code monétaire et financier*) and which represent receivables arising from the home loans referred to in (i) above.

In the case of the Issuer, the eligible assets are comprised of the Borrower Advances which are loans referred to in (ii) above granted by the Issuer to the Borrower in accordance with the provisions of the Borrower Facility Agreement and that are fully secured by eligible Home Loan receivables either governed by French law or by Belgian law granted by the Collateral Providers, including the Borrower, as Collateral Security pursuant to the provisions of Articles L. 211-36 *et seq*. of the French Monetary and Financial Code (*Code monétaire et financier*) and the provisions of the Collateral Security Agreement.

While the Issuer does not intend to acquire eligible assets which are units or notes referred to in (iii) above or promissory notes referred to in (iv) above, it is not precluded from holding any such assets and reserves the right to acquire such assets in the future as well as any other type of assets that may become eligible to *sociétés de financement de l'habitat* in the future.

The *sociétés de financement de l'habitat* are not allowed to make any other investments, except investments in securities, instruments or deposits which are sufficiently secure and liquid to be held as so-called substitution assets (*valeurs de remplacement*), as defined in Articles R. 513-6 and R. 513-20 of the French Monetary and Financial Code (*Code monétaire et financier*).

As of the date of this Base Prospectus, such substitution assets (the "**Legal Substitution Assets**") include:

(i) securities, instruments or deposits due or guaranteed by credit institutions or investment companies that qualify for the credit quality step 1 (*meilleur échelon de qualité de crédit*) established by an external rating agency recognized by the *Autorité de contrôle prudentiel et de résolution*;

(ii) securities, instruments or deposits with a maturity of less than one hundred (100) calendar days due or guaranteed by credit institutions or investment companies of a Member State of the European Union or the EEA that qualify for the credit quality step 2 (*second meilleur échelon de qualité de crédit*) established by an external rating agency recognized by the *Autorité de contrôle prudentiel et de résolution*;

(iii) debt securities (*titres de créances*) issued or guaranteed by public sector entities referred to in paragraph I, 1 to 5, of Article L. 513-4 of the French Monetary and Financial Code (*Code monétaire et financier*); and

(iv) debt securities (*titres de créances*) issued or guaranteed by a central administration of a Member state of the European Union and cash invested on accounts opened within the books of a central bank of a Member State of the European Union which comply with the criteria listed in 1(a) of Article 416 of the Capital Requirements Regulation no. 575/2013 dated 26 June 2013.

The total amount of such substitution assets (*valeurs de remplacement*) that a *société de financement de l'habitat* may hold is limited to fifteen per cent. (15%) of the sum of (i) the total outstanding nominal amount of the *obligations de financement de l'habitat* issued by such *société de financement de l'habitat* and (ii) the amount of the other sources of financing of such *société de financement de l'habitat* benefiting from the *Privilège* (the "**Maximum Legal Substitution Assets Percentage**"), save

if substitution assets set out in paragraph (iv) above are held for the purpose of the coverage of the liquidity needs in accordance with provisions of Article R. 513-7 of the French Monetary and Financial Code (*Code monétaire et financier*) for which the limit applicable is the amount of such liquidity needs (see section "**Asset Monitoring - The Legal Liquidity Reserve**". In addition, pursuant to paragraph 2 of Article R. 513-6 of the French Monetary and Financial Code (*Code monétaire et financier*), certain substitution assets are not taken into account in the calculation of the above percentage such as, without limitation, any cash collateral received from credit institutions by the *société de financement de l'habitat* to secure all or part of its assets.

Pursuant to Article R. 513-18 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de financement de l'habitat* must keep the record of all loans made available by it or acquired by it. This record must specify the type and value of the security and guarantees attached to such loans and the type and amount of the liabilities benefiting from the *Privilège*.

Pursuant to the CRBF Regulation, *sociétés de financement de l'habitat* must send to the *Autorité de contrôle prudentiel et de résolution*, no later than on 10 June of each year, information relating to the quality of the assets they are financing. This report is published within forty-five (45) calendar days of the general meeting approving the financial statements of the year then ended. In particular, the characteristics, details of the distribution of home loans and guarantees, the total of any unpaid amounts, the distribution of debts by amount and by category of debtors, the proportion of early repayments, and the level and sensitivity of the position of interest rates are required to be included as part of the latter report. *Sociétés de financement de l'habitat* must also publish the same information within forty-five (45) calendar days of the end of each quarter. The Issuer will comply with all the foregoing regulations.

Financing portion (*quotité de financement*)

Pursuant to Article R. 513-1 of the French Monetary and Financial Code (*Code monétaire et financier*) to which Article R. 513-19 of the same code expressly refers, a *société de financement de l'habitat* may only finance the home loans through issuance of *obligations de financement de l'habitat* or other resources benefiting from the *Privilège* up to the lowest of the following amounts:

- the principal outstanding amount of the home loan;

- the product of (i) the value of the financed real estate by guaranteed home loans or of the charged residential real estate for mortgage home loan and (ii) the applicable "financing portion" (*quotité de financement*) referred to in Article R. 513-1 of the French Monetary and Financial Code (*Code monétaire et financier*) (which in respect of certain home loans is 80%).

The *Privilège* (Statutory Priority in Right of Payment)

Obligations de financement de l'habitat are specialized covered bonds products that can only be issued by specialised credit institutions licensed and regulated in France as *sociétés de financement de l'habitat*. *Obligations de financement de l'habitat* benefit from the legal *Privilège* under French law which provides a priority in right of payment over all the assets and revenues of the *société de financement de l'habitat* to the holders of *obligations de financement de l'habitat* and other privileged debt.

The right of payment in principal and interest under the Covered Bonds benefits from the privilège (statutory priority in right of payment) created by Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "***Privilège***"), and pursuant to which, notwithstanding any legal provisions to the contrary (including Livre VI of the French Commercial Code (*Code de commerce*) on insolvency proceedings):

(i) all amounts payable to the Issuer in respect of loans or assimilated receivables, exposures and securities referred to in Articles L. 513-3 to L. 513-7 and L. 513-29 of the French Monetary and Financial Code (*Code monétaire et financier*) and forward financial instruments referred to in Article L. 513-10 of the French Monetary and Financial Code (*Code monétaire et financier*), in each case after any applicable set-off, together with the claims in respect of deposits made by the Issuer with credit institutions, shall be allocated in priority to the payment of any sums due in respect of *obligations de financement de l'habitat* (such as the Covered Bonds) and any other resources raised by the Issuer and benefiting from the *Privilège*;

(ii) in case of conciliation (*conciliation*), safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) and judicial liquidation (*liquidation judiciaire*), the amounts due by the Issuer from time to time under the *obligations de financement de l'habitat* (including the Covered Bonds) or any other resources or liabilities benefiting from the *Privilège* shall be paid on their contractual due date, and in priority to all other Issuer's debts, whether or not preferred or secured, including interest resulting from agreements whatever their duration. Accordingly, until all creditors benefiting from the *Privilège* have been paid in full, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer; and

(iii) the judicial liquidation of the Issuer will not result in the acceleration of payment of *obligations de financement de l'habitat* and the other debts benefiting from the *Privilège*.

With respect to the Issuer, the liabilities benefiting from the *Privilège* comprise the hedging costs (if any), amounts due under the Covered Bonds, the hedging subordinated termination costs (if any), and certain amounts of fees and expenses due to the Administrator under the Administrative Agreement.

Overcollateralisation ratio

Pursuant to Articles L. 513-12 and R. 513-8 of the French Monetary and Financial Code (*Code monétaire et financier*), a *société de financement de l'habitat* must at all times maintain a cover ratio (*ratio de couverture*) between its eligible assets (including so-called substitution assets (*valeurs de remplacement*)) and its liabilities benefiting from the *Privilège* (the "**Overcollateralisation Ratio**"). As of the date of this Base Prospectus, this minimum over collateralization ratio provided in the SFH Legal Framework is of at least one hundred and five per cent (105%) (the "**Minimum Legal Overcollateralisation Ratio**"). For that purpose, when the assets comprise receivables secured by collateral assets pursuant to Articles L. 211-36 to L. 211-40, L. 313-23 to L. 313-35 and L. 313-42 to L. 313-49 of the French Monetary and Financial Code (*Code monétaire et financier*), which are not substitution assets (*valeurs de remplacement*), the *société de financement de l'habitat* must take into account the assets received as collateral rather than the secured receivables, *i.e.* in the case of the Issuer, the Collateral Security Assets.

Article R.513-8 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 8 and 9 of the CRBF Regulation define the way the Overcollateralisation Ratio is calculated.

The Specific Controller certifies that the Minimum Legal Overcollateralisation Ratio is complied with every quarter and in case of issue of Covered Bonds which equals or exceeds Euro 500,000,000 or its equivalent in any other currency.

Sociétés de financement de l'habitat must declare their Overcollateralisation Ratio on 31 March, 30 June, 30 September and 31 December of each year.

Liquidity needs coverage

Pursuant to Articles L. 513-8 and R. 513-7 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de financement de l'habitat* must ensure, at all times, the coverage of

their cash requirements for the next one hundred and eighty (180) calendar days, taking into account expected flows in principal and interests under their assets and net flows relating to forward financial instruments set forth in Article L. 513-10 of the French Monetary and Financial Code (*Code monétaire et financier*). For that purpose, when the assets comprise receivables secured by collateral assets pursuant to Articles L. 211-36 to L. 211-40, L. 313-23 to L. 313-35 and L. 313-42 to L. 313-49 of the French Monetary and Financial Code (*Code monétaire et financier*), which are not substitution assets (*valeurs de remplacement*), the *société de financement de l'habitat* must take into account the assets received as collateral rather than the secured receivables, *i.e.* in the case of the Issuer, the Collateral Security Assets.

Pursuant to the CRBF Regulation, *sociétés de financement de l'habitat* must ensure that the average life of the eligible assets held by them, up to the minimum amount required to comply with the cover ratio referred to in Article R. 513-8 of the French Monetary and Financial Code (*Code monétaire et financier*), does not exceed more than 18 months the average life of its liabilities benefiting from the *Privilège*. For that purpose, when the assets comprise receivables secured by collateral assets pursuant to Articles L. 211-36 to L. 211-40, L. 313-23 to L. 313-35 and L. 313-42 to L. 313-49 of the French Monetary and Financial Code (*Code monétaire et financier*), which are not substitution assets (*valeurs de remplacement*), the *société de financement de l'habitat* must take into account the assets received as collateral rather than the secured receivables, *i.e.* in the case of the Issuer, the Collateral Security Assets. With respect to the Issuer, this requirement would be taken into account in the Collateral Security Agreement and for each issuance of Covered Bonds.

On the date of this Base Prospectus, the needs in cash must be covered by substitution assets (*valeurs de remplacement*) or by other assets that are eligible as collateral to credit transactions with the *Banque de France* in accordance with the monetary policy and intra-day credit operations rules of the Eurosystem.

Subscription by the société de financement de l'habitat of its own *obligations de financement de l'habitat* as eligible collateral with the Banque de France

Pursuant to Article L. 513-26 of the French Monetary and Financial Code (*Code monétaire et financier*), a *société de financement de l'habitat* may subscribe to its own *obligations de financement de l'habitat* for the sole purpose of granting them as eligible collateral with the *Banque de France* in accordance with the rules of the Eurosystem, provided that the liquidity needs of the *société de financement de l'habitat* cannot be funded otherwise. Such recognition as eligible collateral will depend upon satisfaction of the Eurosystem eligibility criteria as specified by the European Central Bank. The *obligations de financement de l'habitat* thus subscribed by the *société de financement de l'habitat* must meet the following conditions:

- their outstanding principal amount does not exceed ten per cent. (10%) of the outstanding principal amount of any liabilities of the *société de financement de l'habitat* benefiting from the *Privilège* on the subscription date of the *obligations de financement de l'habitat* by the *société de financement de l'habitat*;

- they are deprived of the rights provided for under Articles L. 228-46 to L. 228-89 of the French Commercial Code (*Code de commerce*) for so long as they are held by the *société de financement de l'habitat*;

- they are granted as collateral to the French central bank (*Banque de France*) or they are cancelled within the eight (8) calendar days from their settlement date or from the date they are no more granted as collateral, as applicable; and

- they cannot be subscribed by a third party.

The Specific Controller certifies these conditions are met in a report delivered to the *Autorité de contrôle prudentiel et de résolution*.

Basel Capital Accord and regulatory capital requirements

The regulatory capital framework published by the Basel Committee on Banking Supervision in 2006, or the "Basel II framework" has not been fully implemented in all participating countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are or may become subject to capital adequacy requirements that follow the framework.

The Basel Committee has subsequently approved significant changes and extensions to the Basel II framework (such changes and extensions being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to, amongst other things, new requirements for the capital base (including an increase in the minimum Tier 1 capital requirement), measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (the latter being referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**", respectively). The framework of the Basel Committee for Banking Supervision has been implemented under EU legislation through the "CRD IV package" which consists of the Capital Requirements Directive no. 2013/36/EU dated 26 June 2013 ("**CRD IV**") and the Capital Requirements Regulation no. 575/2013 dated 26 June 2013 ("**CRR**") known as the "**CRD IV-Package**" which entered into force in the EU on 1 January 2014. The implementation of the CRD IV package was finalized under French law by ordonnance no. 2014-158 dated 20 February 2014 at the legislative level and several *décrets* and *arrêtés* dated 3 November 2014.

The European Parliament and the Council of the European Union adopted the Directive no. 2019/878/EU dated 20 May 2019 amending the CRD IV (the "**CRD IV Revision**" and together with the CRD IV, the "**CRD V**") and the Regulation no. 2019/876/EU dated 20 May 2019 amending the CRR (the "**CRR Revision**" and together with the CRR, the "**CRR V**" and together with the CRD V, the "**CRD V package**"), which, *inter alia*, simplified the Net Stable Funding Ratio. The CRR V and CRD V entered into force on 27 June 2019.

The CRD IV Revision was implemented under French law by the *Ordonnance n° 2020-1635 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière* dated 21 December 2020 and the Décret n° 2020-1637 *portant diverses dispositions d'adaptation au droit de l'Union européenne en matière financière et relatif aux sociétés de financement* dated 22 December 2020. Certain portions of the CRR Revision are already applicable (including those applicable to the new requirements for own funds and eligibile liabilities) while others shall apply as from 28 June 2021, 1st January 2023 or 28 January 2023. The changes under CRR V, CRD V and Basel III may have an impact on the capital requirements in respect of the Covered Bonds and/or on incentives to hold the Covered Bonds for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Covered Bonds.

Future changes to the SFH Legal Framework

Directive (EU) 2019/2162 of the European Parliament and the Council and Regulation (EU) 2019/2160 of the European Parliament and the Council (together, the "**New EU Covered Bonds Framework**") were definitely adopted on 27 November 2019 and published on 18 December 2019. The directive must be transposed by EU Member States before July 2021 and the New EU Covered Bonds Framework will be effective on 6 July 2022 at the latest.

The New EU Covered Bonds Framework is part of the Capital Markets Union action plan and aim to enable a more harmonized covered bond market in the European Union in order to improve the visibility and safety of covered bonds, as well as maintaining some elements arisen from regulations from the Member States of the European Union which have been useful for the bulding of such market. The directive covers in particular requirements for issuing covered bonds, requirements for marketing covered bonds as "European Covered Bonds", structural features of covered bonds (asset composition, derivatives, liquidity...) and regulatory supervision. The regulation would mainly amend Article 129 of Regulation (EU) No 575/2013 (Capital Requirements Regulation (CRR)) and would add requirements on minimum overcollateralisation and substitution assets. The minimum overcollateralization would be set at 2 % and 5 % depending on the assets in the cover pool, based on a nominal calculation method.

Potential impact of this New EU Covered Bonds Framework on the Issuer and the Covered Bonds should be relatively limited but cannot yet be fully estimated, some aspects depending on transposition.

MATERIAL CONTRACTS

As of the date of this Base Prospectus, the main contracts entered into by the Issuer are as follows:

(i) the *Convention d'Externalisation et de Mise à Disposition de Moyens* dated 24 October 2008 (as it may be amended from time to time) pursuant to which the Issuer has delegated to Crédit Mutuel Arkéa its compliance control, ongoing internal control and periodic internal control, risks control and other operational services;

(ii) the "**Administrative Agreement**" dated 5 December 2008 (as it may be amended from time to time) (the "**Signing Date**") and entered into between Arkéa Home Loans SFH, as Issuer and Crédit Mutuel Arkéa, as Administrator (the "**Administrator**") pursuant to which the Administrator was appointed to, *inter alia*, (i) render administrative services to the Issuer (including all necessary advice, assistance and know-how, whether technical or not, day to day management and corporate administration services), (ii) act on behalf of the Issuer in connection with the exercise of each of its rights and performance of each of its obligations under the Programme Documents, (iii) until no Borrower Event of Default has occurred, perform the management and servicing of the Borrower Advances made available to the Borrower under the Borrower Facility Agreement, (iv) upon enforcement of the Collateral Security following the occurrence of a Borrower Event of Default and upon the Issuer taking title to the Collateral Security Assets, perform the servicing of such assets or if the servicing of such assets is transferred to a substitute servicer procure that the servicing of such assets shall be performed by such substitute servicer pursuant to a servicing agreement to be entered into by the Issuer and such substitute servicer in accordance with Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*) and (v) perform the management and servicing of the Covered Bonds and of the other ressources of the Issuer mentioned in Article L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*) and (vi) assist the Issuer in opening and operating its bank accounts and in the management and investment of its available cash in the Permitted Investments (as defined in section "**Asset Monitoring** " of this Base Prospectus);

(iii) the multicurrency term facility agreement (the "**Borrower Facility Agreement**") governed by French law dated the Signing Date (as it may be amended from time to time) and entered into between the Issuer, as lender (in such capacity, the "**Lender**") and Crédit Mutuel Arkéa, as borrower (in such capacity, the "**Borrower**") pursuant to which the Lender shall use the proceeds from the issuance of the Covered Bonds under the Programme to fund advances (each, a "**Borrower Advance**") in an aggregate maximum amount equal to €13,000,000,000 (the "**Borrower Facility Commitment**"), it being specified that notably:

(a) terms and conditions regarding the calculation and the payment of principal and interest under a Borrower Advance shall mirror the equivalent terms and conditions of the corresponding Final Terms of Covered Bonds, save for the margin and extension of maturity, as applicable, if such Borrower Advance is funded by a Series of Soft Bullet Covered Bonds;

(b) each of the following events constitutes the occurrence of an event of default under the Borrower Facility Agreement (each a "**Borrower Event of Default**"):

- the Borrower fails to pay any sum due under the Borrower Facility Agreement when due, in the currency and in the manner specified therein; provided, however, that where such non-payment is due to an administrative error or the failure of continuing external payment systems or clearing systems reasonably used by the Borrower and such payment is made by the Borrower within three (3) Business Days of such non-

payment, such non-payment shall not constitute a Borrower Event of Default;

- a Breach of Asset Cover Test occurs;

- a Breach of Pre-Maturity Test occurs;

- a Breach of Collection Loss Reserve Funding Requirement occurs;

- any material representation or warranty made by the Borrower, in the Borrower Facility Agreement or in any notice or other document, certificate or statement delivered by it pursuant thereto or in connection therewith is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within sixty (60) Business Days after the Administrator or the Issuer has given notice thereof to the Borrower or (if sooner) the Borrower has knowledge of the same, provided that the Issuer, at its discretion, certifies that it is prejudicial to the interests of the holders of the relevant Covered Bonds;

- the Borrower fails to comply with any of its material obligations under the Borrower Facility Agreement unless such breach is capable of remedy and is remedied within sixty (60) Business Days after the Administrator or the Issuer has given notice thereof to the Borrower or (if sooner) the Borrower has knowledge of the same, provided that the Issuer, at its discretion, certifies that it is prejudicial to the interests of the holders of the relevant Covered Bonds;

- any Collateral Provider(s) fail to comply with any of its/their material obligations under the Programme Documents unless such breach is capable of remedy and is remedied (within sixty (60) Business Days after the earlier of (i) the date on which the Administrator or the Issuer has given notice thereof to the Borrower and the Collateral Security Agent or (ii) the date on which the Borrower or the Collateral Security Agent has knowledge of the same) and provided that the Issuer, at its discretion, certifies that it is prejudicial to the interest of the holders of the relevant Covered Bonds and the Issuer;

- as regards the Borrower, an Insolvency Event occurs;

- any effect, event or matter (regardless of its nature, cause or origin and in particular the commencement of any legal, administrative or other proceedings against the Borrower) occurs which is or could be reasonably expected to be materially adverse to (i) the financial or legal situation, assets, business or operations of the Borrower and (ii) the ability of the Borrower to perform its payment obligations or the financial covenants under any of the Programme Documents;

- at any time it is or becomes unlawful for the Borrower to perform or comply with any or all of its material obligations under the Borrower Facility Agreement or any of the material obligations of the Borrower under the Borrower Facility Agreement are not or cease to be legal, valid and binding; or

- at any time it is or becomes unlawful for any of the Collateral Providers to perform or comply with any or all of their respective material obligations under the Collateral Security Agreement or any of the material obligations of any of the Collateral Providers under the Collateral Security Agreement are not or cease to be legal, valid and binding;

(c) upon the occurrence of a Borrower Event of Default, the Issuer (represented by the Administrator or the Issuer Independent Representative) shall, by written notice (such notice to constitute a *mise en demeure*) to the Borrower (with copy to (i) the Collateral Security Agent, (ii) the Issuer Independent Representative (if the Borrower Enforcement Notice is delivered by the Administrator), (iii) the Administrator (if the Borrower Enforcement Notice is delivered by the Issuer Independent Representative) and (iv) (in each instance) the Rating Agencies), (x) declare that (i) no further Borrower Advances shall be made available under the Borrower Facility Agreement, and (ii) the then outstanding Borrower Advances are immediately due and payable and (y) enforce the rights of the Lender under the Collateral Security Agreement and the Cash Collateral Agreement for the repayment of any sum due by the Borrower under the Borrower Facility Agreement and not paid by the Borrower (whether at its contractual due date or upon acceleration) (a "**Borrower Enforcement Notice**");

For the purpose hereof, an "**Insolvency Event** means, with respect to any entity, the occurrence of any of the following events:

(a) the relevant entity is, or is deemed or declared for the purposes of any law to be, unable to pay its debts as they fall due or to be insolvent, is en *état de cessation des paiements*, or admits in writing its inability to pay its debts as they fall due;

(b) the relevant entity by reason of financial difficulties, begins formal negotiations with one (1) or more of its creditors with a view to the general readjustment or rescheduling of any of its indebtedness or applies for or is subject to an amicable settlement other than a *procédure de conciliation* or the appointment of a *mandataire ad hoc* pursuant to new Article L. 611-16 of the French Commercial Code (*Code de commerce*);

(c) a meeting of the shareholders of the relevant entity is convened for the purpose of considering any resolution for (or to petition for) its winding-up or its administration or any such resolution is passed;

(d) any person presents a petition for the winding-up or for the administration or for the bankruptcy of the relevant entity and the petition is not discharged within thirty (30) calendar days;

(e) any order for the winding-up or administration of the relevant entity is issued;

(f) a judgment is issued for the judicial liquidation (*liquidation judiciaire*), the safeguard procedure of the relevant entity (*procédure de sauvegarde*), the rescheduling of the debt of the relevant entity (*redressement judiciaire*) or the transfer of the whole or part of the business of the relevant entity (*cession de l'entreprise*) pursuant to Articles L. 620-1 *et seq.* of the French Commercial Code (*Code de commerce*) or the accelerated safeguard procedure (*procédure de sauvegarde accélérée*) or, the accelerated financial safeguard (*procédure de sauvegarde financière accélérée*) or, to the extent permitted by applicable law, 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) any liquidator, trustee in bankruptcy, receiver, administrative receiver, administrator or the like (including, without limitation, any "*mandataire ad hoc*", "*administrateur judiciaire*", "*administrateur provisoire*", "*conciliateur*" or "*mandataire liquidateur*") is appointed in respect of the relevant entity or any substantial or material part of the assets or the directors of the relevant entity request such appointment; it being understood that the appointment of an ad hoc representative (*mandataire ad hoc*) or entering into a conciliation procedure (*procédure de conciliation*) or being subject to such application with its principal creditors will not constitute an event of default pursuant to new Article L. 611-16 of the French Commercial Code (*Code de commerce*). Pursuant to such new Article L. 611-16 of the French Commercial Code (*Code de commerce*), any contractual provision to the contrary shall be null and void;

(iv) the agreement governed by French law dated on the Signing Date (as it may be amended from time to time) and entered into between (i) the Issuer, in its capacity as Lender, (ii) collateral providers belonging to the Crédit Mutuel Arkéa Group (including French entities controlled by Crédit Mutuel Arkéa acting through Belgian subsidiaries (*succursales*)) and complying with other cumulative eligibility criteria (the "**Collateral Providers**") (as amended from time to time) and (iii) Crédit Mutuel Arkéa, in its respective capacity as Borrower, Collateral Provider, Collateral Security Agent, Administrator and Issuer Calculation Agent (the "**Collateral Security Agreement**") pursuant to which the Collateral Providers, represented by the Collateral Security Agent, shall grant eligible Home Loan receivables either governed by French law or by Belgian law (the "**Eligible Assets**") as collateral security (*remise en garantie financière à titre de sûreté*) pursuant to Articles L. 211-36 to L. 211-40 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "**Collateral Security**") in order to secure, as they become due and payable, the payments of all and any amounts (whether in principal, interest, fees, indemnities or guarantees) owed by the Borrower under the Borrower Facility Agreement, whether present or future (the "**Secured Liabilities**"), it being specified that:

(a) "**Crédit Mutuel Arkéa Group**" means Crédit Mutuel Arkéa, the Crédit Mutuel Entities and any Other Entity;

(b) "**Crédit Mutuel 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* or the *Fédération de Crédit Mutuel du Sud-Ouest*;

(c) "**Other Entity**" means any Collateral Provider controlled by Crédit Mutuel Arkéa within the meaning of Article L. 233-3 of the French Commercial Code (*Code de commerce*) (including French entities controlled by Crédit Mutuel Arkéa acting through Belgian subsidiaries (*succursales*)) and which is not a Crédit Mutuel Entity ;

(d) Eligible Assets shall be validly granted as Collateral Security and shall qualify as "**Collateral Security Assets**" for the purposes of the Collateral Security Agreement only upon satisfaction of numerous conditions precedents, including in particular that the same shall have been duly identified in accordance with certain identification requirements; an "**Eligible Asset**" meaning, in relation to Collateral Security granted by any and all Collateral Providers, any Home Loan receivable either governed by French law or by Belgian law, that complies, or whose underlying Home Loan complies (each, a "**relevant Home Loan**"), with the requirements of the SFH Legal Framework and some additional contractual eligibility criteria which may be amended from time to time subject to prior Rating Affirmation (the "**Home Loan Eligibility Criteria**") (for the avoidance of doubt,

Home Loan Receivables governed by Belgian law may be Eligible Assets under the provisions of this Agreement but they are not, on the date of signature of this Base Prospectus, granted by the Collateral Providers).

For the purpose hereof:

"**Home Loan**" means each and any loan financing the acquisition of residential real estate property originated by any Collateral Provider.

(e) if a Servicing Rating Trigger Event occurs, the Administrator will notify the Issuer in writing of the occurrence of such event and then within thirty (30) Business Days of such occurrence, the Issuer and the Collateral Security Agent, acting in the name and on behalf of the Collateral Providers, will use reasonable endeavours to appoint a new servicer (whose (i) long-term senior unsecured, unsubordinated and unguaranteed debt obligations (if rated) are rated at least BBB by Fitch or (ii) long-term senior unsecured, unsubordinated and unguaranteed debt obligations (if rated) are rated at least Baa2 by Moody's or (iii) after the date hereof, any other rating levels (x) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (y) commensurate with the then current ratings of the Covered Bonds) for the servicing of any and all Collateral Security Assets, it being specified that in accordance with, and subject to, the Borrower Facility Agreement, any breach by the Collateral Providers of their material obligations under the Programme Documents (if not remedied in accordance with the relevant provisions of the Borrower Facility Agreement) constitutes a Borrower Event of Default;

for the purposes hereof, "**Servicing Rating Trigger Event**") means, with respect to the Borrower, the event in which (i) its short-term senior unsecured, unsubordinated and unguaranteed debt obligations become rated below F3 by Fitch or (ii) its short-term senior unsecured, unsubordinated and unguaranteed debt obligations become rated below P-3 by Moody's or (iii) after the date hereof, any other rating levels (x) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (y) commensurate with the then current ratings of the Covered Bonds;

(f) upon the service by the Issuer (represented by the Issuer Independent Representative or by the Administrator) to the Borrower of a Borrower Enforcement Notice subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement following the occurrence of a Borrower Event of Default, the Issuer (represented by the Issuer Independent Representative or by the Administrator) shall be entitled to exercise any and all rights, actions and privileges with respect to the Collateral Security Assets. In particular, with immediate effect as from the service to the Borrower of a Borrower Enforcement Notice in respect of the Collateral Security Assets:

- the Collateral Providers shall no longer be entitled to service the Collateral Security Assets;

- the Issuer shall be vested in all the rights of title, all discretions, benefits and all other rights of the Collateral Providers with respect to the Collateral Security Assets and related documents, including, without any formality whatsoever, all rights of title, all discretions, benefits and all other rights in relation to any right, privilege, guarantee or security interest (*droit accessoire, privilège, garantie ou sûreté*) ancillary or, as

the case may be, attached to the Collateral Security Assets (and, in particular, any and all relevant Home Loan Security ("**Home Loan Security**" means a Mortgage or a Home Loan Guarantee) whatever the value of Collateral Security Assets at the time of enforcement but subject to the repayment claim (*créance de restitution*) of the Collateral Providers against the Issuer once full satisfaction of the Secured Liabilities; and

- insofar as the delivery of a Borrower Enforcement Notice involves the full and definitive transfer of ownership of the Collateral Security Assets to the benefit of the Issuer, the Issuer (represented by the Issuer Independent Representative or by the Administrator or any of its representative, agent or expert acting on its behalf) may dispose of, transfer, sell or cause to be sold, any or all the Collateral Security Assets to any third party or refinance the same (by way of securitisation or otherwise) and the Administrator shall perform the servicing of such assets, unless the servicing of such assets is transferred to a substitute servicer (for the avoidance of doubt, since the Collateral Security consists in the transfer by way of security of the Collateral Security Assets to the benefit of the Issuer, the Issuer may, as long as the Collateral Security is not enforced, dispose of, transfer, sell or cause to be sold, any or all the Collateral Security Assets, ***provided that*** the Collateral Security Assets shall be restituted by the Issuer to the Borrower, and to the Collateral Providers, as soon as the Secured Liabilities are repaid in full),

For the purposes hereof:

"**Home Loan Guarantee**" means (i) each and any French law joint and several guarantee or other type of French law guarantee granted by *Crédit Logement*, by *L'Equité*, by *CNP Caution* or by *AXA France IARD* or, (ii) subject to Rating Affirmation, a credit institution or a financing company (*société de financement*) of the EEA specialised in the guaranteeing of loans financing the acquisition of residential real estate property and guaranteeing the Home Loans; or (iii), subject to Rating Affirmation, each and any financial guarantee or other type of guarantee provided by insurance companies or mutual insurance companies and guaranteeing the Home Loans,

"**Mortgage**" means each French law duly registered first ranking mortgage (and in particular, any *hypothèque*) or similar first ranking legal privilege (and in particular, any *privilège de prêteur de deniers*) securing the repayment of any given Home Loan, or any French law second ranking mortgage securing the repayment of any given Home Loan if the relevant first ranking mortgage is granted to secure the repayment of a Home Loan which receivable is granted as Collateral Security;

(v) the agreement governed by French law dated on the Signing Date (as it may be amended from time to time) entered into between (i) the Issuer in its capacity as Lender, and (ii) Crédit Mutuel Arkéa in its capacity as Cash Collateral Provider (the "**Cash Collateral Provider**"), Administrator and Issuer Calculation Agent (the "**Cash Collateral Agreement**") pursuant to which the Cash Collateral Provider shall fund certain amounts as cash collateral (*gage espèces*) (each, a "**Cash Collateral**") as security to the Secured Liabilities and in particular:

(a) the Cash Collateral Provider shall fund the Cash Collateral Account (the "**Cash Collateral Account**") up to an amount determined in accordance with the

provisions of the Cash Collateral Agreement to meet certain liquidity tests as described in the sections entitled "**Asset Monitoring - The Legal Liquidity Reserve**" and "**Asset Monitoring - Pre-Maturity Test**"; and

(b) upon downgrading of the credit rating of Crédit Mutuel Arkéa below the following ratings:

- Baa2 (long-term) by Moody's; or

- F2 (short-term) and BBB (long-term) by Fitch,

(each, a "**Collection Loss Trigger Event**") and within fourteen (14) calendar day from the occurrence of such Collection Loss Trigger Event, the Cash Collateral Provider shall be required:

- to pay, to the credit of the Collection Loss Reserve Account (to be opened by the Administrator in the name of the Issuer and within the books of the Issuer Accounts Bank (the "**Collection Loss Reserve Account**")), an amount equal to the collections received by the Collateral Providers under the Home Loan Receivables granted as Collateral Security during the two and half (2.5) calendar months preceding the date of the occurrence of the Collection Loss Trigger Event, as such occurrence shall be reported to the Issuer, the Administrator and the Issuer Calculation Agent (with a copy to the Rating Agencies) within the above-mentioned fourteen (14) calendar day-period; and

- further, to adjust, on each Selection Date, the amount standing to the credit of this Collection Loss Reserve Account so that it is an amount equal to the sum of collections received by the Collateral Providers under the Home Loans granted as Collateral Security during the preceding two and half (2.5) calendar months preceding the last Business Day of the calendar month immediately preceding such Selection Date, and any such adjustment shall be reported to the Issuer, the Administrative Agent and the Calculation Agent (with a copy to the Rating Agencies),

it being provided that failure by the Cash Collateral Provider to fund the Collection Loss Reserve Account up to the required amount within the required period following the occurrence date of the Collection Loss Trigger Event shall constitute a "**Breach of Collection Loss Reserve Funding Requirement**" and that a Breach of Collection Loss Reserve Funding Requirement constitutes the occurrence of a Borrower Event of Default;

(c) in respect of each Cash Collateral funded pursuant to the terms of the Cash Collateral Agreement, the Cash Collateral Provider shall have the right to request from the Issuer the release of such Cash Collateral under the following circumstances (each, a "**Release Without Discharge Event**"):

- while such Cash Collateral has been funded upon a Pre-Maturity Rating Downgrade Event, the Borrower regains the Pre-Maturity Rating Required Level; or

- if, on a given date:

(i) the amount of Cash Collateral standing to the credit of the Cash Collateral Account exceeds the applicable CCRFA on such date pursuant to the terms of the Cash Collateral Agreement; or

(ii) the amount of Cash Collateral standing to the credit of the Collection Loss Reserve Account exceeds the amount that must be funded in each such Collection Loss Reserve pursuant to the terms of the Cash Collateral Agreement,

- while the Collection Loss Reserve Account has been funded upon the occurrence of a Collection Loss Trigger Event, there is no longer a Collection Loss Trigger Event.

Upon any release request by the Cash Collateral Provider following the occurrence of a Release Without Discharge Event, the Issuer shall release the relevant Cash Collateral and repay to the Cash Collateral Provider up to the relevant amount, provided that in all cases, an amount equal to the Legal Liquidity Reserve remains at any time on the credit of the Cash Collateral Account after such release;

(d) upon the service by the Issuer (represented by the Issuer Independent Representative or by the Administrator) to the Borrower of a Borrower Enforcement Notice subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement following the occurrence of a Borrower Event of Default, the Issuer (represented by the Issuer Independent Representative or by the Administrator) shall be entitled to apply to the repayment of the Secured Liabilities all sums standing to the credit of the Cash Collateral Account and the Collection Loss Reserve Account Account. Any sum remaining to the credit of the Cash Collateral Account and the Collection Loss Reserve Account after satisfaction in full of the Secured Liabilities shall be repaid to the Cash Collateral Provider in accordance with the relevant Priority Payment Order. The Cash Collateral Provider will not benefit from the *Privilège* for the repayment of any amounts constituting any Cash Collateral;

(vi) the agreement governed by French law dated on the Signing Date (as it may be amended from time to time) and entered into between the Issuer and Crédit Mutuel Arkéa, as Issuer Accounts Bank (the "**Issuer Accounts Bank**") (the "**Issuer Accounts Agreement**") pursuant to which the Issuer Accounts Bank is appointed for the opening and operation of the Issuer's bank accounts (the "**Issuer Accounts**")

(a) including (i) the "**Issuer Cash Accounts**", including the Issuer General Account (denominated in Euro), the Cash Collateral Account (denominated in Euro), the Share Capital Proceeds Account (denominated in Euro) and, as the case may be, the Collection Loss Reserve Account (denominated in Euro); the Issuer General Account shall be credited or debited by the Issuer Accounts Bank, acting upon the instructions of the Issuer (or the Administrator acting on its behalf), with any and all amounts which are not specified to be credited or debited to any other Issuer Cash Accounts (the "**Issuer General Account**") and (ii) the "**Issuer Securities Accounts**", which are securities accounts (comptes d'instruments financiers) opened in relation to each Issuer Cash Account;

(b) upon instruction of the Issuer (or the Administrator acting on its behalf), an Issuer Cash Account shall be credited with the amount of the Issuer's share capital and the Subordinated Loan (the "**Share Capital Proceeds Account**");

(c) the Issuer shall terminate the appointment of the Issuer Accounts Banks under the Issuer Accounts Agreement and appoint subject to prior Rating Affirmation a substitute entity, at the costs of the Issuer Accounts Bank, upon the occurrence of an Issuer Accounts Bank Termination Event (an "**Issuer Accounts Bank Termination Event**"):

- subject to the terms of the Issuer Accounts Agreement, the occurrence of any Issuer Accounts Bank's Default;

- the failure to comply with one or the other remedies to an Issuer Accounts Bank Rating Trigger Event within sixty (60) calendar days;

- as long as the Borrower is also the Issuer Accounts Bank, a Borrower Event of Default has occurred; or

- the Issuer Accounts Bank has resigned from its duties and obligations under the Issuer Accounts Agreement,

Whereby:

Each of the following events shall constitute an Issuer Accounts Bank's Default (a "**Issuer Accounts Bank's Default**"):

(a) any material representation or warranty made by the Issuer Accounts Bank is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within sixty (60) Business Days after the Issuer has given notice thereof to the Issuer Accounts Bank or (if sooner) the Issuer Accounts Bank has knowledge of the same, provided that the Issuer, at its discretion, certifies that it is prejudicial to the interests of the holders of the relevant Covered Bonds;

(b) the Issuer Accounts Bank fails to comply with any of its material obligations under the Issuer Accounts Agreement unless such breach is capable of remedy and is remedied within sixty (60) Business Days after the Issuer has given notice thereof to the Issuer Accounts Bank or (if sooner) the Issuer Accounts Bank has knowledge of the same, provided that the Issuer, at its discretion, certifies that it is prejudicial to the interests of the holders of the relevant Covered Bonds;

(c) an Insolvency Event occurs in respect of the Issuer Accounts Bank; or

(d) at any time it is or becomes unlawful for the Issuer Accounts Bank to perform or comply with any or all of its material obligations under the Issuer Accounts Agreement or any or all of its material obligations under the Issuer Accounts Agreement are not, or cease to be, legal, valid and binding.

If:

- the senior unsecured, unsubordinated and unguaranteed debt obligations of the then appointed Issuer Accounts Bank become rated below P-1 (short-term) by Moody's; or

- the long-term Deposit Rating or, if no such rating is assigned or applicable, the long-term issuer default rating (IDR) of the then appointed Issuer Accounts Bank becomes rated below A- by Fitch and the short

term Deposit Rating or, if no such rating is assigned or applicable, the short-term issuer default rating (IDR) of the then Issuer Accounts Bank becomes rated below F1 by Fitch,

(an "**Issuer Accounts Bank Rating Trigger Event**"), the Issuer Accounts Bank will notify the Issuer in writing of the occurrence of such event. Within sixty (60) calendar days of such occurrence either:

(a) the Issuer (or the Administrator acting on its behalf) shall have closed the then existing Issuer Bank Accounts and opened new accounts in its name under the terms of a new issuer accounts agreement substantially on the same terms as this Agreement with another financial institution whose:

- senior unsecured, unsubordinated and unguaranteed debt obligations are rated at least P-1 (short-term) by Moody's, and

- long-term Deposit Rating or, if no such rating is assigned or applicable, long-term issuer default rating (IDR) is rated at least A- by Fitch or short term Deposit Rating or, if no such rating is assigned or applicable, the short-term issuer default rating (IDR) is rated at least F1 by Fitch; or

- any central bank in the EEA; or

(b) subject to prior Rating Affirmation, the Issuer Accounts Bank has obtained a guarantee of its obligations under this Agreement on terms acceptable to the Issuer, acting reasonably, from a financial institution whose:

- senior unsecured, unsubordinated and unguaranteed debt obligations are rated at least P-1 (short-term) by Moody's; and

- long-term issuer default rating (IDR) is rated at least A- by Fitch or short term issuer default rating (IDR) is rated at least F1 by Fitch;

provided that failure to comply with the provisions of paragraph (a) or paragraph (b) above within the relevant sixty (60) calendar day-period shall constitute an Issuer Accounts Bank Termination Event within the meaning of the Issuer Accounts Agreement.

(vii) the agreement governed by French law dated on the Signing Date (as it may be amended from time to time) and entered into between (i) the Issuer and (ii) Crédit Mutuel Arkéa, in its capacity as Issuer Calculation Agent (the "**Issuer Calculation Agent**") pursuant to which the Issuer Calculation Agent is appointed for the purposes of any calculation and determinations to be made under the Programme Documents (but excluding all calculation and determinations to be made with respect to the Series of Covered Bonds, such calculation and determinations to be made on behalf of the Issuer by the Calculation Agent under the Issuer Agency Agreement),

(viii) the agreement governed by French law dated on the Signing Date (as it may be amended from time to time) and made between (i) the Issuer, (ii) the Issuer Calculation Agent or, as applicable, the Administrator (the "**Asset Monitor Agreement**") as supplemented by the letter dated on the Signing Date, issued by Deloitte & Associés as Asset Monitor (the "**Asset Monitor**") and duly accepted by the Issuer (the "**Engagement Letter**") pursuant to which, Deloitte & Associés has been appointed as Asset Monitor by the Issuer to carry out, subject to due receipt of the information to be provided by the Issuer Calculation Agent to the Asset

Monitor, various testing and notification duties in relation to the calculations performed by the Issuer Calculation Agent in relation to the Asset Cover Test and the Amortisation Test subject to and in accordance with the terms of the Asset Monitor Agreement;

(ix) the Dealer Agreement in relation to the Programme (see section "**Subscription and Sale**");

(x) the Agency Agreement in relation to the Programme (see section "**Terms and Conditions of the French law Covered Bonds** ").

ASSET MONITORING

For the avoidance of doubt, it is specified that the expression "Covered Bonds" will include German law and French law Covered Bonds and the expression "Bondholders" includes any holder of such Covered Bonds, in the following section.

Under the Collateral Security Agreement and for so long as no Borrower Event of Default has occurred and been enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, the Collateral Security Agent and the Collateral Providers shall monitor the Collateral Security Assets so as to ensure compliance with an asset cover test (the "**Asset Cover Test**").

Under the SFH Legal Framework, the Specific Controller shall check compliance by the Issuer with the Minimum Legal Overcollateralisation Ratio and the Maximum Legal Substitution Assets Percentage.

Under the Cash Collateral Agreement and for so long as no Borrower Event of Default has occurred and been enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, the Borrower, as Cash Collateral Provider, shall fund the Cash Collateral Account up to an amount determined in accordance with the relevant provisions of the Cash Collateral Agreement.

Under Condition 5(f) and 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 shall ensure compliance with an amortisation test (the "**Amortisation Test**").

I. THE ASSET COVER TEST

The following terms shall have the following definitions:

"**Asset Cover Test Date**" means each Selection Date and each issuance date of a Series or a Tranche of Covered Bonds.

"**Asset Cover Test Calculation Period**" means, in relation to any Asset Cover Test Date, each period starting on, and including, the immediately preceding Asset Cover Test Date, and ending on, and excluding such Asset Cover Test Date.

"**Selection Date**" means, at the latest and with respect to any Home Loan as at the end of any calendar month, the fifteenth (15^{th}) calendar day of the following calendar month.

Compliance with the Asset Cover Test requires compliance with the asset cover ratio R specified below (the "**Asset Cover Ratio**"). Such compliance is tested by the Issuer Calculation Agent from time to time subject to, and in accordance with, the relevant terms of the Collateral Security Agreement and the Calculation Services Agreement.

The Asset Cover Ratio (R)

"**R**" means the following ratio which shall be at least equal to one (1) at each Asset Cover Test Date:

$$R = \left[\frac{\text{Adjusted Aggregate Asset Amount (AAAA)}}{\text{Aggregate Covered Bond Outstanding Principal Amount}} \right]$$

whereby:

"**Aggregate Covered Bond Outstanding Principal Amount (ACBOPA)**" means, at any Asset Cover Test Date, the aggregate amount of principal (in euro or euro equivalent with respect to Covered Bonds denominated in a Specified Currency) outstanding at such date under all Covered Bonds.

"**Adjusted Aggregate Asset Amount (AAAA)**" means, at any Asset Cover Test Date:

$$(AAAA) = A + B + C + D – (Y + Z)$$

whereby:

"**A**" means the lower of "A1" and "A2".

"**A1**" is equal to the sum of all Adjusted Home Loan Outstanding Principal Amounts of all Relevant Home Loans during the most recently completed Asset Cover Test Calculation Period, as such Adjusted Home Loan Outstanding Principal Amounts will be calculated on the relevant Asset Cover Test Date, whereby:

"**Adjusted Home Loan Outstanding Principal Amount**" means, with respect to each Relevant Home Loan granted as Collateral Security, the lower of:

(i) the Home Loan Outstanding Principal Amount of such Relevant Home Loan minus the Applicable Deemed Reductions; and

(ii) the LTV Cut-Off Percentage of the Indexed Valuation relating to such Relevant Home Loan minus the Applicable Deemed Reductions;

"**Applicable Deemed Reductions**" means, with respect to any Relevant Home Loan, the aggregate sum of the financial losses incurred by the Collateral Providers with respect to such Relevant Home Loan to the extent that such financial losses have been incurred as a direct result of a material breach of the Servicing Procedures by the relevant Collateral Providers during the applicable Asset Cover Test Calculation Period.

"**Home Loan Outstanding Principal Amount**" means, with respect to each Relevant Home Loan and within the limit of the sums secured by a Home Loan Security, the amount of principal outstanding at the relevant Asset Cover Test Date under such Relevant Home Loan.

"**LTV Cut-Off Percentage**" means:

(i) eighty per cent. (80%) for each Relevant Home Loan secured by a Mortgage;

(ii) eighty per cent. (80%) for each Relevant Home Loan secured by a Home Loan Guarantee issued by *Crédit Logement*, by *L'Equité*, by *CNP Caution* or by *AXA France IARD*;

(iii) a percentage which will be determined in accordance with the methodologies published by the Rating Agencies from time to time for each Relevant Home Loan that has the benefit of an insurance policy with an acceptable insurer or guarantee with an acceptable financial institution, insuring the credit risk under such Relevant Home Loan; and

(iv) a percentage which will be determined in accordance with the methodologies published by the Rating AgencyAgencies from time to time for each Relevant Home Loan not mentioned under (i) to (iii) above.

"**Index**" means the index of increases of house prices issued by PERVAL in relation to residential properties in France.

"**Indexed Valuation**" means at any date in relation to any Relevant Home Loan secured over any Property:

(i) where the Original Market Value of that Property is equal to or greater than the Price Indexed Valuation as at that date, the Price Indexed Valuation; or

(ii) where the Original Market Value of that Property is less than the Price Indexed Valuation as at that date, the Original Market Value plus eighty per cent. (80%) of the difference between the Price Indexed Valuation and the Original Market Value.

"**Original Foreclosure Value**" in relation to any Property means the purchase price of such Property or (as applicable) the most recent valuation of such Property, as disclosed to the relevant Collateral Provider by the relevant debtor under the related Relevant Home Loan.

"**Original Market Value**" in relation to any Property means the Original Foreclosure Value divided by one (1).

"**Price Indexed Valuation**" in relation to any Property at any date means the Original Market Value of that Property increased or decreased as appropriate by the increase or decrease in the Index since the date of the Original Market Value.

"**Relevant Home Loan**" means, with respect to a given Asset Cover Test Date, any Home Loan from which Home Loan receivables have been granted as Collateral Security, excluding Home Loans which do not comply any more with the applicable Home Loan Eligibility Criteria.

"**A2**" is equal to the sum of all unadjusted Home Loan Outstanding Principal Amounts of all Relevant Home Loans minus the Applicable Deemed Reductions (as defined above) of all such Relevant Home Loans multiplied by the applicable Asset Percentage, whereby:

"**Asset Percentage**" means (i) ninety point thirty eight per cent. (90.38%) or (ii) such percentage figure as is determined on quarterly basis by the Issuer Calculation Agent pursuant to the relevant terms of the Collateral Security Agreement.

For the purpose of the calculation of the Asset Percentage referred to in (ii) above, the Issuer Calculation Agent will calculate, on a quarterly basis (subject to below), the Weighted Average Recovery Rate ("**WARR**"), the WAFF, and the WALS (and/or such figures calculated by the Issuer Calculation Agent in accordance with any relevant alternative methodologies published by Moody's and by Fitch) for all Relevant Home Loans or for a random sample of the same. The WARR, WAFF and WALS (or other relevant figures) so calculated will be incorporated by the Issuer Calculation Agent into one (1) or more cash flow models designed by the Issuer Calculation Agent in accordance with the methodologies published by Moody's and by Fitch. Such models, which test the credit enhancement required in various cash flow scenarios, will indicate, on the basis of the latest WARR, WAFF and WALS figures (or other relevant figures), the Asset Percentage needed in order to provide credit enhancement to cover all such cash flow scenarios. Save where otherwise determined in accordance with the methodologies published by Moody's and by Fitch, the Asset Percentage will be adjusted in accordance with the various methodologies published by Moody's and by Fitch provided that the Asset Percentage may not, at any time, exceed ninety point thirty eight per cent. (90.38%).

"**B**" is equal to the aggregate amount of cash standing to the credit of the Cash Collateral Account, as reported by the Collateral Security Agent in the relevant asset report.

"**C**" is equal to the aggregate value outstanding under all Eligible Substitution Assets held by the Issuer (the "**Aggregate Eligible Substitution Asset Amount (AESAA)**") provided that, the amount of the Aggregate Eligible Substitution Asset Amount (AESAA) (whatever such amount is at any Asset

Cover Test Date) shall in any event account only for up to twenty per cent. (20%) of the Adjusted Aggregate Asset Amount (AAAA) for the purposes hereof. The Aggregate Eligible Substitution Asset Amount (AESAA) shall be reported by the Collateral Security Agent in the relevant asset report. Eligible Substitution Assets will be valued on the last Business Day of the calendar month immediately preceding each Asset Cover Test Date and be taken into account for their mark-to-market value at a discount based on a methodology published by the Rating Agencies.

For the purposes of the above calculation, an "**Eligible Substitution Asset**" is:

(a) any Legal Substitution Asset (other than a Permitted Investment) which is a Euro or another Specified Currency demand or time deposit, certificate of deposit, long-term debt obligation or short-term debt obligation (including commercial paper) provided that in all cases such investment has a remaining period to maturity of one (1) year or less and the short-term unsecured, unguaranteed and unsubordinated debt obligations or, as applicable, the long-term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposit is made (being duly licensed for such purposes) are rated at least P-1 (short-term) and Aa3 (long-term) by Moody's and F1+ (short-term) or AA- (long-term) by Fitch; or

(b) any Legal Substitution Asset (other than a Permitted Investment) which is a Euro or another Specified Currency denominated government and public securities, provided that such investment has a remaining maturity of one (1) year or less and is rated at least P-1 (short-term) and Aaa (long-term) by Moody's and F1+ (short-term) or AAA (long-term) by Fitch; or

(c) any Euro or other Specified Currency denominated residential mortgage backed securities provided that such investment (i) has a remaining period to maturity of one (1) year or less, (ii) is actively traded in a continuous, liquid market on a recognised stock exchange, (iii) is held widely across the financial system and available in an adequate supply, (iv) is rated at least P-1 (short-term) and Aa3 (long-term) by Moody's and F1+ (short-term) or AA- (long-term) by Fitch, (v) is eligible for an investment by a *société de financement à l'habitat*.

"**Permitted Investment**" () means:

(i) Euro denominated government securities, Euro demand or time deposits, certificates of deposit and short term debt obligations (including commercial paper) provided that in all cases such investments have a remaining maturity date of thirty (30) calendar days or less and mature on or before the next following Payment Date and the short term or, as applicable, long term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made are rated at least P-1 (short-term) or A2 (long-term) by Moody's and F1 (short-term) or A- (long-term) by Fitch;

(ii) Euro denominated government securities, Euro demand or time deposits, certificates of deposit and short term debt obligations (including commercial paper) provided that in all cases such investments have a remaining maturity date of sixty (60) calendar days or less and mature on or before the next following Payment Date and the short term or, as applicable, long term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made are rated at least P-1 (short-term) or A2 (long-term) by Moody's and F1+ (short-term) or AA- (long-term) by Fitch;

(iii) Euro denominated government securities, Euro demand or time deposits, certificates of deposit and debt obligations (including commercial paper) provided that in all cases such investments have a remaining maturity date of three hundred sixty five (365) calendar days or less and greater than thirty (30) calendar days, and the short term or, as applicable, long term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the

entity with which the demand or time deposits are made are rated at least P-1 (short-term) or Aa3 (long-term) by Moody's and F1+ (short-term) or AA- (long-term) by Fitch; and

(iv) deposits of cash on accounts opened within the books of any central bank eligible under the SFH Legal Framework.

"**D**" is equal to the aggregate value outstanding under all Permitted Investments, as determined by the Issuer Accounts Bank (or the Administrator on its behalf) and reported to the Issuer Calculation Agent pursuant to the Issuer Accounts Bank Agreement. Permitted Investments will be valued on the last Business Day of the calendar month immediately preceding each Asset Cover Test Date and be taken into account for their mark-to-market value at a discount based on a methodology agreed with the Rating Agencies.

"**Y**" is equal to (i) zero if no hedging agreement was entered into by the Issuer and (ii) otherwise, an amount equal to the payments due under the hedging agreement(s) (plus interest thereon) within the period of α plus two (2) months preceding the relevant Asset Cover Test Date where α means the period between two (2) interest payment dates (first day of such period included and last day of such period excluded) under the relevant hedging agreement(s).

"**Z**" is equal to: WAM × Covered Bond Outstanding Principal Amount × Carrying Cost, whereby:

"**Carrying Cost**" means one per cent. (1.00%) or any other percentage agreed between the Issuer and the Collateral Security Agent (acting in the name and on behalf the Collateral Providers), subject to prior Rating Affirmation;

"**WAM**" means the greater of (i) the weighted average maturity of Series of Covered Bonds outstanding as at the relevant Asset Cover Test Date, and (ii) one (1) year;

"**Covered Bond Outstanding Principal Amount**" means, at any Asset Cover Test Date, the aggregate amount of principal (in euro or euro equivalent with respect to Covered Bonds denominated in a Specified Currency) outstanding at such date under all Series of Covered Bonds.

Calculation of the Asset Cover Ratio (R)

On each Asset Cover Test Date, the Asset Cover Ratio (R) shall be calculated by the Issuer Calculation Agent according to the terms, definitions and calculation formula set forth above.

No later than three (3) Business Days following any Asset Cover Test Date, the Issuer Calculation Agent shall inform the Issuer, the Borrower and the Collateral Security Agent (with a copy to the Rating Agencies, to the Asset Monitor and the Specific Controller) of its calculation of the Asset Cover Ratio (R).

Non-Compliance with Asset Cover Test

Non-compliance with the Asset Cover Test (the "**Non-Compliance with Asset Cover Test**") would result from the Asset Cover Test Ratio (R) being strictly less than one (1).

Remedies

Upon Non-Compliance with Asset Cover Test on any Asset Cover Test Date, the Collateral Security Agent shall:

(i) cause the Collateral Providers to grant additional Eligible Assets as Collateral Security pursuant to the relevant terms of the Collateral Security Agreement, on the next following Asset Cover Test Date; and/or

(ii) purchase any Eligible Substitution Assets up to the Maximum Legal Substitution Assets Percentage,

in each case, as necessary to cure such Non-Compliance with Asset Cover Test.

A Non-Compliance with Asset Cover Test does not constitute the occurrence of an Issuer Event of Default or a Borrower Event of Default. However, it will prevent the Issuer from issuing any further Series as long as it remains unremedied.

Breach of Asset Cover Test

The failure by the Collateral Security Agent, acting in the name and on behalf of the Collateral Providers, to cure a Non Compliance with Asset Cover Test occurred on any Asset Cover Test Date prior to the next following Asset Cover Test Date shall constitute a "**Breach of Asset Cover Test**" within the meaning of the Collateral Security Agreement. The Issuer Calculation Agent will inform promptly the Issuer, the Borrower and the Collateral Security Agent (with a copy to the Rating Agencies, the Asset Monitor and the Specific Controller) of its calculation of the Asset Cover Ratio and, if applicable, the occurrence of a Breach of Asset Cover Test.

A Breach of Asset Cover Test constitutes the occurrence of a Borrower Event of Default.

A Breach of Asset Cover Test will not constitute the occurrence of an Issuer Event of Default but will prevent the Issuer from issuing any further Series, except for the purposes of subscription by the Issuer of Auto-held Covered Bonds in accordance with Condition 19.

II. THE MINIMUM LEGAL OVERCOLLATERALISATION RATIO

In accordance with the French SFH Legal Framework on the date hereof, and in particular pursuant to Articles L. 513-12 and R. 513-8 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer must at all times maintain an Overcollateralisation Ratio equal to a Minimum Legal Overcollateralisation Ratio (see section "**Summary of the SFH Legal Framework**").

Non-compliance by the Issuer with the Minimum Legal Overcollateralisation Ratio shall constitute a "**Breach of Minimum Legal Overcollateralisation Ratio**". The Specific Controller is legally responsible for notifying promptly the Issuer and the *Autorité de contrôle prudentiel et de résolution* of the occurrence of a Breach of Minimum Legal Overcollateralisation Ratio. Upon such notification, the Issuer shall then notify the Borrower and the Collateral Security Agent, the Rating Agencies, the Asset Monitor and the Issuer Calculation Agent of the same.

A Breach of Minimum Legal Overcollateralisation Ratio does not constitute the occurrence of a Borrower Event of Default or an Issuer Event of Default. However, it may trigger the withdrawal of the license of the Issuer as a *société de financement de l'habitat*.

III. THE MAXIMUM LEGAL SUBSTITUTION ASSETS PERCENTAGE

Pursuant to Articles L. 513-7 and R. 513-6 of the French Monetary and Financial Code (*Code monétaire et financier*), the Legal Substitution Assets of the Issuer shall not exceed the Maximum Legal Substitution Assets Percentage save for those Legal Substitution Assets set out in paragraph 2 of Article R. 513-6 and paragraph 2 of Article R. 513-20 of the French Monetary and Financial Code (*Code monétaire et financier*) (see section "**Summary of the SFH Legal Framework**").

Upon the Legal Substitution Assets of the Issuer exceeding the Maximum Legal Substitution Assets Percentage, this shall constitute a "**Breach of Maximum Legal Substitution Assets Limit**" by the Issuer. The Specific Controller ensures that the Issuer and the *Autorité de contrôle prudentiel et de résolution* are promptly notified of the occurrence of a Breach of Maximum Legal Substitution Assets

Limit. Upon receipt of such notice, the Issuer will then notify the Borrower and the Collateral Security Agent, the Rating Agencies, the Asset Monitor and the Issuer Calculation Agent of the same.

A Breach of Maximum Legal Substitution Assets Limit does not constitute the occurrence of a Borrower Event of Default or an Issuer Event of Default. However, it may trigger the withdrawal of the license of the Issuer as a *société de financement de l'habitat*.

IV. THE LEGAL LIQUIDITY RESERVE

In order to enable the Issuer to meet its obligation to cover its liquidity needs in accordance with the SFH Legal Framework, pursuant to the provisions of the Cash Collateral Agreement, the Cash Collateral Provider shall fund as Cash Collateral into the Cash Collateral Account an amount at least equal to, on each calendar day, the amount corresponding to the liquidity needs of the Issuer for the coming Legal Liquidity Cover Period calculated in accordance with the provisions of Article R. 513-7 of the French Monetary and Financial Code (*Code monétaire et financier*) (as it may be amended from time to time) by taking into account expected principal and interests inflows due by all the debtors under the Collateral Security Assets and net flows under any hedging agreement(s) (if any), less, as the case may be, the amount of any Legal Substitution Assets, including any Cash Collateral, held by the Issuer on such date and the value of any asset that are eligible as collateral to the credit transactions (*opérations de crédit*) of the *Banque de France* in accordance with the monetary policy and intra-day credit operations rules of the Eurosystem held by the Issuer on such date, to the extent that the Minimum Legal Overcollateralisation Ratio remains satisfied (the "**Legal Liquidity Reserve**").

For the avoidance of doubt, following the occurrence of a Pre-Maturity Rating Downgrade Event, the obligations of the Cash Collateral Provider to fund the Legal Liquidity Reserve shall be read in conjunction with the obligation of the Cash Collateral Provider with respect to the Pre-Maturity Test (see section entitled "**Asset Monitoring - Pre-Maturity Test - Alternative funding of the CCRFA and the Legal Liquidity Reserve**").

The failure by the Cash Collateral Provider to fund the Legal Liquidity Reserve in accordance with the relevant terms of the Cash Collateral Agreement does not constitute the occurrence of a Borrower Event of Default or an Issuer Event of Default but may trigger the withdrawal of the license of the Isuer as *société de financement de l'habitat*.

"**Legal Liquidity Cover Period**" means a period of one hundred and eighty (180) calendar days.

V. THE PRE-MATURITY TEST

Downgrading below the Pre-Maturity Rating Required Levels

The contractual liquidity test of the Issuer (the "**Pre-Maturity Test** ") shall be deemed complied with for so long as, in relation to any and each Series of Covered Bonds, (i) no Pre-Maturity Rating Downgrade Event has occurred during any Pre-Maturity Test Period, or (ii) if, to the contrary, a Pre-Maturity Rating Downgrade Event has occurred during any Pre-Maturity Test Period, the Cash Collateral Provider has duly funded the Cash Collateral Account with the relevant Cash Collateral, up to the relevant amount within fourteen (14) calendar days from the receipt of the relevant Cash Collateral Funding Notice.

The Cash Collateral Provider shall be requested to fund the Cash Collateral Account with the relevant Cash Collateral, up to the relevant Cash Collateral Required Funding Amount, if the Borrower fails to maintain, during any Pre-Maturity Test Period (as defined below), any of the Pre-Maturity Rating Required Levels (a "**Pre-Maturity Rating Downgrade Event**"). The occurrence of a Pre-Maturity Rating Downgrade Event does not constitute the occurrence of a Borrower Event of Default or an Issuer Event of Default

The following credit ratings with respect to the Borrower are defined for the purposes of this Agreement as follows (each, the "**Pre-Maturity Rating Required Level**" and together, the "**Pre-Maturity Rating Required Levels**"):

(a) P-1 (short-term) by Moody's;

(b) F1 (short-term) or A- (long term) by Fitch.

Upon the occurrence of a Pre-Maturity Rating Downgrade Event, the Issuer Calculation Agent shall inform the Cash Collateral Provider of the same within three (3) Business Days from such occurrence by written notice (the "**Cash Collateral Funding Notice**") delivered to the Cash Collateral Provider (with a copy to the Issuer, the Administrator and the Rating Agencies).

Remedies

If a Cash Collateral Funding Notice is received by the Cash Collateral Provider, the Cash Collateral Provider shall fund the Cash Collateral Account up to an amount (the "**Cash Collateral Required Funding Amount**" or "**CCRFA**") calculated by the Issuer Calculation Agent as being equal to the Pre-Maturity Covered Bond Principal Amount in relation to the relevant Series of Covered Bonds + the Pre-Maturity Covered Bond Interest Amount in relation to any Series of Covered Bonds + the Pre-Maturity Costs.

whereby:

"**Pre-Maturity Costs**" means the aggregate amount of fees, costs, expenses, taxes and other ancillary sums (excluding interest and principal amounts) scheduled to be paid by the Issuer within the next ninety (90^{th}) calendar days starting from the receipt of the Cash Collateral Funding Notice.

"**Pre-Maturity Covered Bond Interest Amount**" means the aggregate amount (in Euro or Euro equivalent with respect to Covered Bonds denominated in a Specified Currency) of interest that will become due and payable, taking into account any hedging agreement(s) if applicable, (i) under any relevant outstanding Covered Bonds within the relevant Pre-Maturity Test Period and (ii) on any Series outside the scope of any Pre-Maturity Test Period, for the next ninety (90^{th}) calendar days starting from the receipt of the Cash Collateral Funding Notice.

"**Pre-Maturity Covered Bond Principal Amount**" means the aggregate amount of principal of Covered Bonds (in Euro or Euro equivalent with respect to Covered Bonds denominated in a Specified Currency), excluding the aggregate amount of principal of any Series of Soft Bullet Covered Bonds, the Pre-Maturity Test Period of which has started on such date.

"**Pre-Maturity Test Period**" means with respect to any Series of Covered Bonds (which is not a Series of Soft Bullet Covered Bonds), the period starting from, and including, the two hundred seventieth (270^{th}) calendar day preceding the Final Maturity Date of that Series and ending on, and including, such Final Maturity Date.

"**Soft Bullet Covered Bonds**" means the Covered Bonds containing an Extended Final Maturity Date specified in the relevant Final Terms.

Alternative funding of the CCRFA and the Legal Liquidity Reserve

Following the occurrence of any Pre-Maturity Rating Downgrade Event, the obligations of the Cash Collateral Provider to fund the CCRFA to satisfy the Pre-Maturity Test and the obligation to fund the Legal Liquidity Reserve to satisfy the provisions of the SFH Legal Framework shall be deemed satisfied if the Cash Collateral Provider funds, to the Cash Collateral Account and on the relevant due date, an amount equal to the greater of (i) the relevant CCRFA and (ii) the amount of the Legal

Liquidity Reserve on the same date, it being provided for the avoidance of doubt that, calculation of the Legal Liquidity Reserve on any following day shall take into account any Legal Substitution Assets which includes, inter alia, the credit balance of the Cash Collateral Account as previously funded to satisfy notably the Pre-Maturity Test.

Breach of Pre-Maturity Test

The failure by the Cash Collateral Provider to fund into the Cash Collateral Account the relevant amount within fourteen (14) calendar days from the receipt of a Cash Collateral Funding Notice shall constitute a "**Breach of Pre-Maturity Test**". A Breach of Pre-Maturity Test constitutes the occurrence of a Borrower Event of Default.

VI. THE 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 in accordance with Condition 5 (f) of the section "**Terms and Conditions of the French law Covered Bonds**".

For the purpose of the determination of the Amortisation Ratio, the following terms shall have the following definitions:

"**Amortisation Test Date**" means, at the latest, the last calendar day of each calendar month following the enforcement of a Borrower Event of Default, it being provided that the Administrator and the Issuer Calculation Agent shall use their best effort so that such date occurs on, or as soon as possible as from the fifteenth (15^{th}) calendar day of each calendar month following the enforcement of a Borrower Event of Default.

"**Amortisation Test Calculation Period**" means, in relation to any Amortisation Test Date, each period starting on, and including, the immediately preceding Amortisation Test Date, and ending on, and excluding such Amortisation Test Date.

Compliance with the Amortisation Test requires compliance with the amortisation ratio RA specified below (the "**Amortisation Ratio (RA)**"). Such compliance is tested by the Issuer Calculation Agent from time to time throughout the period following the enforcement of a Borrower Event of Default subject to, and in accordance with the Condition 5 (f) and the Calculation Services Agreement.

The Amortisation Ratio

"**RA**" means the following ratio which shall be at least equal to one (1) at each Amortisation Test Date:

$$RA = \left[\frac{TAAA'}{ACBOPA} \right]$$

whereby:

"**Aggregate Covered Bond Outstanding Principal Amount (ACBOPA)**" means, at any Amortisation Test Date, the aggregate amount of principal (in euro or euro equivalent with respect to Covered Bonds denominated in a Specified Currency) outstanding at such date under all Covered Bonds.

"**Transferred Aggregate Asset Amount (TAAA')**" means, at any Amortisation Test Date:

$$(TAAA') = A' + B + C + D + E – Z$$

whereby:

"**A'**" is equal to the sum of all "Transferred Home Loan Outstanding Principal Amounts" of all Home Loans, title to which has been transferred to the Issuer upon enforcement of the Collateral Security following the enforcement of a Borrower Event of Default (each, a "**Relevant Transferred Home Loan**"), as such "Transferred Home Loan Outstanding Principal Amounts" will be calculated on the relevant Amortisation Test Date, whereby:

> "**Home Loan Outstanding Principal Amount**" means, with respect to each Relevant Transferred Home Loan, the amount of principal outstanding at the relevant Amortisation Test Date under such Relevant Transferred Home Loan;
>
> "**Relevant Transferred Home Loan**" means, with respect to a given Amortisation Test Date, any Home Loan from which Home Loan receivables have been granted as Collateral Security provided that title to such Home Loan receivables has been transferred to the Issuer upon enforcement of the Collateral Security following the enforcement of a Borrower Event of Default; and
>
> "**Transferred Home Loan Outstanding Principal Amount**" means, with respect to each Relevant Transferred Home Loan, the Home Loan Outstanding Principal Amount of such Relevant Transferred Home Loan multiplied by M, where for all the Relevant Home Loans that are less than three (3) months in arrears, M = 1 and for all the Relevant Transferred Home Loans that are three (3) months or more in arrears, M = 0.7;

"**B**", "**C**", "**D**" and "**Z**" have the meaning ascribed to such terms, and shall be determined, on each relevant Amortisation Test Date, subject to, and in accordance with, the terms and formula described in section "**The Asset Cover Test**" above.

"**E**" is equal to the aggregate amount of principal and interest payments, distributions, indemnities, insurance and other proceeds, payments under any Home Loan Security and other sums received during the applicable Amortisation Test Calculation Period by the Issuer from the debtors or other relevant entities under the Collateral Security Assets whose title has been transferred to the Issuer following enforcement of the Collateral Security, as the same shall be reported by the Issuer Calculation Agent on each Amortisation Test Date subject to, and in accordance with, the relevant terms of the Calculation Services Agreement.

Calculation of the Amortisation Ratio

On each Amortisation Test Date, the Amortisation Ratio (RA) shall be calculated by the Issuer Calculation Agent according to the terms, definitions and calculation formula set forth above.

No later than three (3) Business Days following any Amortisation Test Date, the Issuer Calculation Agent shall inform the Issuer (with a copy to the Rating Agencies and to the Asset Monitor) of its calculation of the Amortisation Ratio (RA).

Non Compliance with Amortisation Test

A "**Non Compliance with Amortisation Test**" will result from the Amortisation Ratio (RA) being strictly less than one (1).

A Non Compliance with Amortisation Test will prevent the Issuer from issuing any further Series, except for the purposes of subscription by the Issuer of Auto-held Covered Bonds in accordance with Condition 19.

Breach of Amortisation Test

The failure by the Issuer to cure a Non Compliance with Amortisation Test occurred on any Amortisation Test Date prior to the next following Amortisation Test Date shall constitute a "**Breach of Amortisation Test**". The Issuer Calculation Agent will inform promptly the Issuer and each relevant Representative (with a copy to the Rating Agencies and to the Asset Monitor) of the occurrence of a Breach of Amortisation Test.

A Breach of Amortisation Test constitutes the occurrence of an Issuer Event of Default.

CASH FLOW

For the avoidance of doubt, it is specified that the expression "Covered Bonds" will include German law and French law Covered Bonds and the expression "Bondholders" includes any holder of such Covered Bonds, in the following section.

Cash management

Pursuant to the Administrative Agreement, the Administrator will assist the Issuer in operating its bank accounts, the management and investment of its available cash in Permitted Investments in accordance with the relevant Permitted Investments rules, and any other matters in relation to the management of its bank accounts and funds so as to ensure that the Issuer will at all times comply with the provisions of the Programme Documents.

Pursuant to the Administrative Agreement and, subject to and, in accordance with the terms and conditions, the Administrator will invest any cash standing from time to time to the credit of the Issuer Cash Accounts pending application in accordance with the Priority Payment Orders (see section "**Cash Flow – Priority Payment Orders**"), in instruments which qualify as Permitted Investments (as defined in section "**Material Contracts**" of this Base Prospectus).

Issuer Accounts

Available Funds of the Issuer will be from time to time credited and debited by the Administrator on behalf of the Issuer into the Issuer Cash Accounts opened in the books of the Issuer Accounts Bank (see section "**Material Contracts**" for a further description of the Issuer Accounts).

For the purposes hereof:

"**Available Funds**" means:

(a) in the absence of service of a Borrower Enforcement Notice (and whether an Issuer Enforcement Notice has been served to the Fiscal Agent and the Issuer or not):

(i) payment proceeds from the Borrower under the Borrower Facility Agreement;

(ii) cash standing to the credit of the Issuer General Account or the Share Capital Proceeds Account (including proceeds from Permitted Investments invested with such cash (if any));

(iii) any Cash Collateral (if any) standing to the credit of the Cash Collateral Account and the Collection Loss Reserve Account (including proceeds from Permitted Investments invested with any such Cash Collateral (if any));

(iv) payment proceeds, whether in interest, principal or otherwise, received by the Issuer from the debtors under the Legal Substitution Assets and standing to the credit of the Issuer General Account; and

(v) payment proceeds from the hedging agreement(s) (if any).

(b) following the service of a Borrower Enforcement Notice and enforcement of the Collateral Security (and whether an Issuer Enforcement Notice has been served to the Fiscal Agent and the Issuer or not):

(i) payment proceeds, whether in interest, principal or otherwise, received by the Issuer following service of a notice to any or all debtors under the Home Loans mentioning

the new payment instructions to be observed by the same with respect to the payment of sums due under the Home Loans and/or the related Asset Contractual Documentation and standing to the credit of the Issuer General Account;

(ii) insurance proceeds and other proceeds (other than the proceeds mentioned in (i) above) received by the Issuer under the Home Loans and standing to the credit of the Issuer General Account;

(iii) payment proceeds, whether in interest, principal or otherwise, received by the Issuer from the debtors under the Legal Substitution Assets and standing to the credit of the Issuer General Account;

(iv) proceeds from disposal of, transfer, sale or refinancing (by way of securitisation or otherwise) of the Home Loan receivables and standing to the credit of the Issuer General Account;

(v) proceeds from the enforcement of any Home Loan Security (if any) and standing to the credit of the Issuer General Account;

(vi) cash from Permitted Investments (if any) standing to the credit of the Issuer General Account;

(vii) cash standing to the credit of the Cash Collateral Account and the Collection Loss Reserve Account;

(viii) payment proceeds from the hedging agreement(s) (if any);

(ix) cash standing to the credit of the Share Capital Proceeds Account; and

(x) proceeds from disposal of, transfer, sale or refinancing (by way of securitisation or otherwise) of all other eligible assets of the Issuer and standing to the credit of the Issuer General Account.

Priority Payment Orders

Pre-Enforcement Priority Payment Order

In the absence of service by the Issuer (represented by the Issuer Independent Representative or by the Administrator) to the Borrower of a Borrower Enforcement Notice and in the absence of service of an Issuer Enforcement Notice, on any Payment Date and (as applicable) Final Maturity Date (or the Extended Final Maturity Date, if any) of each relevant Series of Covered Bonds, the Administrator (on behalf of the Issuer) will give the appropriate instructions to the Issuer Accounts Bank to debit the relevant Issuer Cash Accounts and (as the case may be) the relevant Issuer Securities Accounts (other than the Issuer General Account) from the cash that shall constitute the Available Funds of the Issuer on such date and shall credit the same into the Issuer General Account. The Administrator (on behalf of the Issuer) shall then give the appropriate instructions on such date to the Issuer Accounts Bank and the Paying Agent to apply the Available Funds of the Issuer to the following payments owed by the Issuer on such date, in the following Pre-Enforcement Priority Payment Order:

(i) **first**, in or towards payment or discharge *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer, if any, as the case may be, after netting if applicable, under any hedging agreement(s) benefiting from the *Privilège* in accordance with the provisions of Article L. 513-10 of the French Monetary and Financial Code (*Code monétaire et financier*), (other than the hedging subordinated termination costs referred to in paragraph (iv) below);

(ii) **secondly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all Interest Amounts then due and payable by the Issuer under the relevant Series of Covered Bonds;

(iii) **thirdly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all principal amounts then due and payable by the Issuer under the relevant Series of Covered Bonds;

(iv) **fourthly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer, if any, in respect of any payments to be made by the Issuer following an early termination of any hedging agreement(s) (if any) as a result of an event of default under the same in respect of which the relevant hedge counterparty of the Issuer is the defaulting party or following a termination event of the same in respect of which the hedge counterparty of the Issuer is the affected party;

(v) **fifthly**, in or towards payment or discharge *pari passu* and *pro rata* of the amounts then due and payable by the Issuer to (a) the Administrator under the remuneration due in consideration of the services rendered pursuant to the Administrative Agreement which fall within the scope of Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), if any, and (b) the servicer under the servicing agreement pursuant to which the servicing of the Collateral Security Assets would be carried out by this new servicer in accordance with Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), as the case may be;

(vi) **sixthly**, only after and subject to the payment of any due and payable amounts due to the Issuer's creditors under item (i) to item (v) hereabove (the "**Privileged Creditors**"), and, as applicable, in accordance with any statutory or preference right they may benefit from the then applicable general law, in or towards payment or discharge of (a) the Issuer's liability, if any, to taxation, (b) any costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts payable by the Issuer to any relevant entity in connection with the holding of any meeting of holders of Covered Bonds, to any stock exchange and other listing entities where the Covered Bonds are listed, any clearing systems entities where the Covered Bonds are cleared, Crédit Mutuel Arkéa (with respect to any insurance premium, regulatory, professional and legal fees, costs and other expenses paid by Crédit Mutuel Arkéa on behalf of the Issuer and to be repaid by the Issuer to Crédit Mutuel Arkéa subject to, and in accordance with, the relevant terms of the *Convention d'externalisation et de prestations de services*), the Administrator (other than the amounts referred to under item (v) above), the Issuer Calculation Agent, the Asset Monitor, the Issuer Accounts Bank, the Paying Agent(s), the Permanent Dealer(s), the Dealer(s), the Fiscal Agent(s), the Calculation Agent(s), the Issuer's Auditors, the Specific Controller, the Substitute Specific Controller, the Representatives and the Rating Agencies in respect of the monitoring fees (together (a) and (b), the "**Administrative and Tax Costs**"), (c) any and all amounts then due and payable by the Issuer to the Cash Collateral Provider under the Cash Collateral Agreement and (d) any and all amounts then due and payable by the Issuer with respect to any other resources raised by the Issuer, if any, in accordance with Article L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*) and which do not benefit from the *Privilège*;

(vii) **seventhly,** in or towards payment *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer with respect to (i) any dividend to be then distributed to the Issuer's shareholders, and (ii) interest, principal and other payments then due and payable under the Subordinated Loans.

Controlled Post-Enforcement Priority Payment Order

In the event of service by the Issuer (represented by the Issuer Independent Representative or by the Administrator) to the Borrower of a Borrower Enforcement Notice and thereafter unless and until an

Issuer Enforcement Notice is served to the Issuer, on any Payment Date and (as applicable) Final Maturity Date (or the Extended Final Maturity Date, if any) of each relevant Series of Covered Bonds, the Administrator (on behalf of the Issuer) will give the appropriate instructions to the Issuer Accounts Bank to debit the relevant Issuer Cash Accounts and (as the case may be) the relevant Issuer Securities Accounts (other than the Issuer General Account) from the cash that shall constitute the Available Funds of the Issuer on such date and shall credit the same into the Issuer General Account. The Administrator (on behalf of the Issuer) shall then give the appropriate instructions on such date to the Issuer Accounts Bank and the Paying Agent to apply the Available Funds of the Issuer to the following payments owed by the Issuer on such date, in the following Controlled Post-Enforcement Priority Payment Order:

(i) **first**, in or towards payment or discharge *pari passu* and *pro rata* of any and all hedging costs then due and payable by the Issuer, if any, under the hedging agreement(s), if any, (other than hedging subordinated termination costs referred to in paragraph (iv) below); or

(ii) **secondly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all Interest Amounts then due and payable by the Issuer under the relevant series of Covered Bonds;

(iii) **thirdly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all principal amounts then due and payable by the Issuer under the relevant series of Covered Bonds;

(iv) **fourthly**, in or towards payment or discharge *pari passu* and *pro rata* of any amounts then due and payable by the Issuer to (a) the Administrator under the remuneration due in consideration of the services rendered pursuant to the Administrative Agreement which fall within the scope of Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), if any, and/or (b) the new servicer under the servicing agreement entered into by the Issuer in accordance with Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), as the case may be;

(v) **fifthly**, only after and subject to the full repayment of any outstanding Covered Bonds, in or towards payment or discharge *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer, if any, in respect of any payments to be made by the Issuer following an early termination of any hedging agreement(s) (if any) as a result of an event of default under the same in respect of which the relevant hedge counterparty of the Issuer is the defaulting party or following a termination event of the same in respect of which the hedge counterparty of the Issuer is the affected party;

(vi) **sixthly**, only after and subject to the full repayment of any outstanding Covered Bonds, and, as applicable, in accordance with any statutory or preference right they may benefit from the then applicable general law, in or towards payment or discharge of (a) any and all Administrative and Tax Costs then due and payable by the Issuer and (b) any and all amounts then due and payable by the Issuer with respect to any other resources raised by the Issuer, if any, in accordance with Article L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*) and which do not benefit from the *Privilège*;

(vii) **seventhly**, (a) only after and subject to the full repayment of any outstanding Covered Bonds, in or towards payment *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer with respect to any and all enforcement proceeds surplus amounts remaining after enforcement of the Collateral Security subject to, and in accordance with, the relevant terms of the Collateral Security Agreement and any and all amounts then due and payable by the Issuer to the Cash Collateral Provider under the Cash Collateral Agreement, (b) only after and subject to the full repayment of any outstanding Covered Bonds and sums referred to in (a) above, in or towards payment *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer to any third parties (with respect to any dividend already voted and to be then distributed to the Issuer's shareholders,

and interest, principal and other payments then due and payable under the Subordinated Loans).

Accelerated Post-Enforcement Priority Payment Order

In the event of service of an Issuer Enforcement Notice and thereafter (whether a Borrower Enforcement Notice shall have been served to the Borrower or not), the Administrator (on behalf of the Issuer) will promptly and no later than three (3) Business Days after receipt by the Issuer of such Issuer Enforcement Notice give the appropriate instructions to the Issuer Accounts Bank to debit all the Issuer Accounts (other than the Issuer General Account) from the cash that shall constitute the Available Funds of the Issuer on such date and shall credit the same into the Issuer General Account. The Administrator (on behalf of the Issuer) shall then give the appropriate instructions on such date and on each and every day chosen by the Administrator thereafter to the Issuer Accounts Bank and the Paying Agent to apply the Available Funds of the Issuer to the following payments owed by the Issuer on and as from such date, in the following Accelerated Post-Enforcement Priority Payment Order provided that, for the avoidance of doubt, no payment item below shall be paid as long as an item ranking senior to it shall not have been duly paid, repaid, reimbursed or redeemed in full by the Issuer:

(i) **first**, in or towards payment or discharge *pari passu* and *pro rata* of any and all sums then due and payable by the Issuer, if any, under the hedging agreement(s), if any, (other than hedging subordinated termination costs referred to in paragraph (ii) below) and remaining unpaid at such date, (b) any and all amounts then due and payable by the Issuer under the relevant Series of Covered Bonds (and remaining unpaid at such date), it being provided that in case of insufficient available funds to pay all the sums then due under such Series of Covered Bonds, if an amount of interests is due on the same day than an amount of principal under the same Series of Covered Bonds, the payment is made first on the interests amounts due and (c) any and all amounts then due and payable by the Issuer (and remaining unpaid at such date) to (a) the Administrator under the remuneration due in consideration of the services rendered pursuant to the Administrative Agreement which fall within the scope of Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), if any, and/or (b) the new servicer under the servicing agreement entered into by the Issuer in accordance with Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), as the case may be;

(ii) **secondly**, after and subject to the full repayment of any and all sums referred to in (i) above, in or towards payment or discharge *pari passu*, *pro rata* and in full of any and all amounts then due and payable by the Issuer, if any, in respect of any payments to be made by the Issuer following an early termination of any hedging agreement(s) (if any) as a result of an event of default under the same in respect of which the relevant hedge counterparty of the Issuer is the defaulting party or following a termination event of the same in respect of which the hedge counterparty of the Issuer is the affected party;

(iii) **thirdly**, after and subject to the full repayment of any and all sums referred to in (i) and (ii) above, and, as applicable, in accordance with any statutory or preference right they may benefit from the then applicable general law, in or towards payment or discharge of (a) any and all Administrative and Tax Costs and (b) any and all amounts then due and payable by the Issuer with respect to any other resources raised by the Issuer, if any, in accordance with Article L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*) and which do not benefit from the *Privilège*; and

(iv) **fourthly**, (a) after and subject to the full repayment of any and all sums referred to in (i) to (iii) above, in or towards payment *pari passu* and *pro rata* of any and all amounts due by the Issuer with respect to any and all enforcement proceeds surplus amounts remaining after enforcement of the Collateral Security subject to, and in accordance with, the relevant terms of the Collateral Security Agreement and any and all amounts then due and payable by the

Issuer to the Cash Collateral Provider under the Cash Collateral Agreement, (b) after and subject to the full repayment of any and all sums referred to in (i) to (iii) above and any sums referred to in (a) above, in or towards payment *pari passu* and *pro rata* of any and all amounts due by the Issuer to any third parties (with respect to any dividend already voted and to be then distributed to the Issuer's shareholders, and interest, principal and other payments then due and payable under the Subordinated Loans).

ORIGINATION OF THE HOME LOANS

For the avoidance of doubt, it is specified that the expression "Covered Bonds" will include German law and French law Covered Bonds and the expression "Bondholders" includes any holder of such Covered Bonds, in the following section.

The *Caisses Locales* (Caisses) apply their lending criteria and conditions to all the home loans pursuant to the usual customary lending procedures of the Crédit Mutuel Arkéa Group, whatever the origination source is (branch level or brokers).

Pre-Acceptance Control

Prior to the acceptance for granting a home loan, information on the client is systematically collected from:

(i) the national database on household credit repayment incidents (*Fichier des Incidents de Remboursements des Crédits aux Particuliers*) regulated by the Banque de France, where payment incidents are recorded on all types of non-professional loans to individuals, including unauthorised overdrafts; and

(ii) the central cheque register (*Fichier Central des Chèques*) held by the *Banque de France*, which is the central record of (i) payment incidents involving bad cheques, (ii) bans on issuing cheques as imposed by banks on those account holders having caused these incidents, and (iii) bans on issuing cheques as ordered by court.

Should the client be found registered as a defaulting borrower, as a result of searches of the above, the application is usually rejected.

The relevant applicant relationship manager shall collect the necessary information from the general information system within the Crédit Mutuel Arkéa Group and is responsible for the completion of the loan file and collection of all relevant documents (including, inter alia, salary slips, tax statements, bank statements, and audited financial statements for self-employed applicants). Debts and income are verified against documents, such as the last document sent by the French tax administration, tax statements, the most recent pay slips, and bank statements.

When a home loan guarantee is requested from *L'Equité* (Generali Group), the pre-acceptance process also includes the underwriting and acceptance process to be undertaken by *L'Equité* under certain circumstances (including, inter alia, a minimum relevant available income per family member (*reste à vivre*), a debt-to-income ratio required limit (*ratios d'endettement*) and the applicant's professional situation). Otherwise the decision process is delegated to the Crédit Mutuel Arkéa Group.

When a home loan guarantee is requested from *Crédit Logement*, the pre-acceptance process also includes the underwriting and acceptance process to be undertaken by *Crédit Logement*.

When a home loan guarantee is requested from *CNP Caution*, the pre-acceptance process also includes the underwriting and acceptance process to be undertaken by *CNP Caution* under certain circumstances (including, inter alia, a minimum relevant available income per family member (*reste à vivre*), a debt-to-income ratio required limit (*ratios d'endettement*) and the applicant's professional situation). Otherwise the decision process is delegated to the Crédit Mutuel Arkéa Group.

When a home loan guarantee is requested from *AXA France IARD*, the pre-acceptance process also includes the underwriting and acceptance process to be undertaken by *AXA France IARD* under certain circumstances (including, *inter alia*, a minimum relevant available income per family member (*reste à vivre*), a debt-to-income ratio required limit (*ratios d'endettement*) and the applicant's professional situation). Otherwise the decision process is delegated to the Crédit Mutuel Arkéa Group.

Decision Process

Underwriting relies on an authorization system whereby each relationship manager is assigned a hierarchical level depending on the relationship manager's experience. The hierarchical levels at which loans are analysed depend on the contemplated amount of the loan, the total amount of the outstanding debts of the applicant, the available income per family member, the Basel II rating and the debt-to-income ratio. As a matter of rule for the Fédération du Crédit Mutuel de Bretagne, when one of the above mentioned criteria is exceeded, the decision shall be taken by the highest hierarchical level in the branch. Furthermore, in the event that the available income per family member is lower than a certain level, the decision shall be taken by the board of directors (*conseil d'administration*) of the relevant Caisse.

Any decision is taken in light of numerous factors such as, inter alia, type and length of employment, type of occupancy, family status, family's economic situation, capital, debt-to-income ratio, available income, and securities granted by the applicant.

Pre-Funding Controls

If the application process goes through, the Middle-Office Credit department of Crédit Mutuel Arkéa verifies the documents and information provided by the applicant before making any offer. In the event that any documents are missing, such department ask the relationship manager to provide them.

During this stage, all persons in charge at each Caisse are responsible for liaising with all relevant third parties (including, inter alia, the relevant notary public). The home loan offer and home loan documentation may only be issued to the client once all the documents required from the borrower have been obtained, (and the decision for the underwriting of the home loan has been approved). Upon reception by the bank of an offer accepted by a client, the relevant Caisse or the Middle-Office Credit department of Crédit Mutuel Arkéa verifies the validity of the accepted offer and then proceeds with the funding of the home loan.

Servicing

The Caisses are responsible for dealing with irregular situations as soon any such situations are detected. All Caisses use an arrears management system to monitor and work out the delinquent payments incurred on home loans.

First out-of-court recovery stage

With respect to the Caisses, upon the first occurrence of an overdue payment, phone calls are made by the relationship manager to chase up payments. As soon as a home loan has a payment due and unpaid for more than fifteen (15) calendar days or thirty five (35) calendar days at the latest, depending on the Fédération du Crédit Mutuel, the servicing of such a home loan is transferred to a dedicated affiliate of the Crédit Mutuel Group. Such recovery entity is responsible for recovering the first unpaid installments by using methods such as warning letters orvery selective phone calls in order to chase up payments.

Second out-of-court recovery stage

With respect to the Fédérations du Crédit Mutuel, once four installments have been missed by the relevant client, the servicing of such a home loan is transferred back to the Caisse. The Fédérations' internal dispute and litigation departments provide their assistance to the Caisses for servicing and collection of the defaulted payments during this stage.

Judicial dispute and litigation stage

The responsibility for the servicing of such a home loan is transferred to the Crédit Mutuel Arkéa Group's internal dispute and litigation departments when the out-of-court recovery procedures have failed, a commercial litigation is started or a judicial dispute is commenced by a third party.

Servicing of the guaranteed home loans

When the home loan is guaranteed by *L'Equité*, the guarantee is drawn in favour of the Crédit Mutuel Arkéa Group as soon as there are more than three (3) missed monthly payments or a quarterly payment is due and unpaid for more than two (2) months. The Crédit Mutuel Arkéa Group accelerates the payment of all guaranteed amounts. *L'Equité* shall pay the entirety of the guaranteed amounts (the delinquent installments as well as the outstanding principal) within fifteen (15) calendar days of receipt of the relevant drawing notice and documents required from the Crédit Mutuel Arkéa Group. The servicing of the home loan is transferred to *L'Equité* upon payment by the latter.

When the home loan is guaranteed by *Crédit Logement*, the guarantee is drawn in favour of the Crédit Mutuel Arkéa Group as soon as any payment becomes more than ninety (90) calendar days overdue. *Crédit Logement* must start paying the relevant guaranteed amounts within one (1) month of receipt of the relevant drawing notice. Upon payment by *Crédit Logement*, the latter becomes responsible for the servicing of the home loan for a maximum duration of twenty-four (24) months. *Crédit Logement* is required to use its best efforts to reach an amicable solution with the client. During such a twenty-four (24) month period, *Crédit Logement* can opt either to reimburse the Crédit Mutuel Arkéa Group only the guaranteed amounts that are due, or immediately accelerate the payment of all guaranteed amounts. *Crédit Logement* must accelerate the payment of the entirety of the guaranteed amounts at the end of the above mentioned twenty-four (24) month period. At this point, *Crédit Logement* shall become solely responsible for the servicing of the home loan.

When the home loan is guaranteed by *CNP Caution*, the guarantee is drawn in favour of the Crédit Mutuel Arkéa Group as soon as there are more than three (3) missed payments and the failure of any amicable debt recovery within a maximum timeframe of five (5) months from the first missed payment. *CNP Caution* must start paying the relevant guaranteed amounts within fourty-five (45) calendar days of receipt of the relevant drawing notice and documents required from the Crédit Mutuel Arkéa Group. At this point, *CNP Caution* shall become solely responsible for the servicing of the home loan.

When the home loan is guaranteed by *AXA France IARD*, the guarantee is drawn in favour of the Crédit Mutuel Arkéa Group as soon as there are more than three (3) missed payments and the failure of any amicable debt recovery within a maximum timeframe of five (5) months from the first missed payment. AXA France IARD must start paying the relevant guaranteed amounts within fourty-five (45) calendar days of receipt of the relevant drawing notice and documents required from the Crédit Mutuel Arkéa Group. At this point, AXA France IARD shall become solely responsible for the servicing of the home loan.

FORM OF FINAL TERMS

(This form of Final Terms will only apply to the French law Covered Bonds. The form of final terms applicable to the German law Covered Bonds is included in the Agency Agreement)

[PRIIPS REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU, as amended (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation 2017/1129/EU dated 14 June 2017, as amended (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) no. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.][2]

[PRIIPs REGULATION / PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing MiFID II as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement [Directive 2016/97/EU of the European Parliament and of the Council of 20 January 2016 on insurance distribution, as amended / the Insurance Distribution Directive], where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA [("**UK MiFIR**")]; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][3]

[[4][MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 has led to

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[2] Legend to be included if the Covered Bonds are not intended to be sold to retail clients in the EEA.

[3] Legend to be included if the Covered Bonds are not intended to be sold to retail clients in the UK.

[4] Legend to be included following completion of the target market assessment in respect of the Covered Bonds taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018.

the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU, as amended ("**MiFID II**") / MiFID II]; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*][5]. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.[6]]

[UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in [UK MiFIR / Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments] as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**")]; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*][7]. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][8]

OR

[9]**[MiFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPs TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU, as amended, ("**MiFID II**") / MiFID II]; ***EITHER*** [10][and (ii) all channels for distribution

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[5] ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that Covered Bonds are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

[6] Legend to be included if the Covered Bonds are not intended to be sold to retail clients

[7] ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that Covered Bonds are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

[8] Legend to be included if the Covered Bonds are not intended to be sold to retail clients in the UK.

[9] This legend is applicable if following the ICMA2 retail approach which would only be the case in relation to a low denomination issue and for Covered Bonds which are not ESMA complex or certain ESMA complex Covered Bonds only (as explained in the ICMA2 paper available on the ICMA MiFID II/R in primary markets webpage: https://www.icmagroup.org/Regulatory-Policy-and-Market-Practice/Primary-Markets/primary-market-topics/mifid-ii-r-in-primarymarkets/).

[10] Include for Covered Bonds that are not ESMA complex

of the Covered Bonds are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services][11]] ***OR*** [12][(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Covered Bonds to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*][13]. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable][14].]][15]

[16] [17][**UK MiFIR PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is retail clients, as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing MiFID II as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") and professional clients, as defined in [UK MiFIR / Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments] as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**")]; ***EITHER*** [18][and (ii) all channels for distribution of the Covered Bonds are appropriate[, including investment advice, portfolio management, non-advised sales and pure

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[11] This list may not be necessary, especially for Covered Bonds that are not ESMA complex where all channels of distribution may be appropriate. It reflects the list used in the examples in the ESMA Guidelines.

[12] Include for certain ESMA complex Covered Bonds. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the Covered Bonds constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

[13] ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that Covered Bonds are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

[14] If the Covered Bonds constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II. If there are advised sales, a determination of suitability will be necessary.

[15] Legend to be included if the Covered Bonds are intended to be sold to retail clients in the EEA.

[16] The legend may not be necessary for a programme with a non-UK MiFIR issuer and non-UK MiFIR guarantor(s) if the managers in relation to the Covered Bonds are also not subject to UK MiFIR and therefore there are no UK MiFIR manufacturers. Depending on the location of the manufacturers, there may be situations where either the MiFID II product governance legend or the UK MiFIR product governance legend or where both are included.

[17] Include this legend if parties have agreed to a retail target market. This may be the case if (1) following the ICMA 2 retail approach which would only be the case in relation to a low denomination issue and for Covered Bonds which are not ESMA complex (in the UK context, as reflected in COBS) or certain ESMA complex bonds (in the UK context, as reflected in COBS) only (as explained in the ICMA 2 paper) (2) a more detailed bespoke target market assessment and review is intended or (3) an alternative proportionate approach is to be followed.

[18] Include for Covered Bonds that are not ESMA complex (in the UK context, as reflected in COBS).

execution services][19]] ***OR*** [20][(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Covered Bonds to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under FCA Handbook Conduct of Business Sourcebook ("**COBS**"), as applicable]]. [*Consider any negative target market*][21]. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable][22].]]

Final Terms dated [●]

[LOGO, if document is printed]

Arkéa Home Loans SFH

Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]
under the €13,000,000,000 Covered Bond Programme
for the issue of Obligations de Financement de l'Habitat

Issue Price: [●] per cent.

[Name(s) of Dealer(s)]

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[19] This list may not be necessary, especially for Covered Bonds that are not ESMA complex where all channels of distribution may be appropriate (in the UK context, as reflected in COBS). It reflects the list used in the examples in the ESMA Guidelines.

[20] Include for certain ESMA complex Covered Bonds (in the UK context, as reflected in COBS). This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the Covered Bonds constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness.

[21] ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that Covered Bonds are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

[22] If the Covered Bonds constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness. If there are advised sales, a determination of suitability will be necessary.

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the French law Covered Bonds (the "**Conditions**") set forth in the base prospectus dated 18 May 2021 [as supplemented by the supplement(s) to the base prospectus dated [●] ([together] the "**Base Prospectus**") which [together] constitute[s] a base prospectus for the purposes of Article 8.1 of the Regulation 2017/1129/EU of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**").

This document constitutes the final terms (the "**Final Terms**") of the Covered Bonds described herein for the purposes of Article 8.1 of the Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [In addition, a summary of the issue of the Covered Bonds is annexed to these Final Terms.][23]. The Final Terms, the Base Prospectus [and the supplement[s] to the Base Prospectus] 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 Base Prospectus, and during normal business hours at the registered office of the Issuer where copies may be obtained.[In addition[24], the Base Prospectus [and the supplement[s] to the Base Prospectus] [and the Final Terms] [is] [are] available for viewing [on/at] [●].]

(The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.)

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions which are the [2020 Covered Bonds Conditions] / [2019 Covered Bonds Conditions] / [2018 Covered Bonds Conditions] / [2017 Covered Bonds Conditions] / [2016 Covered Bonds Conditions] / [2015 Covered Bonds Conditions] / [2013 Covered Bonds Conditions] / [2011 Covered Bonds Conditions] / [2010 Covered Bonds Conditions] which are incorporated by reference in this Base Prospectus (as defined below). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 8.1 of the Regulation 2017/1129/EU of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**") and must be read in conjunction with the base prospectus dated 18 May 2021 [, as supplemented by the supplement[s] to the base prospectus dated [●], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the "**Base Prospectus**")], including the Conditions which are incorporated by reference in this Base Prospectus. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms, the Base Prospectus and the [2020 Covered Bonds Conditions] / [2019 Covered Bonds Conditions] / [2018 Covered Bonds Conditions] / [2017 Covered Bonds Conditions] / [2016 Covered Bonds Conditions] / [2015 Covered Bonds Conditions] / [2013 Covered Bonds Conditions] / [2011 Covered Bonds Conditions] / [2010 Covered Bonds Conditions]. [In addition, a summary of the issue of the Covered Bonds is annexed to these Final Terms.][9] The present Final Terms and the Base Prospectus 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 Base Prospectus, [and] during normal business hours at, and copies may be obtained from, the registered office of the Issuer.[In addition[25], these Final Terms and the Base Prospectus are available for viewing [on/at] [●].]

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[23] Not required for Covered Bonds with a denomination per unit of at least €100,000.
[24] If the Covered Bonds are listed on a Regulated Market other than the Luxembourg Stock Exchange.
[25] If the Covered Bonds are listed on a Regulated Market other than the Luxembourg Stock Exchange.

(*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.*)

1.	**(i)**	**Series Number:**	[●]
	(ii)	**Tranche Number:**	[●]
	(iii)	**Date on which the Covered Bonds will be assimilated (*assimilables*) and form a single Series:**	[The Covered Bonds will be assimilated (*assimilables*) and form a single Series [(*identify earlier Tranches*)] on [the Issue Date/exchange of the Temporary Global Certificate for interests in the Definitive Materialised Covered Bonds, as referred in paragraph 22(iii) below, which is expected to occur on or about [●].] / [Not Applicable]
2.	**Specified Currency or Currencies:**		[●]
3.	**Aggregate Nominal Amount of Covered Bonds:**		[●]
	(i)	Series:	[●]
	(ii)	Tranche:	[●]]
4.	**Issue Price:**		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
5.	**Specified Denominations:**		[●] (*one (1) denomination only for Dematerialised Covered Bonds*) (*Not less than €1,000 or its equivalent in other currency at the Issue Date, when the Covered Bonds are admitted to trading on a Regulated Market of the EEA in circumstances which require the publication of a prospectus under the Prospectus Regulation*)[26]
6.	**(i)**	**Issue Date:**	**[●]**
	(ii)	**Interest Commencement Date:**	[(*Specify*)/Issue Date/Not Applicable]

[26] Covered Bonds denominated in Sterling in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitute a contravention of section 19 of FSMA and having a maturity of less than one (1) year must have a minimum denomination of Sterling 100,000 (or its equivalent in other currencies).

7.	**Final Maturity Date:**	[(*Specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to the relevant month and year*)]
8.	**Extended Final Maturity Date:**	[[●] (*If applicable, specify date*)] / [Not Applicable]
9.	**Interest Basis:**	[[●] per cent. Fixed Rate] [[*EURIBOR, LIBOR, EUR-CMS or any reference rate that might replace them*] +/– [●] per cent. Floating Rate] [Fixed/Floating Rate] [Zero Coupon] (see paragraph [14/15/16/17] below)
10.	**Redemption/Payment Basis:**	Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Final Maturity Date [or the Extended Final Maturity Date, as the case may be] at 100 per cent. of their nominal amount
11.	**Change of Interest Basis (Condition 2(a)):**	[(*Specify the date when any fixed to floating rate change occurs to refer to paragraph 16 below and identify there*)] / [Not Applicable]
12.	**Put/Call Options:**	[Bondholder Put] [Issuer Call] (see paragraph [18/19] below)
13.	**Date of Board approval for issuance of Covered Bonds obtained:**	[●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Covered Bond Provisions:**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph. If Extended Final Maturity Date is specified as Applicable, please specify.)*
	(i)	Rate[(s)] of Interest:	[●] per cent. per annum payable in arrear on each Interest Payment Date
	(ii)	Interest Payment Date(s):	[●] in each year [*Specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]
	(iii)	Fixed Coupon Amount[(s)]:	[●] per [●] in Specified Denomination

	(iv)	Broken Amount(s):	[[●] per Specified Denomination payable on the Interest Payment Date falling [in/on] [●]] / [Not Applicable]
	(v)	Day Count Fraction:	[Actual/365 / Actual/Actual / Actual/Actual-ISDA / Actual/Actual-ICMA / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis]
	(vi)	Determination Dates:	[[●] in each year] / [Not Applicable] (*Insert regular Interest Payment Dates, ignoring Issue Date or Final Maturity Date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
15.	**Floating Rate Covered Bond Provisions:**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph. If Extended Final Maturity Date is specified as Applicable, please specify.)*
	(i)	Interest Period(s):	[[●] [, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]]
	(ii)	Specified Interest Payment Dates:	[[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]]
	(iii)	First Interest Payment Date:	[●]
	(iv)	Interest Period Date:	[●] [Interest Payment Date / Other *(specify)*]
	(v)	Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention (*Insert "unadjusted" if the application of the relevant Business Day Convention is not intended to affect the Interest Amount*)] / [Not Applicable]
	(vi)	Business Centre(s) (Condition 6(a)):	[●]
	(vii)	Manner in which the Rate(s) of	

	Interest is/are to be determined:	[Screen Rate Determination/ ISDA Determination]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[●]
(ix)	Screen Rate Determination:	[Applicable/Not Applicable]
	· Benchmark:	[●] (*specify Benchmark [EURIBOR, LIBOR, EUR-CMS or any reference rate that might replace them] and months [e.g. EURIBOR 3 months]*)
	· Relevant Time:	[●]
	· Interest Determination Date(s):	[●]
	· Primary Source:	[*Specify relevant screen page /* Reference Banks]
	· Reference Banks (if Primary Source is "Reference Banks"):	[(*Specify four*)]
	· [CMS Reference Banks:[27]	[●]]
	· [Designated Maturity:[28]	**[●]**]
	· Relevant Financial Centre:	[(*The financial centre most closely connected to the Benchmark - specify if not Paris*)]
	· Representative Amount:	[(*Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount*)]
	· Effective Date:	[(*Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period*)]
	· Specified Duration:	[(*Specify period for quotation if not duration of Interest Accrual Period*)]
(x)	ISDA Determination:	[Applicable/Not Applicable]
	· Floating Rate Option:	[●] (*If the Rate of Interest is determined by linear interpolation in respect of an interest period (as per Condition 6(c)(iii)(A), insert the relevant interest period(s) and the*

[27] Applicable only where the Relevant Rate in respect of the Floating Rate Covered Bonds is EUR-CMS.
[28] Applicable only where the Relevant Rate in respect of the Floating Rate Covered Bonds is EUR-CMS.

		relevant two rates used for such determination)
	▪ Designated Maturity:	[●]
	▪ Reset Date:	[●]
	▪ [ISDA Definitions:	[2000 / 2006]]
(xi)	Linear Interpolation:	**[**Applicable/Not Applicable**]** The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using linear Interpolation (*specify for each short or long interest period*)
(xii)	Margin(s):	[+/-] [●] per cent. per annum
(xiii)	Minimum Rate of Interest:	[[*specify a positive interest rate*] per cent. per annum / Zero (0) as per Condition 6(c)]
(xiv)	Maximum Rate of Interest:	[Not Applicable/[●] per cent. per annum]
(xv)	Day Count Fraction:	[Actual/365 / Actual/Actual / Actual/Actual-ISDA / Actual/Actual-ICMA / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis]
16.	**Fixed/Floating Rate Covered Bonds Provisions:**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Issuer Change of Interest Basis:	[Applicable/Not Applicable]
(ii)	Automatic Change of Interest Basis:	[Applicable/Not Applicable]
(iii)	Rate of Interest applicable to the Interest Periods preceding the Switch Date or the Automatic Switch Date, as applicable (excluded):	Determined in accordance with [Condition 6(b), as though the Covered Bond was a Fixed Rate Covered Bond]/ [Condition 6(c), as though the Covered Bond was a Floating Rate Covered Bond] with further variables set out in item [●] of these Final Terms
(iv)	Rate of Interest applicable to the Interest Periods following the Switch Date (included):	Determined in accordance with [Condition 6(b), as though the Covered Bond was a Fixed Rate Covered Bond]/ [Condition 6(c), as though the Covered Bond was a Floating Rate Covered Bond] with further variables set out in item [●] of these Final Terms
(v)	Switch Date:	[●]

	(vi)	Automatic Switch Date:	[●]
	(vii)	Minimum notice period required for notice from the Issuer:	[[●] Business Days prior to the [Switch Date] / [Automatic Switch Date] [Not Applicable]]
17.	**Zero Coupon Covered Bond Provisions:**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Amortisation Yield:	[●] per cent. per annum
	(ii)	Day Count Fraction in relation to Early Redemption:	[Actual/365 / Actual/Actual / Actual/Actual-ISDA / Actual/Actual-ICMA / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis]

PROVISIONS RELATING TO REDEMPTION

18.	**Call Option:**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Components of the formula of the Optional Redemption Amount(s) of each Covered Bond:	[Optional Redemption Amount [●] Y= [●] per cent.]
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[●]
		(b) Maximum Redemption Amount:	[●]
	[(iv)	Notice Period:	**[●]** days]
19.	**Put Option:**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Components of the formula of the Optional Redemption Amount(s) of each Covered Bond:	[Optional Redemption Amount [●] Y= [●] per cent.]

	[(iii) Notice Period:	**[●]** days]
20.	**Final Redemption Amount of each Covered Bond:**	[[●] per Covered Bond of [●] Specified Denomination / Specified Denomination]
21.	**Early Redemption Amount:**	
	Early Redemption Amount(s) of each Covered Bond payable on redemption for taxation reasons, illegality or on event of default:	[Condition 7(d) applies/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

22.	**Form of Covered Bonds:**	[Dematerialised Covered Bonds/ Materialised Covered Bonds] (Materialised Covered Bonds are only in bearer form) (*Delete as appropriate*)
	(i) Form of Dematerialised Covered Bonds:	[Not Applicable / if Applicable specify whether bearer form (*au porteur*) / registered form (*au nominatif*)]
	(ii) Registration Agent:	[Not Applicable/if applicable give name and address] (*Note that a Registration Agent must be appointed in relation to Fully Registered Dematerialised Covered Bonds only*)
	(iii) Temporary Global Certificate:	[Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Covered Bonds on [●] (the "**Exchange Date**"), being forty (40) calendar days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
23.	**Financial Centre(s) or other special provisions relating to payment dates for the purposes of Condition 8(g):**	[Not Applicable/*Give details*. (*Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(vi) relates*)]
24.	**Talons for future Coupons to be attached to Definitive Materialised Covered Bonds (and dates on which such Talons mature):**	[No/Yes/Not Applicable. As the Covered Bonds have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon

			payments are still to be made.] *(Only applicable to Materialised Covered Bonds)*
25.	***Masse*:**		[[Full *Masse*]/[Contractual *Masse*] shall apply] (*Insert below, as the case may be, details of the Representative and Alternative Representative and remuneration, if any*:)
	(i)	Representative:	[Name and address of the Representative: [●]]
	(ii)	Alternate Representative:	[Name and address of the alternate Representative: [●]]
	(iii)	Remuneration:	[The Representative will receive no remuneration/The Representative will receive a remuneration of [●]]
	(iv)	Issue outside France:	[Not Applicable/Applicable]
26.	**Exclusion of the possibility to request identification information of Bondholders as provided by Condition 2(a)(i):**		[Not Applicable/Applicable]

[**THIRD PARTY INFORMATION**

[(*Relevant third party information*)] has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.][29]

Signed on behalf of Arkéa Home Loans SFH:

By: .....

Duly authorised

[29] Include if third party information is provided.

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing(s):	[Official List of the Luxembourg Stock Exchange - other (*specify*)/None]
(ii)	(a) Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the French law Covered Bonds to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange]/[*specify other relevant regulated market*] with effect from [●].] [Application is expected to be 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]/[*specify other relevant regulated market*] with effect from [●].] / [Not Applicable] [The [first/(*specify*)] Tranche(s) of the Covered Bonds are already listed as from [its/their respective] Issue Date.] (*Where documenting a fungible issue need to indicate that original Covered Bonds are already admitted to trading.*)
	(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:	[●]
(iii)	Estimate of total expenses related to admission to trading:	[●]

2. RATINGS

Ratings: [The Covered Bonds are not expected to be rated] / [The Covered Bonds to be issued [have been/are expected to be] rated] / [The following ratings reflect ratings assigned to Covered Bonds of this type issued under the Programme generally]:

[Fitch: [●]]

[Moody's: [●]]

[[Other]: [●]]

Credit ratings included or referred to above have been issued by Fitch and Moody's [and [●]], each of which is established in the European Union and registered under European Commission Regulation no. 1060/2009 dated 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk).

(*The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

[*Include a brief explanation of the meaning of the rating, e.g.*: According to Moodys' rating system, obligations rated "A" are judged to be upper-medium grade with low credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from "Aa" through "Caa". The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. According to Fitch's rating system, "A" ratings denote expectations of a low level of default risk relative to other issuers or obligations in the same country or monetary union and "F1" indicates the strongest capacity for timely payment of financial commitments relative to other issuers or obligations in the same country. Under the agency's National Rating scale, this rating is assigned to the lowest default risk relative to others in the same country or monetary union. Where the liquidity profile is particularly strong, a "+" is added to the assigned rating. / "BBB" ratings denote a moderate level of default risk relative to other issuers or obligations in the same country or monetary union].

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

(*Need to include a description of any interest, including conflicting ones, that is material to the issue, detailing the persons involved and the nature of the interest*). *May be satisfied by the inclusion of the statement below.*)

[Save for any fees payable to the [Managers/Dealer(s)], so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the issue. The [Managers/Dealer(s)] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. (*Amend as appropriate if there are other interests*)]

(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.*)

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS [AND TOTAL EXPENSES][30]

[(i)	Use of Proceeds:	**[●]** (*See "Use of Proceeds" wording in Base Prospectus - if reasons for offer different from making profit and/or hedging certain risks will need to include thoses reasons here.*)][31]
[(ii)	Reasons for the offer:	**[●]** (*See "Use of Proceeds" wording in Base Prospectus - if reasons for offer different from making profit and/or hedging certain risks will need to include thoses reasons here.*)][32]
(iii)	Estimated net proceeds:	**[●]** [(*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)][33]
[(iv)	Estimated total expenses:	**[●]** (*include breakdown of expenses*)]

[30] Not required for Covered Bonds with a denomination per unit of at least €100,000.
[31] Not required for Covered Bonds with a denomination per unit of less than €100,000.
[32] Not required for Covered Bonds with a denomination per unit of at least €100,000.
[33] Not required for Covered Bonds with a denomination per unit of at least €100,000.

5.	**YIELD - Fixed Rate Covered Bonds only**	[Applicable/Not Applicable]
	Indication of yield:	[●] *per annum*.
6.	**HISTORIC INTEREST RATES - Floating Rate Covered Bonds only**	[Applicable/Not Applicable] (*if not applicable, delete the remaining subparagraph of this paragraph*)
	Historic interest rates:	Details of historic [EURIBOR, LIBOR, EUR-CMS or any reference rate that might replace them] rates can be obtained from [Reuters/[•]].
	Benchmarks:	Amounts payable under the Covered Bonds will be calculated by reference to [EURIBOR, LIBOR, EUR-CMS or any reference rate that might replace them] which is provided by [the European Money Markets Institute/ICE Benchmark Administration Limited]. As at [●], [the European Money Markets Institute/ICE Benchmark Administration Limited] [appears/does not appear] on the register of administrators and benchmarks established and maintained by [the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation, as amended (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**") / the Financial Conduct Authority in the United Kingdom pursuant to Article 36 of the Benchmarks Regulation as it forms part of UK domestic law by virtue of the EUWA]. [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that [•] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]
7.	**OPERATIONAL INFORMATION**	
	ISIN Code:	[●]

Common Code:		[●]
Depositaries:		
(i)	Euroclear France to act as Central Depositary	[Yes/No]
(ii)	Common Depositary for Euroclear Bank and Clearstream Banking, S.A.	[Yes/No]
•	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s):	[Not Applicable] / [(*give name(s) and number(s) and address(es)*)]
•	Delivery:	Delivery [against/free of] payment
•	Names and addresses of additional Paying Agent(s) (if any):	[Not Applicable]/[●]

8. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated:	[Not Applicable]/(*give names*)]
(A)	Names [and addresses][34] of Managers [and underwriting commitments/quotas][35]:	[Not Applicable/*give names addresses and underwriting commitments*]
(B)	Date of [Subscription] Agreement:[36]	**[●]**
(C)	Stabilisation Manager(s) if any:	[Not Applicable/give name]
(iii)	If non-syndicated, name of Dealer:	[Not Applicable/(*give name and address*)]
(iv)	Indication of the overall amount of underwriting commission and of the placing commission:[37]	**[●]** per cent of the Aggregate Nominal Amount

[34] Not required for Covered Bonds with a denomination per unit of at least €100,000
[35] Not required for Covered Bonds with a denomination per unit of at least €100,000
[36] Not required for Covered Bonds with a denomination per unit of at least €100,000
[37] Not required for Covered Bonds with a denomination per unit of at least €100,000

(v)	U.S. selling restrictions:	[TEFRA C/ TEFRA D/ TEFRA not Applicable]
(vi)	Prohibition of Sales to EEA Retail Investors[38]:	[Not Applicable/Applicable]
(vii)	Prohibition of Sales to UK Retail Investors[39]:	[Not Applicable/Applicable]

[38] The expression "Retail Investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation.

[39] The expression "Retail Investor" means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing MiFID II as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA.

[ANNEX - ISSUE SPECIFIC SUMMARY]

[*Issue Specific Summary to be inserted for a denomination of less than €100,000 (or its equivalent in any other currency)*]

SUBSCRIPTION AND SALE

For the avoidance of doubt, it is specified that the expression "Covered Bonds" will only include French law Covered Bonds and the expression "Bondholders" includes any holder of such French law Covered Bonds, in the following section.

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 18 May 2021 between the Issuer, the Arranger and the Permanent Dealer(s) (the "**Dealer Agreement**"), the Covered Bonds will be offered by the Issuer to the Permanent Dealer(s). However, the Issuer has reserved the right to sell Covered Bonds directly on its own behalf to Dealers that are not Permanent Dealers. The Covered Bonds may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer(s). The Covered Bonds may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Covered Bonds to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Covered Bonds subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the Programme and the Dealers for their expenses incurred in connection with certain of their activities in connection with the Programme.

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

Selling Restrictions

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers in particular following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

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

United States of America

The Covered Bonds have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons as defined under Regulation S except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Covered Bonds are being offered and sold outside the United States in offshore transactions in reliance on Regulation S. The Issuer is Category 1 for the purposes of Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Materialised Covered Bonds having a maturity of more than one (1) year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to

a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder.

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

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Covered Bonds outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Covered Bonds, in whole or in part, for any reason.

Materialised Covered Bonds will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) or any successor regulation issued under Code section 4701(b) that contains rules identical to the rules that currently apply under Code section 163(f)(2)(B) (the "**D Rules**") unless (i) the relevant Final Terms states that such Materialised Covered Bonds are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) or any successor regulation issued under Code section 4701(b) that contains rules identical to the rules that currently apply under Code section 163(f)(2)(B) (the "**C Rules**") or (ii) such Materialised Covered Bonds are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Covered Bonds will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

The relevant Final Terms will specify whether TEFRA Rules are applicable and, in this case, if TEFRA C or D are applicable.

European Economic Area

If the Final Terms in respect of any Covered Bonds specify "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in a Member State of the EEA except that, pursuant to an exemption to publish a prospectus, it may make an offer of such Covered Bonds to the public in that Member State of the EEA:

(a) **qualified investors**: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) **fewer than 150 offerees**: at any time to fewer than one hundred and fifty (150) natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) **other exempt offers**: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Covered Bonds referred to in paragraphs (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Covered Bonds to the public**" in relation to any Covered Bonds in any Member State of the EEA means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds and the

expression "**Prospectus Regulation**" means Regulation 2017/1129/EU of the European Parliament and of the Council of 14 June 2017, as amended.

In addition to the foregoing, the following provisions shall apply in respect of the following Member States of the EEA.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Covered Bonds include a legend entitled "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Covered Bonds specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom (the "**UK**"). For the purposes of this provision:

(a) the expression "retail" investor means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

Public offer selling restriction under the UK Prospectus Regulation

If the Final Terms in respect of any Covered Bonds specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Covered Bonds to the public in the United Kingdom:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Article 2 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Covered Bonds to the public**" in relation to any Covered Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds and the expression "**UK Prospectus Regulation**" means the Prospectus Regulation (as defined below) as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(a) in relation to any Covered Bonds which have a maturity of less than one (1) year, (i) it is a person whose ordinary activities involve acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Covered Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Covered Bonds would otherwise constitute a contravention of section 19 of the **FSMA**) by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

France

Each of the Dealer(s) and the Issuer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it undertakes to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Covered Bonds and the distribution in France of this Base Prospectus or any other offering material relating to the Covered Bonds.

Japan

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law no. 25 of 1948, as amended, the "**FIEA**") and each of the Dealers has represented and agreed that it will not, directly or indirectly, offer or sell any Covered Bonds in Japan or to, or for the benefit of, any resident in Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act no. 228 of 1949, as amended), or to others for re-offering or resale, directly or indirectly in Japan or to a resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

GENERAL INFORMATION

For the avoidance of doubt, it is specified that the expression "Covered Bonds" will only include French law Covered Bonds and the expression "Bondholders" includes any holder of such French law Covered Bonds, in the following section, except as otherwise specified.

(1) This Base Prospectus has been approved by the CSSF, as competent authority under the Prospectus Regulation. The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer, nor of the quality of the Covered Bonds that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Covered Bonds.

(2) The Legal Entity Identifier (LEI) of Arkéa Home Loans SFH is 9695003L69OAFQ15LD18.

(3) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the update of the Programme. Any issuance of Covered Bonds under the Programme, to the extent that such Covered Bonds constitute *obligations* under French law, requires the prior authorisation of the board of directors (*conseil d'administration*) of the Issuer, which may delegate its power to any person of its choice.

For this purpose, on 10 December 2020, the board of directors (*conseil d'administration*) of the Issuer has delegated, for a period of one year from 10 December 2020 to 9 December 2021 (included), to the Chief executive officer (*directeur général*) or, with the prior authorization of the Chief executive officer (*directeur general*), to the Vice chief executive officer (*directeur général délégué*), the power to decide the issue of bonds (*obligations*) under the Programme, up to a maximum aggregate amount of € 2,000,000,000 (or the equivalent in any other currency) and, to determine the final terms and conditions of such bonds (*obligations*).

(4) There has been no significant change in the financial performance of the Group since 31 December 2020.

(5) There has been no significant change in the financial position of the Group since 31 December 2020.

(6) Save as disclosed in this Base Prospectus and in particular in paragraph 1.5 (*Risks related to the global economic environment*) of the Risk Factors section, there has been no material adverse change in the prospects of the Issuer since 31 December 2020, subject to the impact of the coronavirus-related health crisis, the detailed consequences of which are difficult to assess as of the date hereof.

(7) The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceeding which are pending or threatened of which the Issuer is aware), during a period covering at least the previous twelve (12) months, which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.

(8) [Save as disclosed in this Base Prospectus in sections "**The Issuer**" on pages 96 to 105, "**Material Contracts**" on pages 114 to 124, "**Asset Monitoring**" on pages 125 to 135 and "**Cash Flow**" on pages 136 to 141], there are no material contracts that are not entered into the ordinary course of the Issuer's business which could result in any member of Crédit

Mutuel Arkéa Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Bondholders in respect of the Covered Bonds being issued.

(9) Application may be made for Covered Bonds to be accepted for clearance through Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgique) and Clearstream (42 avenue JF Kennedy, 1855 Luxembourg, Luxembourg) which are entities in charge of keeping the records. The Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Covered Bonds will be set out in the relevant Final Terms.

Dematerialised Covered Bonds will be inscribed in the books of Euroclear France (acting as central depositary). Dematerialised Covered Bonds which are in registered form (*au nominatif*) are also inscribed either with the Issuer or with the Registration Agent. The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France.

(10) In relation to any Tranche of Fixed Rate Covered Bonds, an indication of the yield in respect to such Covered Bonds will be specified in the applicable Final Terms. The yield is calculated at the Issue Date on the basis of the Issue Price. The yield will be calculated as the yield to maturity as at the Issue Date of the Covered Bonds and will not be an indication of future yield.

(11) The Issuer does not produce consolidated financial statements.

(12) This Base Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Base Prospectus will also be published on a dedicated section of the website of Crédit Mutuel Arkéa (https://www.arkea.com/banque/assurance/credit/mutuel/ecb_5039/fr/home-loans-sfh). The Final Terms related to Covered Bonds admitted to trading on any Regulated Market of the EEA in accordance with the Prospectus Regulation will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

In addition, should the Covered Bonds be admitted to trading on a Regulated Market of the EEA other than the Regulated Market of the Luxembourg Stock Exchange in accordance with the Prospectus Regulation, the Final Terms related to those Covered Bonds will provide whether this Base Prospectus and the relevant Final Terms will be published on the website of (x) the Regulated Market of the Member State of the EEA where the Covered Bonds have been admitted to trading or (y) the competent authority of the Member State of the EEA where the Covered Bonds have been admitted to trading.

(13) Copies of the following documents will, when published, be available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the registered office of the Issuer and, with respect to the documents listed in paragraphs (a), (b) and (e) below, on the website of Crédit Mutuel Arkéa (http://www.arkea.com) :

(a) the *statuts* of the Issuer (https://www.arkea.com/banque/assurance/credit/upload/docs/application/pdf/2020-03/statuts_arkea_home_loans_sfh_25032019.pdf), for information purposes only;

(b) the 2019 Annual Financial Report and the 2020 Annual Financial Report;

(c) the Agency Agreement (which includes the form of the *Lettre Comptable*, the Temporary Global Certificates, the Definitive Materialised Covered Bonds, the Coupons, the Talons, the form of terms and conditions of the German law Covered Bonds and the form of Assignment of the German law Covered Bonds);

(d) Final Terms for Covered Bonds that are listed on the Official List of the Luxembourg Stock Exchange and traded on the Regulated Market of the Luxembourg Stock Exchange or any other Regulated Market in the EEA;

(e) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus; and

(f) all reports, letters and other documents, historical financial information and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus.

(14) In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Covered Bonds or effect transactions with a view to supporting the market price of the Covered Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) calendar days after the issue date of the relevant Tranche and sixty (60) calendar days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment shall be conducted by the Stabilising Manager (or person acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.

(15) Amounts payable under Floating Rate Covered Bonds will be calculated by reference to EURIBOR, LIBOR or EUR-CMS which are provided by the European Money Markets Institute ("**EMMI**") (with respect to EURIBOR) and ICE Benchmark Administration Limited ("**ICE**") (with respect to LIBOR and EUR-CMS) or other reference rates, as specified in the relevant Final Terms. As at the date of this Base Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmark Regulation and ICE appears on the Financial Conduct Authority's benchmarks administrators register under Article 36 of the Benchmarks Regulation as it forms part of UK domestic law by virtue of the EUWA. The relevant Final Terms will specify the administrator of any relevant benchmark used as a reference under the Floating Rate Covered Bonds and whether or not such administrator appears on the above mentioned register of administrators and benchmarks established and maintained by the ESMA or the FCA register referred to above.

FORWARD LOOKING STATEMENTS

This Base Prospectus (including the documents incorporated by reference) may contain certain statements that are forward-looking including statements with respect to the Issuer's business strategies, expansion and growth of operations, trends in its business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

SUPPLEMENT TO THE BASE PROSPECTUS

In connection with French law Covered Bonds admitted to trading on a Regulated Market, unless the Issuer does not intend to issue French law Covered Bonds under the Programme for the time being, if at any time during the duration of the Programme a significant change affecting any matter contained in this Base Prospectus, or generally any significant new factor, material mistake or material inaccuracy relating to information included or incorporated by reference in this Base Prospectus which may affect the assessment of the French law Covered Bonds arises or is noted, the Issuer shall prepare a supplement to the Base Prospectus in accordance with Article 23 of the Prospectus Regulation and Article 18 of Commission Delegated Regulation (EU) 2019/979 or publish a replacement Base Prospectus for use in connection with any subsequent offering of the French law Covered Bonds, submit such supplement to the Base Prospectus to the *Commission de Surveillance du Secteur Financier* in Luxembourg for approval and supply each Dealer, the Luxembourg Stock Exchange and the *Commission de Surveillance du Secteur Financier* in Luxembourg with such number of copies of such supplement to the Base Prospectus as may reasonably be requested.

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Tel.: +33 2 98 00 94 85

Arranger

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29480 Le Relecq Kerhuon
France

Permanent Dealer

Crédit Mutuel Arkéa
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29480 Le Relecq Kerhuon
France

Fiscal Agent, Principal Paying Agent, Paris Paying Agent, Calculation Agent in respect of the French law Covered Bonds

BNP Paribas Securities Services
Corporate Trust Services
Les Grands Moulins de Pantin
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93500 Pantin
France

Luxembourg Listing Agent in respect of the French law Covered Bonds

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