



(duly licensed French credit institution)  
**€35,000,000,000 COVERED BOND PROGRAM**  
for the issue of *Obligations de Financement de l'Habitat*

Under the Covered Bond Program described in this Base Prospectus (the "**Program**"), Crédit Agricole Home Loan 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, German law, New York law or Australian law (respectively, the "**French law Covered Bonds**", the "**German law Covered Bonds**", the "**New York law Covered Bonds**" and the "**Australian law Covered Bonds**" and together, the "**Covered Bonds**") as, in the case of the French law Covered Bonds and New York law Covered Bonds, is specified in the relevant Final Terms (as defined below). The Issuer is licensed as a *société de financement de l'habitat* ("**SFH**") by the *Autorité de contrôle prudentiel* (the "**ACP**"). 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. 515-19 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 €35,000,000,000 (or its equivalent in other currencies at the date of issue).

Application has been made to the *Autorité des marchés financiers* (the "**AMF**") in France for approval of this Base Prospectus in its capacity as competent authority in France pursuant to Article L. 621-8 of the French *Code monétaire et financier* which implements Directive 2003/71/EC dated 4 November 2003 (the "**2003 Prospectus Directive**"). Application may be made to Euronext Paris for the French law Covered Bonds and the New York law Covered Bonds issued under the Program during a period of twelve (12) months after the date of the visa granted by the AMF on this Base Prospectus to be listed and admitted to trading on the regulated market of Euronext Paris. The regulated market of Euronext Paris is a regulated market for the purposes of Directive 2004/39/EC dated 21 April 2004 (each such market being a "**Regulated Market**"). French law Covered Bonds and New York law Covered Bonds issued under the Program 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 European Economic Area ("**EEA**"). The relevant final terms (a form of which is contained herein) in respect of the issue of any French law Covered Bonds or New York law Covered Bonds, as the case may be, (the "**Final Terms**") 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 and the Australian law Covered Bonds will not be admitted to trading nor listed on any market or stock exchange. Covered Bonds admitted to trading on a Regulated Market of the European Union in circumstances which require the publication of a prospectus under the 2003 Prospectus Directive, as amended by Directive 2010/73/EU of 24 November 2010 (the "**Prospectus Directive**") shall have a minimum denomination of €100,000 (or its equivalent in any other currency at the time of issue), or such higher amount as may be allowed or required by the relevant monetary authority or any applicable laws or regulations.

The Covered Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**") or any state securities laws, and are being offered and sold outside of the United States in reliance on Regulation S under the Securities Act ("**Regulation S**") and, in the case of the New York law Covered Bonds, in the United States only to "qualified institutional buyers" (as defined below) in reliance on, and as defined by, Rule 144A under the Securities Act ("**Rule 144A**") and, in each case, in compliance with applicable securities laws. Prospective purchasers are hereby notified that sellers of the Covered Bonds may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Covered Bonds will be issued on a continuous basis in series (each a "**Series**") having one or more issue dates and (except in respect of the first payment of interest) on terms otherwise identical, 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 different issue dates. The specific terms of each Series will be set forth in the Final Terms.

Covered Bonds issued under the Program are expected on issue to be rated Aaa by Moody's Investors Service Ltd., AAA by Standard & Poor's Ratings Services and AAA by Fitch Ratings (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 credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)).

This Base Prospectus, the 2010 Registration Document, the 2011 Registration Document, the 2012 Registration Document, the 2012 Crédit Agricole Group Financial Review, the Financial Review at 31 March 2013 (all as defined under section "Documents Incorporated by Reference") and the base prospectuses of the Issuer dated 30 July 2010, 13 April 2011 and 18 April 2012 are available on the websites of Crédit Agricole S.A. ([www.credit-agricole.com](http://www.credit-agricole.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org)). The 2010 Financial Statements, the 2011 Financial Statements, the 2012 Financial Statements (all as defined under section "Documents Incorporated by Reference") and their respective free English translations, the free English translations of the 2010 Registration Document, the 2011 Registration Document, the 2012 Registration Document, the 2012 Crédit Agricole Group Financial Review and the Financial Review at 31 March 2013 and the base prospectuses of the Issuer dated 29 July 2008, 26 November 2009 (as supplemented by a supplement n°1 dated 23 February 2010) and 7 April 2010 are available on the website of Crédit Agricole S.A. ([www.credit-agricole.com](http://www.credit-agricole.com)), and filed with the AMF.

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



In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the *Règlement général* of the *Autorité des marchés financiers* (AMF), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus its visa no. 13-329 on 5 July 2013. This document may be used for the purposes of a financial transaction only if it is supplemented by final terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and understandable, and whether the information it contains is consistent". It does not imply that the AMF has verified the accounting and financial data set out herein. This visa has been granted subject to the publication of final terms in accordance with Article 212-32 of the AMF's *Règlement général*, setting out the terms and conditions of the securities to be issued.

**ARRANGERS**

CRÉDIT AGRICOLE S.A.  
CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK  
CITIGROUP

**PERMANENT DEALERS**

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK  
CITIGROUP

None of the Covered Bonds have been or will 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 in the United States. The Covered Bonds may include 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 bearer Covered Bonds, delivered within the United States or 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 Covered Bonds are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act ("Regulation S") and, in the case of the New York law Covered Bonds, may be sold only in registered form within the United States to "Qualified Institutional Buyers" (as defined below) in reliance on Rule 144A under the Securities Act ("Rule 144A"). Prospective purchasers are hereby notified that sellers of Covered Bonds may be relying on the exemption from provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of Covered Bonds and on the distribution of this Base Prospectus, see "Transfer Restrictions" and "Plan of Distribution".

The Issuer has not registered as an investment company pursuant to the United States Investment Company Act of 1940, as amended.

The Covered Bonds have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC"), any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Covered Bonds or the accuracy or adequacy of the Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Issuer is not a bank nor an authorised deposit-taking institution which is authorised under the Banking Act 1959 of Australia ("Australian Banking Act"). No Covered Bonds will be obligations of the Australian Government and, in particular, will not be guaranteed by the Commonwealth of Australia.

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.* 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 depository) which shall credit the accounts of the Account Holders (as defined in "**Terms and Conditions of the Covered Bonds - Form, Denomination, Title and Redenomination**") including Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or (ii) in registered form (*au nominatif*) and, in such a latter case, at the option of the relevant Bondholder (as defined in "**Terms and Conditions of the Covered Bonds - Definitions**"), 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, Australia and the United States. 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 the fortieth (40<sup>th</sup>) day after the issue date of the Covered Bonds (subject to postponement as described in "**Temporary Global Certificates in respect of French law Covered Bonds which are 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, Luxembourg, be deposited on the issue date with a common depository for Euroclear and Clearstream, Luxembourg, 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, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer(s) (as defined below).

New York law Covered Bonds will be issued in the form of one or more fully registered global certificates, without coupons, registered in the name of a nominee of The Depository Trust Company (together with any successor, "**DTC**") and deposited with a custodian for DTC. Investors may hold a beneficial interest in New York law Covered Bonds through Euroclear, Clearstream, Luxembourg or DTC directly as a participant in one of those systems or indirectly through financial institutions that are participants in any of those systems. Owners of beneficial interests in New York law Covered Bonds will not be entitled to receive certificates in their names evidencing their Covered Bonds and will not be considered the holder of any Covered Bonds under the Agency Agreement (as defined below).

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

Australian law Covered Bonds will be issued in dematerialised registered form only.

This Base Prospectus (together with all supplements thereto from time to time), which contains all relevant information required, *inter alias*, pursuant to Annexes IX and XIII of the Commission Regulation 809/2004 dated 24 April 2004 and Annexes of the Commission Delegated Regulation No 486/2012/EU and No 862/2012/EU, concerning the Issuer as well as the base terms and conditions of the Covered Bonds to be issued under the Program, constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and contains all relevant information concerning the Issuer which is necessary to enable investors to make 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 and the New York law Covered Bonds to be issued under the Program. The terms and conditions applicable to each Tranche not contained herein (including, without limitation, the aggregate nominal amount, the issue price, the 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 any document and/or information which is incorporated herein by reference in accordance with Article 212-11 of the *Règlement général* of the AMF implementing the 2003 Prospectus Directive in France and Article 28 of the European Commission Regulation no. 809/2004 dated 29 April 2004 (see "Documents incorporated by Reference" below), as well as in relation to any Tranche of Covered Bonds, with 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.

To the best of the Issuer's knowledge (having taken all reasonable care to ensure that such is the case), the information relating to the Issuer contained or incorporated by reference in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import. To the best of Crédit Agricole S.A.'s knowledge (having taken all reasonable care to ensure that such is the case), the information relating to Crédit Agricole S.A., the Crédit Agricole Entities and the Home Loans contained or incorporated by reference in this Base Prospectus (together, the "CA Information") is in accordance with the facts and contains no omission likely to affect its import. To the best of Crédit Agricole Corporate and Investment Bank S.A.'s knowledge (having taken all reasonable care to ensure that such is the case), the information relating to Crédit Agricole Corporate and Investment Bank S.A. contained or incorporated by reference in this Base Prospectus (together, the "CACIB Information") is in accordance with the facts and contains no omission likely to affect its import.

The Arrangers (other than Crédit Agricole S.A. in relation to the CA Information and Crédit Agricole Corporate and Investment Bank in relation to the CACIB Information), the Dealers (other than Crédit Agricole Corporate and Investment Bank in relation to the CACIB Information) and the Australian Registrar have not separately verified the information contained or incorporated by reference in this Base Prospectus. Neither any of the Arrangers (other than Crédit Agricole S.A. in relation to the CA Information and Crédit Agricole Corporate and Investment Bank in relation to the CACIB Information) nor any of the Dealers (other than Crédit Agricole Corporate and Investment Bank in relation to the CACIB Information) makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Base Prospectus. Neither this Base Prospectus nor any other information supplied in connection with the Program (including any information incorporated by reference therein) 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 Arrangers, the Australian Registrar or the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Program should purchase the Covered Bonds. Each prospective investor in the 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.

None of the Arrangers or the Australian Registrar nor any of the Dealers undertake to review the financial or general condition 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 Dealers, the Australian Registrar or the Arrangers. None of the Arrangers, the Dealers or the Australian Registrar, nor the Issuer make 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.

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 Australian Registrar, the Arrangers or the Dealers (as defined in "Overview of the Program"). 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 Program 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 the Covered Bonds in certain jurisdictions may be restricted by law. The Issuer, the Australian Registrar, the Arrangers and the Dealers 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 Arrangers or the Dealers 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. 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. 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, the Netherlands and the United Kingdom), Singapore, Hong Kong and Australia.

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 "Transfer Restrictions" and "Plan of Distribution".

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

In connection with the issue of any Tranche, the 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, outside Australia and on a financial market operating outside Australia, 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 be ended at any time, but it must end no later than the earlier of thirty (30) days after the issue date of the relevant Tranche and sixty (60) days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

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 "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 "£", "pounds sterling" and "Sterling" are to the lawful currency of the United Kingdom, references to "\$", "USD" and "U.S. Dollar" are to the lawful currency of the United States of America, references to "¥", "JPY" and "Yen" are to the lawful currency of Japan, references to "CHF" and "Swiss Francs" are to the lawful currency of Switzerland and references to "A\$", "AUD" and "Australian Dollars" are to

the lawful currency of Australia. 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 Covered Bonds"), 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, either (i) in the Hedging Agreements entered into by the Issuer and the Borrower in relation to the corresponding Covered Bond issue or (ii) 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.

#### **CIRCULAR 230 DISCLOSURE**

To ensure compliance with Treasury Department Circular 230, each U.S. Holder (as defined below) is hereby notified that: (i) the following summary of U.S. federal income tax issues was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under the U.S. federal income tax laws; (ii) the summary was written to support the promotion or marketing (within the meaning of Circular 230) of the transactions or matters addressed thereby; and (iii) the taxpayer should seek advice from its own tax advisor based on the taxpayer's particular circumstances.

#### **FOR NEW HAMPSHIRE RESIDENTS**

NEITHER THE FACT THAT A REGISTRATION STATEMENT NOR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955 ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

#### **AVAILABLE INFORMATION**

So long as any of the registered Covered Bonds resold in the United States to Qualified Institutional Buyers are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, and the Issuer is not subject to and in compliance with Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Issuer has undertaken to furnish to each holder or beneficial owner of Covered Bonds resold in the United States to Qualified Institutional Buyers and to any prospective purchaser, any information required to be delivered under Rule 144A(d)(4) under the Securities Act.

#### **FORWARD-LOOKING STATEMENTS**

This Base Prospectus contains forward-looking statements. Such statements can be generally identified by the use of terms such as "anticipates", "believes", "could", "expects", "may", "plans", "should", "will" and "would", or by comparable terms and the negatives of such terms. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements in this Base Prospectus could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. We have based forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about the Issuer, Crédit Agricole S.A. or the Crédit Agricole Group, including, among other things:

- the risks inherent to banking activities including credit risks, market and liquidity risks, operational risks and insurance risks;
- risks relating to volatile global market and weak economic conditions;
- our ability and that of other companies within the Crédit Agricole Group to maintain high credit ratings;
- increased competition due to consolidation and new entrants;
- lower revenue generated from brokerage and other commission- and fee-based businesses during market downturns;
- significant interest rate changes that could adversely affect the net banking income or profitability of the Crédit Agricole Group;
- substantial increase in new provisions or a shortfall in the level of previously recorded provisions with respect to counterparty credit risk;
- potential losses that may occur despite the hedging strategies implemented by the Crédit Agricole Group;
- the ability of the Crédit Agricole Group to attract and retain qualified employees;
- the effects of measures taken to stabilize the global financial system and increase the flow of credit to the economy and the supervisory and regulatory regimes (including tax regulation and solvency requirements) in France and other jurisdictions in which the Crédit Agricole Group operates;
- the effects of the organizational structure of the Crédit Agricole Group;
- the scope of the activities in various countries of the Crédit Agricole Group; and
- other factors described under "Risk Factors".

#### SUPPLEMENT TO THE BASE PROSPECTUS

In connection with Covered Bonds admitted to trading on a Regulated Market, unless the Issuer does not intend to issue Covered Bonds under the Program for the time being, if at any time during the duration of the Program there is a significant change affecting any matter contained or incorporated by reference in this Base Prospectus, including any modification of the terms and conditions or generally any significant new factor, material mistake or inaccuracy relating to information, included in this Base Prospectus which is capable of affecting the assessment of any Covered Bonds, which inclusion would reasonably be required by investors, and would reasonably be expected by them to be found in this Base Prospectus, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the rights attaching to the Covered Bonds, the Issuer shall prepare a supplement to the Base Prospectus in accordance with Article 16 of the Prospectus Directive and Article 212-25 of the AMF's *Règlement général* for use in connection with any subsequent offering of the Covered Bonds, submit such supplement to the Base Prospectus to the AMF for approval and supply each Dealer, Euronext Paris and the AMF with such number of copies of such supplement to the Base Prospectus as may reasonably be requested.

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**PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE  
PROSPECTUS**

**In the name of the Issuer**

To the best of the my knowledge (having taken all reasonable care to ensure that such is the case), I represent that the information relating to the Issuer contained or incorporated by reference in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

The financial statements of Crédit Agricole Home Loan SFH and Crédit Agricole S.A. incorporated by reference in the Base Prospectus have been subject to reports from statutory auditors.

The consolidated financial statements of Crédit Agricole S.A. for the year ended 31 December 2010 incorporated by reference in the Base Prospectus have been audited by the statutory auditors of Crédit Agricole S.A. The relevant report is in pages 367 to 368 of the 2010 Registration Document of Crédit Agricole and contains one observation.

The financial statements of Crédit Agricole S.A. for the year ended 31 December 2010 incorporated by reference in the Base Prospectus have been audited by the statutory auditors of Crédit Agricole S.A. The relevant report is in pages 418 to 419 of the 2010 Registration Document of Crédit Agricole S.A. and contains one observation.

Paris, 5 July 2013

**Crédit Agricole Home Loan SFH**

12 place des Etats-Unis

92127 Montrouge

France

duly represented by Mrs. Nadine FEDON

in her capacity as Managing Director (*Directeur général*) of the Issuer

## 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 AMF and which are incorporated in, and shall be deemed to form part of, this Base Prospectus:

- Crédit Agricole Home Loan SFH – "*Rapport des Commissaires aux comptes sur les comptes annuels (Exercice clos le 31 décembre 2012)*" (in the French language) (the "**2012 Statutory Auditors' Report**"), which contains the audited financial statements of the Issuer for the financial year ended 31 December 2012 (the "**2012 Annual Accounts**" and, together with the 2012 Statutory Auditors' Report, the "**2012 Financial Statements**");
- the free English translation of the 2012 Financial Statements;
- Crédit Agricole Home Loan SFH – "*Rapport des Commissaires aux comptes sur les comptes annuels (Exercice clos le 31 décembre 2011)*" (in the French language) (the "**2011 Statutory Auditors' Report**"), which contains the audited financial statements of the Issuer for the financial year ended 31 December 2011 (the "**2011 Annual Accounts**" and, together with the 2011 Statutory Auditors' Report, the "**2011 Financial Statements**");
- the free English translation of the 2011 Financial Statements;
- Crédit Agricole Covered Bonds – "*Rapport des Commissaires aux comptes sur les comptes annuels (Exercice clos le 31 décembre 2010)*" (in the French language) (the "**2010 Statutory Auditors' Report**"), which contains the audited financial statements of the Issuer for the financial year ended 31 December 2010 (the "**2010 Annual Accounts**" and, together with the 2010 Statutory Auditors' Report, the "**2010 Financial Statements**");
- the free English translation of the 2010 Financial Statements;
- Crédit Agricole S.A.'s *document de référence* in the French language for 2012 which was filed with the AMF under number no. D.13-0141 on 15 March 2013 (the "**2012 Registration Document**"), containing the audited non-consolidated and consolidated financial statements of Crédit Agricole S.A. as at, and for the year ended, 31 December 2012 together with the statutory auditors' report thereon (the "**CASA 2012 Financial Statements**");
- the free English translation of Crédit Agricole S.A.'s 2012 Registration Document, containing the CASA 2012 Financial Statements;
- Groupe Crédit Agricole *actualisation A.01 du document de référence 2012* (in the French language), which was filed with the AMF under number no. D.13-0141-A01 on 3 April 2013 (the "**2012 Crédit Agricole Group Financial Review**"), containing financial data for the Crédit Agricole Group as a whole (including in particular the Regional Banks) as at, and for the year ended, 31 December 2012;
- the free English translation of the 2012 Crédit Agricole Group Financial Review;
- Crédit Agricole S.A. *actualisation A.02 du document de référence 2012* (in the French language), which was filed with the AMF under number no. D.13-0141-A02 on 15 May 2013 (the "**Financial Review at 31 March 2013**"), containing financial data for Crédit Agricole S.A. and Crédit Agricole Group as a whole as at, and for the 3 month period ended 31 March 2013;
- the free English translation of the Financial Review at 31 March 2013;
- the sections entitled "Operating and financial information" and "Risk factors and Pillar 3" on pages 147 to 254 and "Financial Statements" on pages 255 to 436 of the free English translation of the Crédit Agricole S.A.'s 2011 Registration Document (*document de référence*), a French version of which was filed with the AMF under no. D.12-0160 on 15 March 2012 (such document, the "**2011 Registration Document**");
- the section entitled "Financial Statements" on pages 245 to 419 of the free English translation of the Crédit Agricole S.A.'s 2010 Registration Document (*document de référence*), a French version of

which was filed with the AMF under no. D.11-0146 on 18 March 2011 (such document, the "**2010 Registration Document**"); and

- the terms and conditions of the covered bonds contained in the base prospectuses of the Issuer dated 29 July 2008 approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") (pages 38 to 68), 26 November 2009 approved by the CSSF (pages 39 to 69) as supplemented by the first supplement to the base prospectus dated 23 February 2010 approved by the CSSF (pages 4 to 5), 7 April 2010 approved by the CSSF (pages 41 to 71), 30 July 2010 approved by the AMF (pages 40 to 69), 13 April 2011 approved by the AMF (pages 60 to 96), and 18 April 2012 approved by the AMF (pages 61 to 98).

Notwithstanding the foregoing,

(A) the section relating to the registration of the Registration Document with the AMF on page 1 of the 2012 Registration Document, the report of the Chairman of the Board of Directors on preparation and organization of the Board's work and internal control procedures scheduled for presentation to the Annual General Meeting of shareholders on 23 May 2013 on pages 92 to 118 of the 2012 Registration Document, the report of statutory auditors on the report prepared by the Chairman of the Board of Directors of Crédit Agricole S.A. on internal control procedures relating to the preparation and processing of financial and accounting information on page 119 of the 2012 Registration Document, the section under the heading "Internal Control" on page 180 of the 2012 Registration Document, the section under the heading "Documents on Display" on page 459 of the 2012 Registration Document, sections 1 to 3 under the heading "Crédit Agricole S.A. Publications" on page 459 of the 2012 Registration Document, the special report of the statutory auditors on related party agreements and commitments on pages 463 to 467 of the 2012 Registration Document, the Cross-Reference table and notes under the table on pages 484 to 486 of the 2012 Registration Document, the statement by the Chief Executive Officer, on page 482 of the 2012 Registration Document referring to the letter received from the statutory auditors upon the completion of their work (*lettre de fin de travaux*), the inside cover page of the 2012 Crédit Agricole Group Financial Review, the statement by the Chief Executive Officer on page 255 of the 2012 Crédit Agricole Group Financial Review referring to the *lettre de fin de travaux* of the statutory auditors, as well as any statement made by the Chief Executive Officer referring to the *lettre de fin de travaux*, shall not be deemed incorporated herein, and

(B) any statement contained in the documents incorporated by reference shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus. Notwithstanding anything set forth above, the information on pages 92 to 118 of the 2012 Registration Document (the substance of the report of the Chairman of the Board of Directors on corporate governance and internal control, but not the Chairman's introduction or signature) is incorporated by reference herein. Such information has been prepared in accordance with French laws and regulations. This information and the Chairman's report from which it is extracted do not purport to be and are not equivalent to a report on internal control over financial reporting of the type contemplated in the Sarbanes-Oxley Act of 2002, which is not required by French laws and regulations.

Notwithstanding anything contained in this Base Prospectus to the contrary, except as indicated above, the 2011 Registration Document and the 2010 Registration Document shall not be deemed incorporated by reference in the Base Prospectus.

All documents incorporated by reference in this Base Prospectus may be obtained, without charge on request, at the principal office of the Issuer and the Principal Paying Agents set out at the end of this Base Prospectus during normal business hours so long as any of the Covered Bonds are outstanding. The 2010 Financial Statements, the 2011 Financial Statements and the 2012 Financial Statements (together, the "**Issuer Financial Statements**") are published on the Covered Bonds section of the website of Crédit Agricole S.A. (<http://www.credit-agricole.com/en/Investor-and-shareholder/Debt/Wholesale Bond Issues>). For the avoidance of doubt no information or documents available at such website, other than the Issuer Financial Statements, shall be incorporated herein by reference. The 2010 Registration Document, the 2011 Registration Document, the 2012 Registration Document and their respective English translations are published on the website of Crédit Agricole S.A. (<http://www.credit-agricole.com/en/Investor-and-shareholder/Financial-reporting/Credit-Agricole-S.A.-financial-results>). The 2012 Crédit Agricole Group Financial Review and its English translation are published on the website of Crédit Agricole S.A. (<http://www.credit-agricole.com/en/Investor-and-shareholder/Financial-reporting/Credit-Agricole-Group-Financial-statements>). The Financial Review at

31 March 2013 and its English translation will be published on the website of Crédit Agricole S.A. (<http://www.credit-agricole.com/en/Investor-and-shareholder/Financial-reporting/Credit-Agricole-S.A.-financial-results>). Unless otherwise explicitly incorporated by reference into this Base Prospectus in accordance with the list above, the information contained in the websites of the Issuer or Crédit Agricole S.A. shall not be deemed incorporated by reference herein.

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 but included in the documents incorporated by reference is given for information purposes only.

#### Cross reference list

INFORMATION INCORPORATED BY REFERENCE (Annex IX of the European Regulation 809/2004/EC)	REFERENCE		
11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES			
	2012 Financial Statements	2011 Financial Statements	2010 Financial Statements
Balance sheet ( <i>Bilan</i> )	Pages 2 to 3 of the 2012 Annual Accounts	Pages 2 to 3 of the 2011 Annual Accounts	Pages 2 to 3 of the 2010 Annual Accounts
Profit and Loss Account ( <i>Compte de résultat</i> )	Page 5 of the 2012 Annual Accounts	Page 5 of the 2011 Annual Accounts	Page 5 of the 2010 Annual Accounts
Notes ( <i>Annexes</i> )	Pages 6 to 20 of the 2012 Annual Accounts	Pages 6 to 18 of the 2011 Annual Accounts	Pages 6 to 16 of the 2010 Annual Accounts
Statutory auditors' report relating to the above ( <i>Rapport des commissaires aux comptes</i> )	Pages 1 to 3 of the 2012 Statutory Auditors' Report	Pages 1 to 3 of the 2011 Statutory Auditors' Report	Pages 1 to 3 of the 2010 Statutory Auditors' Report
FINANCIAL INFORMATION CONCERNING CRÉDIT AGRICOLE S.A.			
	Financial Review at 31 March 2013		
Financial Statements	Pages 3 to 64		
	2012 Registration Document		
Income Statement for the year ended 31 December 2012	Page 278		
Balance Sheet at 31 December 2012	Page 280		
Statement of changes in equity between 1 January 2011 and 31 December 2012	Page 281		
Statement of Cash flows for the year ended	Page 283		

31 December 2012			
Notes to the financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union	Pages 284 to 398		
Statutory auditors' report on the consolidated financial statements for the year ended 31 December 2012	Pages 399 to 400		
Non-consolidated financial statements for the year ended 31 December 2012	Pages 401 to 451		
Statutory auditors' report on non-consolidated financial statements for the year ended 31 December 2012	Pages 452 to 453		
	<b>2011 Registration Document</b>		
Operating and financial information	Pages 147 to 183		
Risk factors and Pillar 3	Pages 185 to 254		
Consolidated financial statements for the year ended 31 December 2011	Pages 255 to 382		
Statutory auditors' report on consolidated financial statements for the year ended 31 December 2011	Pages 383 to 384		
Non consolidated financial statements for the year ended 31 December 2011	Pages 385 to 434		
Statutory auditors' report on non-consolidated financial statements for the year ended 31 December 2011	Pages 435 to 436		
	<b>2010 Registration Document</b>		
Consolidated financial statements for the year ended 31 December 2010	Pages 245 to 366		
Statutory auditors' report on consolidated financial statements for the year ended 31 December 2010	Pages 367 to 368		
Non consolidated financial statements for the year ended 31 December 2010	Pages 369 to 417		
Statutory auditors' report on non-consolidated financial statements for the year ended 31 December 2010	Pages 418 to 419		

FINANCIAL INFORMATION CONCERNING GROUPE CRÉDIT AGRICOLE			
	<b>2012 Crédit Agricole Group Financial Review</b>		
Financial Statements	Pages 125 to 251		
Statutory auditors' report relating to financial statements	Pages 252 to 253		
	<b>Financial Review at 31 March 2013</b>		
Financial Statements	Pages 3 to 64		

## OVERVIEW OF THE PROGRAM

*This section highlights information contained elsewhere in this Base Prospectus. Defined terms used in this section "Overview of the Program" have the meanings given to such terms in the section entitled "Terms and Conditions of the Covered Bonds" in this Base Prospectus. The expression "Covered Bonds" refers to the French law Covered Bonds, the German law Covered Bonds, the New York law Covered Bonds and the Australian law Covered Bonds to the extent permitted by the terms and conditions applicable to the French law Covered Bonds, the German law Covered Bonds, the New York law Covered Bonds and the Australian law Covered Bonds, as applicable.*

### The Covered Bond Program

**Issuer .....** Crédit Agricole Home Loan SFH, a limited liability company (*société anonyme*) incorporated under French law, duly licensed as a French credit institution (*établissement de crédit*) with the status of *société de financement de l'habitat* (SFH) delivered by the *Autorité de contrôle prudentiel* (ACP) on 28 March 2011.

**Arrangers.....** Crédit Agricole S.A., Crédit Agricole Corporate and Investment Bank and Citigroup Global Markets Inc.

**Dealers .....** Crédit Agricole Corporate and Investment Bank, Citigroup Global Markets Inc. and Citigroup Global Markets Limited.

The Issuer may from time to time terminate the appointment of any Dealer under the Program or appoint additional dealers either in respect of one (1) or more Tranches or in respect of the whole Program. References in this Base Prospectus to "**Permanent Dealers**" are to the persons referred to above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Program (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one (1) or more Tranches.

**The Program .....** Under the Program, the Issuer may, from time to time, issue Covered Bonds (*obligations de financement de l'habitat*), the principal and interest of which benefit from the *Privilège* created by Article L. 515-19 of the French Monetary and Financial Code (*Code monétaire et financier*). See "**The Issuer – The SFH legal Framework**".

**Program Limit.....** Up to €35,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Covered Bonds outstanding at any one (1) time.

### Fiscal Agent and Principal

#### Paying Agent .....

(i) in respect of the French law Covered Bonds:

CACEIS Corporate Trust

(ii) in respect of the New York law Covered Bonds:

Citibank N.A., London Branch

(iii) in respect of Australian law Covered Bonds:

BTA Institutional Services Australia Limited

**Transfer Agent .....** In respect of New York law Covered Bonds, Citibank N.A., London Branch.

**Australian Registrar .....** In respect of Australian law Covered Bonds, BTA Institutional Services

Australia Limited.

**Method of Issue .....** The Covered Bonds will be issued outside France and may be distributed on a syndicated or non-syndicated basis. The Covered Bonds will be issued in series (each a "**Series**") having one (1) or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Covered Bonds of each Series being intended to be interchangeable with all other Covered Bonds of that Series.

## **The Covered Bonds**

**Issuable in Series; Tranches..** The Covered Bonds will be issued in Series. Each Series may be issued in Tranches on the same or different issue dates.

The specific terms of each Tranche (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 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 the Hedging Strategy (as defined herein) and to compliance with all relevant laws, regulations and directives, Covered Bonds may be issued in Euros, U.S. Dollars, Japanese Yen, Swiss Francs, Australian Dollars and, subject to prior Rating Affirmation (as defined below) (of Standard & Poor's only), 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 of the European Union in circumstances which require the publication of a prospectus under the Prospectus Directive, shall have a minimum denomination of €100,000 (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 and Australian law Covered Bonds will be issued in one (1) denomination only.

**Status.....** Subject to the Priority Payment Orders, the Covered Bonds, and, where appropriate, any related Coupons and Receipts will constitute direct, unconditional, unsubordinated and privileged obligations of the Issuer and will rank *pari passu* without any preference among themselves. The Covered Bonds are issued under Articles L. 515-34 to L. 515-38 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. 515-19 of the French Monetary and Financial Code (*Code monétaire et financier*) over all the assets and revenues of the Issuer.



See Conditions 4 and 5(b) under "**Terms and Conditions of the Covered Bonds**".

<b>Negative Pledge .....</b>	There will be a negative pledge as set out in Condition 5(a) under " <b>Terms and Conditions of the Covered Bonds</b> ".
<b>Issuer Events of Default.....</b>	<p>Under certain circumstances, subject to the legal framework applicable to an SFH, upon the occurrence of an Issuer Event of Default (as set out in Condition 10(a) under "<b>Terms and Conditions of the Covered Bonds</b>"), holders of any series of the New York law Covered Bonds may be able to cause the principal amount of all Covered Bonds of such Series 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.</p> <p>Under certain circumstances, subject to the legal framework applicable to an SFH, upon the occurrence of an Issuer Event of Default (as set out in Condition 10(b) under "<b>Terms and Conditions of the Covered Bonds</b>"), the Representative or holders of any series of the French law Covered Bonds may be able to cause the principal amount of all Covered Bonds of such Series 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.</p> <p>Under certain circumstances, subject to the legal framework applicable to an SFH, upon the occurrence of an Issuer Event of Default (as set out in Condition 10 under "<b>Terms and Conditions of the German law Covered Bonds</b>"), a German law Covered Bondholder may be able to cause the principal amount of the relevant 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.</p>
<b>Redemption Amount.....</b>	Subject to any laws and regulations applicable from time to time, the relevant Final Terms will specify the redemption amounts payable calculated on the basis of the applicable Conditions.
<b>Optional Redemption.....</b>	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 in accordance with the provisions of the Conditions.
<b>Redemption by Instalments ..</b>	The Final Terms issued in respect of each Tranche that is redeemable in two (2) or more instalments will set out the dates on which, and the amounts in which, such Covered Bonds may be redeemed.
<b>Early Redemption .....</b>	Except as provided in "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)) under " <b>Terms and Conditions of the Covered Bonds</b> ".
<b>French Withholding Tax .....</b>	Pursuant to the 2013 Finance Law ( <i>loi de finances pour 2013, n° 2012-1509 du 29 décembre 2012</i> ) and subject to certain limited exceptions, interest and other revenues received under the Covered Bonds as from 1 January 2013 by individuals who are fiscally domiciled in France are subject to a 24% withholding tax, set out under Article 125 A I and III

bis of the French General Tax Code (*Code général des impôts*). This withholding tax is an advance payment made in respect of the personal income tax of the individual receiving the interest or revenue, which is deductible from his personal income tax liability in respect of the year during which the withholding has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at an aggregate rate of 15.5% on interest and similar revenues paid by the Issuer under the Covered Bonds, to individuals who are fiscally domiciled in France.

*Covered Bonds issued as from 1 March 2010*

Following the introduction of the French "*loi de finances rectificative pour 2009 n° 3*" (no. 2009-1674 dated 30 December 2009) (the "**Law**"), payments of interest and other revenues made by the Issuer with respect to the Covered Bonds will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code (*Code général des impôts*) unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (*Code général des impôts*) (a "**Non-Cooperative State**"). If such payments under the Covered Bonds are made in a Non-Cooperative State, a seventy-five per cent. (75%) withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French General Tax Code (*Code général des impôts*).

Notwithstanding the foregoing, the Law provides that the seventy-five per cent. (75%) withholding will not apply in respect of the issue of the Covered Bonds if the Issuer can prove that the principal purpose and effect of such issue of Covered Bonds were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to official guidelines issued by the French tax authorities under the references BOI-INT-DG-20-50-20120912, no. 990, BOI-RPPM-RCM-30-10-20-50-20120912, no. 70, and BOI-ANX-000366-20120912, no. 90, an issue of bonds will benefit from the Exception without the issuer having to provide any proof of the purpose and effect of such issue of the bonds if such bonds are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code (*Code monétaire et*

*financier*), or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

Furthermore, pursuant to Article 238 A of the French General Tax Code (*Code général des impôts*), interest and other revenues on such Covered Bonds are not deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 et seq. of the French General Tax Code (*Code général des impôts*), in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 bis 2 of the French General Tax Code (*Code général des impôts*), at a rate of thirty per cent. (30%) or seventy-five per cent. (75%).

However, neither the non-deductibility set out under Article 238 A of the French General Tax Code (*Code général des impôts*), nor the withholding tax set out under article 119 bis 2 of the same code will apply in respect of the Covered Bonds solely by reason of the relevant payments being made to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State if the Issuer can prove that it can benefit from the Exception and that the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount. Pursuant to the official guidelines issued by the French tax authorities under the references BOI-INT-DG-20-50-20120912, no. 550, BOI-ANX-000364-20120912, no. 20 and BOI-ANX-000366-20120912, no. 90, the issue of the Covered Bonds will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Covered Bonds if the Covered Bonds satisfy one of the three above-mentioned conditions.

*Covered Bonds which are assimilated (assimilés) with Covered Bonds issued before 1 March 2010*

Payments of interest and other revenues with respect to (i) Covered Bonds issued (or deemed issued) outside France as provided under Article 131 quater of the French General Tax Code (*Code général des impôts*), before 1 March 2010 and (ii) Covered Bonds which are consolidated (*assimilables* for the purpose of French law) and form a single series with such Covered Bonds, will continue to be exempt from the withholding tax set out under Article 125 A III of the French General Tax Code (*Code général des impôts*).

Covered Bonds issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting obligations under French law, or *titres de créances négociables* within the meaning of the official guidelines issued by the French tax authorities under the reference BOI-RPPM-RCM-30-10-30-30-20120912, or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 quater of the French General Tax Code (*Code général des impôts*), in accordance with the official guidelines issued by the French tax authorities under the reference BOI-RPPM-RCM-30-10-30-30-20120912.

Furthermore, neither the non-deductibility set-out under Article 238 A of the French General Tax Code (*Code général des impôts*), nor the withholding tax set out under article 119 bis 2 of the same code will apply in respect of the Covered Bonds which are assimilated (*assimilés*)

with Covered Bonds issued before 1 March 2010 solely by reason of the relevant payments being made to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State if the Issuer can prove that the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount.

**Additional Amounts.....**

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

- (i) *Other connection:* to, or to a third party on behalf of, a Bondholder, Receiptholder or Couponholder who is liable to such taxes or duties by reason of his having some connection with the Republic of France other than the mere holding of the Covered Bond, Receipt or Coupon; or
- (ii) *More than thirty (30) days after the Relevant Date:* in the case of Definitive Materialised Covered Bonds, New York law Covered Bonds and Australian law Covered Bonds, more than thirty (30) days after the Relevant Date except to the extent that the Bondholder, Receiptholder or Couponholder would have been entitled to such additional amounts on presenting it (or the Certificate representing it, as applicable) for payment, where presentation is required, on the thirtieth (30<sup>th</sup>) such day; or
- (iii) *Payment to individuals:* where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) *Payment by another Paying Agent:* in the case of Definitive Materialised Covered Bonds, New York law Covered Bonds and Australian law Covered Bonds presented for payment, where presentation is required, by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Covered Bond, Receipt or Coupon to another Paying Agent in a Member State of the EU.

**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) by reference to EURIBOR, EONIA, LIBOR, EUR CMS or any other reference rate (as specified in the applicable Final Terms),

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.

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

**Redenomination .....** French law Covered Bonds issued in the currency of any Member State of the EU which participates in the third stage (or any further stage) of the European Monetary Union may be redenominated into Euro, all as more fully provided in Condition 2(d).

**Consolidation.....** French law Covered Bonds of one (1) Series may be consolidated (*assimilables* for the purposes of French law) with French law Covered Bonds of another Series as more fully provided in Condition 16.

**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.

French law Covered Bonds may not be offered or resold within the United States or to, or for the account or benefit of, U.S. persons.

#### **New York law Covered Bonds**

New York law Covered Bonds will be issued in the form of one or more

fully registered global certificates, without coupons, registered in the name of a nominee of The Depository Trust Company (together with any successor, "**DTC**") and deposited with a custodian for DTC. New York law Covered Bonds sold to investors in the United States pursuant to Rule 144A will be represented by one or more restricted global certificates in registered form (a "**Restricted Global Certificate**"). New York law Covered Bonds sold outside the United States pursuant to Regulation S will be represented by one or more unrestricted global certificates in registered form (an "**Unrestricted Global Certificate**"). Investors may hold a beneficial interest in New York law Covered Bonds through Euroclear, Clearstream, Luxembourg or DTC directly as a participant in one of those systems or indirectly through financial institutions that are participants in any of those systems. Owner of beneficial interests in New York law Covered Bonds will not be entitled to receive certificates in their names evidencing their Covered Bonds and will not be considered the holder of any Covered Bonds under the Agency Agreement.

#### **German law Covered Bonds**

German law Covered Bonds will be issued in materialised registered form. They will not be admitted to trading nor listed on any market or stock exchange.

#### **Australian law Covered Bonds**

Australian law Covered Bonds will only be issued in fully registered uncertificated form. No certificate or other evidence of title will be issued in respect of Australian law Covered Bonds.

#### **Representation of French law Bondholders.....**

As regard to the representation of the Bondholders (as defined thereafter), the following paragraphs shall apply:

- (a) If the relevant Final Terms specify "Full Masse": the Bondholders will, in respect of all Tranches in any Series, be grouped automatically for the defence or their common interests in the Masse and the provisions of the French Commercial Code (*Code de commerce*) relating to the Masse shall apply, and
- (b) If the relevant Final Terms specify "Contractual Masse": Bondholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in the Masse. The Masse will be governed by the provisions of the French Commercial Code (*Code de commerce*) with the exceptions of Articles L.228-48, L.228-59, R.228-63, R.228-67, R.228-69 and the second sentence of Article L.228-71.

#### **Governing Law.....**

Covered Bonds will be governed by, and construed in accordance with, French law or New York law (except for the *Privilège*, which, in each case, will be governed by French law), as specified in the relevant Final Terms. The Issuer may also from time to time issue Covered Bonds governed by, and construed in accordance with (i) German law (except for the *Privilège*, which will be governed by French law), and (ii) New South Wales, Australia law (except for the *Privilège*, which will be governed by French law).

All the Covered Bonds will benefit from the same security and rights. The terms and conditions of the German law Covered Bonds are contained in the Agency Agreement. The terms and conditions of the Australian law Covered Bonds are contained in the Amended and Restated Australian Deed Poll executed by the Issuer and dated 5 July 2013 (the "**Australian Deed Poll**").

<b>Central Depositary for French law Covered Bonds ...</b>	Euroclear France in respect of Dematerialised Covered Bonds.
<b>Clearing System for New York law Covered Bonds.....</b>	Euroclear, Clearstream, Luxembourg or DTC, or any other clearing system, as agreed between the Issuer and the relevant Dealer(s).
<b>Clearing Systems for French law Covered Bonds .....</b>	Euroclear France as central depositary in relation to Dematerialised Covered Bonds and, in relation to Materialised Covered Bonds, Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent in respect of French law Covered Bonds and the relevant Dealer(s).
<b>Clearing System for Australian law Covered Bonds.....</b>	Austraclear.
<b>Initial Delivery of French law Dematerialised Covered Bonds.....</b>	At least two (2) Paris business days before the issue date of each Tranche of Dematerialised Covered Bonds, the <i>Lettre comptable</i> relating to such Tranche shall be deposited with Euroclear France as Central Depositary.
<b>Initial Delivery of French law Materialised Covered Bonds.</b>	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, Luxembourg 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 in respect of French law Covered Bonds and the relevant Dealer(s).
<b>Initial Delivery of New York law Covered Bonds .....</b>	On or prior to the original issue date of the Tranche or as agreed between the Issuer and the relevant Dealer(s).
<b>Issue Price.....</b>	Covered Bonds may be issued at their nominal amount or at a discount or premium to their nominal amount.
<b>Listing and Admission to Trading .....</b>	<p>Application may be made for French law Covered Bonds and New York law Covered Bonds to be listed and admitted to trading on Euronext Paris and/or on any other Regulated Market in the EEA in accordance with the Prospectus Directive and/or any other market as specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Covered Bonds may be unlisted.</p> <p>Neither the German law Covered Bonds nor the Australian law Covered Bonds will be admitted to trading nor listed on any market or stock exchange.</p>
<b>Rating.....</b>	<p>Covered Bonds issued under the Program are expected on issue to be rated Aaa by Moody's Investors Service Ltd., AAA by Standard &amp; Poor's Ratings Services and AAA by Fitch Ratings.</p> <p>The rating of the Covered Bonds will be specified in the relevant Final Terms.</p> <p>As of the date of this Base Prospectus, each of the Rating Agencies is</p>

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 credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)).

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 materials in various jurisdictions.

One or more Series of New York law Covered Bonds may be sold in the United States to "Qualified Institutional Buyers" in accordance with Rule 144A. In addition, any such Series of New York law Covered Bonds may also be sold to investors outside the United States pursuant to Regulation S. There are restrictions on the transfer of New York law Covered Bonds sold pursuant to Rule 144A and Regulation S under the Securities Act. See "**Transfer Restrictions**".

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 Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") containing rules identical to those applying under Code section 163(f)(2)(B) (the "**D Rules**") unless (i) the relevant Final Terms states that such 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 containing rules identical to those applying under Code section 163(f)(2)(B) (the "**C Rules**") or (ii) such 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 Borrower Facility Agreement and the Collateral Security**

#### **The Borrower Facility**

##### **Agreement.....**

The proceeds from the issuance of the Covered Bonds under the Program will be used by Crédit Agricole Home Loan SFH, as lender (in such capacity, the "**Lender**") to fund advances (each a "**Borrower Advance**") to be made available to Crédit Agricole S.A., as borrower (in such capacity, the "**Borrower**") under a credit facility agreement (the "**Borrower Facility Agreement**").

The Borrower Advances shall be made available to the Borrower in an aggregate maximum amount equal to €35,000,000,000 for the purpose of financing the general financial needs of the Borrower with respect to advances to be made available to the Collateral Providers (as defined herein), in accordance with the terms and conditions of the credit facility agreement entered into between the Borrower and the Collateral Providers.

The 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, it being provided that, as a principle, the interest and fees to be paid by the Borrower under a Borrower Advance shall be the



financing costs of the Lender under the Covered Bonds funding such Borrower Advance, increased by a margin which covers all the costs and expenses relating to the structuring and updating of the Program, the issuance of Covered Bonds and taxes of the Issuer during the Program. Any amounts repaid or prepaid under any Borrower Advance may not be re-borrowed.

**Borrower Event of Default ....**

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 Providers 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 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**").

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

- (a) 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;
- (b) a Breach of Pre-Maturity Test occurs;
- (c) a Breach of Asset Cover Test occurs;
- (d) a Breach of Collection Loss Reserve Funding Requirement or a Breach of Home Loan Guarantee Reserve Funding Requirement occurs;
- (e) 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;
- (f) 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;

- (g) any Collateral Provider(s) fail to comply with any of its/their material obligations under the Program 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 Providers Agent or (ii) the date on which the Borrower or the Collateral Providers 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;
- (h) as regards the Borrower, an Insolvency Event occurs;
- (i) 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 Program Documents;
- (j) 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
- (k) upon the occurrence of a Hedging Rating Trigger Event (as defined in the section "**The Hedging Strategy**" below), (i) the Issuer (or the Administrator on its behalf) fails to enter into the Issuer Hedging Agreement and related Issuer Hedging Transaction(s) (as defined in the section "**The Hedging Strategy**" below) within thirty (30) calendar days from the occurrence date of such Hedging Rating Trigger Event, as described under the Hedging Strategy (as defined in the section "**The Hedging Strategy**" below) or (ii) the Issuer (or the Administrator on its behalf) or the Borrower fails to enter into the Borrower Hedging Agreement and related Borrower Hedging Transaction(s) (as defined in the section "**The Hedging Strategy**" below) within thirty (30) calendar days from the occurrence date of such Hedging Rating Trigger Event, as described under the Hedging Strategy (as defined in the section "**The Hedging Strategy**" below) or (iii) the Borrower fails to pay any costs and expenses referred to in section "**The Hedging Strategy**" of this Base Prospectus (as defined in the section "**The Hedging Strategy**" below).

**Borrower's guarantee and**

**indemnities.....**

Under the Borrower Facility Agreement, the Borrower undertakes to indemnify the Lender:

- (a) against any cost, claim, loss, expense (including legal fees) or liability (other than reasonable consequential losses including loss of profit), which the Issuer may (acting reasonably) sustain

or incur as a consequence of the occurrence of any Borrower Event of Default or any default by the Borrower in the performance of any of the obligations expressed to be assumed by it in the Borrower Facility Agreement; and

- (b) against any loss (other than by reason of negligence or default by the Lender) that the Issuer may suffer or incur as a result of its funding or making arrangements to fund a Borrower Advance requested by the Borrower hereunder but not made by reason of the operation of any one or more of the provisions of the Borrower Facility Agreement; and

In addition, the Borrower as guarantor (in such capacity, the "**Guarantor**") irrevocably and unconditionally guarantees and undertakes to hold the Issuer harmless against any liabilities that the Issuer may incur in connection with its funding or making arrangements to fund, through the issuance of Covered Bonds or otherwise, any Borrower Advance made available to the Borrower under the Borrower Facility Agreement (including but not limited to any indemnity payable by the Lender (in its capacity as Issuer) to any party under any Program Documents and any termination costs due and payable by the Lender under any Hedging Agreement which would not be subordinated to the full and final redemption of the then outstanding Covered Bonds).

See "**The Borrower and the Borrower Facility Agreement – The Borrower Facility Agreement**".

#### **The Collateral Security**

##### **Agreement.....**

The Collateral Security Agreement sets forth the terms and conditions in accordance with which the Collateral Providers, represented by the Collateral Providers Agent, shall grant financial assets (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 owed by the Borrower under the Borrower Facility Agreement, whether present or future (the "**Secured Liabilities**") provided that for the purposes of Articles L. 211-36 and following of the French Monetary and Financial Code (*Code monétaire et financier*), each Collateral Provider agrees to be jointly and severally liable (*débiteur solidaire*) with the Borrower for the Secured Liabilities which constitute financial obligations (*obligations financières*) of the Borrower under the Borrower Facility Agreement within the meaning of Articles L.211-36 and following of the French Monetary and Financial Code (*Code monétaire et financier*).

The title to the Eligible Assets granted as Collateral Security shall not be transferred in favour of the Issuer until perfection of the Collateral Security. The Issuer shall be vested in the title to such Eligible Assets only upon enforcement of the Collateral Security, if any such enforcement occurs in accordance with the terms of the Collateral Security Agreement.

The Collateral Providers shall perform the servicing of the Collateral Security Assets (in accordance with applicable laws and their customary servicing procedures (the "**Servicing Procedures**")), using the degree of skill, care and attention as for the servicing of their assets for their own account, without interfering with the Issuer's material rights under the Collateral Security Agreement.

In accordance with the Collateral Security Agreement, the Collateral

Providers have appointed Crédit Agricole S.A. as agent (*mandataire*) of the Collateral Providers in order to manage the Collateral Security in the name and on behalf of such Collateral Providers (the "**Collateral Providers Agent**").

See "**The Collateral Security – The Collateral Security Agreement**".

**Eligible Assets.....**

For the purposes of the Collateral Security Agreement, an "**Eligible Asset**" means, in relation to Collateral Security granted by any and all Collateral Providers, any Home Loan Receivable that complies, or whose underlying Home Loan complies (each, a "**relevant Home Loan**") with the requirements of the SFH legal Framework and each of the following eligibility criteria:

- (a) prior to the date upon which the relevant Home Loan has been made available to the borrower thereof, all lending criteria and conditions precedent as applied by the originator of such relevant Home Loan pursuant to its customary lending procedures were satisfied;
- (b) the underlying property is located in the jurisdiction of the originator of the relevant Home Loan;
- (c) the relevant Home Loan is governed by the law of the jurisdiction where the originator of the relevant Home Loan is located;
- (d) the relevant Home Loan is denominated in Euro or in a Specified Currency;
- (e) all sums due under the relevant Home Loan (including interest and costs) are secured by a fully effective Home Loan Security;
- (f) on the relevant Selection Date, the current principal balance of the relevant Home Loan is no more than Euro 1,000,000 or its equivalent in the relevant Specified Currency;
- (g) the loan-to-value of the relevant Home Loan is no more than one hundred per cent. (100%);
- (h) on the relevant Selection Date, the remaining term for the relevant Home Loan is less than thirty (30) years;
- (i) on the relevant Selection Date, the borrower under the relevant Home Loan has paid at least one (1) instalment in respect of such Home Loan;
- (j) the borrower under the relevant Home Loan is an individual who is not an employee of the originator of such relevant Home Loan;
- (k) the relevant Home Loan is current (i.e. does not present any arrears) as at the Selection Date;
- (l) the relevant Home Loan is either monthly or quarterly amortising as at the Selection Date;
- (m) under the relevant Home Loan, the borrower does not benefit from a right to raise contractual right of set-off against the relevant Collateral Provider;

- (n) the opening by the borrower under the relevant Home Loan of a bank account dedicated to payments due under such relevant Home Loan is not provided for in the relevant contractual arrangements as a condition precedent to the originator of such relevant Home Loan making such relevant Home Loan available to the borrower under such relevant Home Loan;
- (o) except in the event that prior Rating Affirmation has been delivered, no amount drawn under the relevant Home Loan is capable of being redrawn by the borrower thereof (i.e. such relevant Home Loan is not flexible);
- (p) as at the end of the current calendar month, the Collateral Provider granting the Home Loan Receivables as Collateral Security complies with any and all Collateral Provider Eligibility Criteria;
- (q) except in the event that prior Rating Affirmation has been delivered, the relevant Home Loan does not relate to a property under construction (*bien en construction*) or to an unachieved property (*bien non achevé*);
- (r) the inclusion of the Home Loan Receivable in the Collateral Security Assets shall not result in the aggregate amount of the Home Loan Receivables under the relevant Home Loans guaranteed by a Home Loan Guarantee granted by CAMCA (as defined below) being equal to or exceeding fifty per cent. (50%) of the aggregate amount of all the Collateral Security Assets.

All of the Home Loan Receivables granted by the Collateral Providers as Collateral Security are originated directly by the Regional Banks or LCL, throughout all regions of France.

#### The Cash Collateral

##### Agreement.....

The Cash Collateral Agreement sets forth the terms and conditions upon which Crédit Agricole S.A., as Cash Collateral Provider, shall fund certain amounts as cash collateral (*gage espèces*) (each, a "**Cash Collateral**") into the Cash Collateral Account, the Collection Loss Reserve Account and the Home Loan Guarantee Reserve Account.

##### *Pre-Maturity Test and Legal Liquidity Test*

See below section entitled "Asset Monitoring - The Pre-Maturity Test and the Legal Liquidity Test".

##### *Collection Loss Trigger Event*

Upon downgrading of the credit ratings of the Borrower below at least one (1) of the following ratings: A-1 (short term) (S&P), A (long term) (Fitch), F1 (short term) (Fitch), P-1 (Moody's) (each, a "**Collection Loss Trigger Event**") and within ten (10) Business Days from the occurrence of any Collection Loss Trigger Event, the Cash Collateral Provider shall be required to pay into the credit of a bank account to be opened by the Administrator in accordance with the Administrative Agreement within such period in the Issuer's name and in the books of the Issuer Accounts Bank (the "**Collection Loss Reserve Account**"), an amount calculated by the Collateral Providers Agent in accordance with the Collateral Security Agreement and equal to the aggregate amount of collections received by the Collateral Providers under the Home Loan Receivables granted as Collateral Security during the three and half (3.5) calendar months preceding the occurrence date of the Collection

Loss Trigger Event, as the same shall be reported by the Collateral Providers Agent to the Issuer, the Administrator and the Issuer Calculation Agent (with a copy to the Rating Agencies) within the above mentioned ten (10) Business Day-period.

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"**. A Breach of Collection Loss Reserve Funding Requirement constitutes the occurrence of a Borrower Event of Default.

#### *Home Loan Guarantee Trigger Events*

Upon downgrading of the credit ratings of the Borrower below at least one (1) of the following ratings: A-1 (short term) (S&P), A (long term) (Fitch), F1 (short term) (Fitch), A3 (long term) (Moody's) (each, a **"Level 1 Trigger Event"**) and within thirty (30) calendar days from the occurrence of any Level 1 Trigger Event, the Cash Collateral Provider shall be required to pay and maintain into a dedicated bank account to be opened within such period by the Administrator in accordance with the Administrative Agreement in the Issuer's name and in the books of the Issuer Accounts Bank (the **"Home Loan Guarantee Reserve Account"**) an amount equal to the higher of:

- (a) the aggregate amount of the registration costs of mortgages in respect of the Home Loans which, as of the date of the occurrence of the relevant Level 1 Trigger Event, are guaranteed by a Home Loan Guarantee granted by CAMCA, such amount to be communicated to the Rating Agencies before any implementation of such reserve; or
- (b) the outstanding principal amount of all the Home Loans which, as of the date of the occurrence of the relevant Level 1 Trigger Event, are guaranteed by a Home Loan Guarantee granted by CAMCA, as multiplied by the CAMCA Guaranteed Loan Percentage;

or any other amount, subject to prior AAA/Aaa Rating Affirmation by the Rating Agencies.

Such amount will be adjusted at each Selection Date according to the outstanding principal amount of all the Home Loans guaranteed by a Home Loan Guarantee granted by CAMCA.

Failure by the Cash Collateral Provider to fund the Home Loan Guarantee Reserve Account up to the required amount within the required period following the occurrence of a Level 1 Trigger Event shall constitute a **"Breach of Home Loan Guarantee Reserve Funding Requirement"**. A Breach of Home Loan Guarantee Reserve Funding Requirement constitutes the occurrence of a Borrower Event of Default.

For the purpose hereof, **"CAMCA Guaranteed Loan Percentage"** means 5.5% or any other new percentage figure, as determined by the Issuer Calculation Agent for all relevant Home Loan Receivables granted as Collateral Security and guaranteed by a Home Loan Guarantee granted by CAMCA following a Level 1 Trigger Event, provided that (i) such new percentage figure is subject to Rating Affirmation by Moody's and (ii) the Covered Bonds are still rated Aaa by Moody's if a lower percentage figure is proposed by the Issuer

### Calculation Agent.

Upon downgrading of the credit ratings of the Borrower below at least one (1) of the following ratings: BBB (long term) (S&P), BBB (long term) (Fitch), Baa2 (long term) (Moody's) (the "**Level 2 Trigger Event**") and within sixty (60) days from the occurrence of any Level 2 Trigger Event:

- (a) the Administrator shall, subject to prior Rating Affirmation, ensure that the commitment of CAMCA under the Home Loan Guarantees granted by CAMCA and guaranteeing the repayment of Home Loan Receivables granted as Collateral Security is fully guaranteed, insured or reinsured or otherwise protected by an Eligible CAMCA Guarantor (the "**CAMCA Credit Support**") and will use the sums credited to the Home Loan Guarantee Reserve Account for this purpose; or
- (b) the Administrator shall, subject to prior Rating Affirmation, ensure that any other credit support is provided in any form with respect to the Home Loan Receivables guaranteed by Home Loan Guarantees granted by CAMCA and granted as Collateral Security, including *inter alia* cash collateral, securities or any other form of collateral, on terms determined in accordance with the methodologies published by the Rating Agencies (the "**CAMCA Enhancement**") and will use the sums credited to the Home Loan Guarantee Reserve Account for this purpose; or
- (c) the Administrator shall cause the Collateral Providers Agent, acting in the name and on behalf of the relevant Collateral Provider(s), to substitute the Home Loan Receivables granted as Collateral Security and guaranteed by a Home Loan Guarantee granted by CAMCA, by Home Loan Receivables that comply (or whose underlying Home Loan complies) with the Home Loan Eligibility Criteria and are secured by a Mortgage.

As from the date on which the commitment of CAMCA under the Home Loan Guarantees granted by CAMCA and guaranteeing the repayment of Home Loan Receivables granted as Collateral Security is fully guaranteed, insured or reinsured or otherwise protected by an Eligible CAMCA Guarantor or a CAMCA Enhancement or a substitution contemplated in the Cash Collateral Agreement have been implemented, the sums credited to the Home Loan Guarantee Reserve Account and which remain unused shall be released from such account and repaid to the Cash Collateral Provider.

The Collateral Security Agreement provides that, upon the occurrence of a Level 2 Trigger Event, and within ninety (90) days from the occurrence of such Level 2 Trigger Event, and provided that neither a CAMCA Enhancement nor a CAMCA Credit Support has been implemented at such time under the form and to the extent determined in accordance with the methodologies published by the Rating Agencies, any Home Loan Receivables (i) granted as Collateral Security and guaranteed by Home Loan Guarantees granted by CAMCA, and (ii) which is not secured by a mortgage or similar legal privileges (*hypothèque* or *privilège de prêteur de deniers*) shall account for zero for the purpose of calculation of the Asset Cover Test on any relevant Asset Cover Test Date and, as applicable, shall account for zero for the purpose of calculation of the Amortisation Test on any relevant Amortisation Test Date. The Collateral Providers Agent, acting in the

name and on behalf of the relevant Collateral Provider(s), may request that such Home Loan Receivables be released from the scope of the Collateral Security, provided that such release is not likely to cause any occurrence of a Breach of Asset Cover Test.

For the purpose hereof: "**Eligible CAMCA Guarantor**" means, with respect to any entity granting a CAMCA Credit Support or, as applicable, a guarantor of such entity, an entity or a guarantor of such entity which:

- (a) (i) is rated by Moody's and Fitch, and whose senior unsecured, unsubordinated and unguaranteed debt obligations is at least: A- (long term) (Fitch) and A3 (long term) (Moody's); or (ii) has provided collateral for its obligations and complied with any relevant rating criteria set forth by the relevant Rating Agencies; and
- (b) is permitted under any applicable and relevant law to carry out the relevant transactions contemplated under the Cash Collateral Agreement.

The Cash Collateral Provider will benefit from the *Privilège* for the repayment of any amounts constituting any Cash Collateral. The Cash Collateral Provider will thus be qualified as a Privileged Creditor.

See "**The Collateral Security – The Cash Collateral Agreement**".

#### **Asset Monitoring**

##### **Asset Cover Test.....**

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 Providers Agent, acting in the name and on behalf of the Collateral Providers, will be required to monitor the Collateral Security Assets so as to ensure compliance with an asset cover test (the "**Asset Cover Test**").

For so long as Covered Bonds remain outstanding, non compliance with the Asset Cover Test would result from the Asset Cover Test Ratio (as specified in section "**Asset Monitoring – The Asset Cover Test**"), being strictly less than one (1). Non compliance with the Asset Cover Test does not constitute the occurrence of an Issuer Event of Default or a Borrower Event of Default but will prevent the Issuer from issuing any further Covered Bonds as long as it remains unremedied, except for the purposes of subscription by the Issuer of Auto-held Covered Bonds in accordance with Condition 19 as set forth in "**Terms and Conditions of the Covered Bonds**".

Failure by the Collateral Providers Agent to cure a non compliance with the Asset Cover Test occurred on any Asset Cover Test Date prior to the next following Asset Cover Test Date (as defined in "**Asset Monitoring – The Asset Cover Test**") will constitute a "**Breach of Asset Cover Test**" within the meaning of the Collateral Security Agreement.

A Breach of Asset Cover Test constitutes the occurrence of a Borrower Event of Default. A Breach of Asset Cover Test will prevent the Issuer from issuing any further Covered Bonds, except for the purposes of subscription by the Issuer of Auto-held Covered Bonds in accordance with Condition 19 as set forth in "**Terms and Conditions of the Covered Bonds**".



See "**Asset Monitoring – The Asset Cover Test**".

#### **Minimum Legal**

#### **Overcollateralisation Ratio ...**

The Issuer, as a *société de financement de l'habitat*, must at all times maintain a cover ratio between its Eligible Assets (including its Legal Substitution Assets (as defined herein)) and its liabilities benefiting from the *Privilège* (the "**Overcollateralisation Ratio**"). In accordance with the French SFH legal Framework on the date hereof, and in particular pursuant to Articles L. 515-20 and R. 515-7-2 of the French Monetary and Financial Code (*Code monétaire et financier*), the *sociétés de financement de l'habitat* (SFH) such as the Issuer must at all times maintain an Overcollateralisation Ratio equal to at least one hundred and two per cent. (102%) (the "**Minimum Legal Overcollateralisation Ratio**"). For the calculation of the Minimum Legal Overcollateralisation Ratio, the Issuer shall take into account the Home Loan Receivables granted as Collateral Security in accordance with Article R. 515-7-2 of the French Monetary and Financial Code (*Code monétaire et financier*).

The Specific Controller (as defined herein) ensures that the Minimum Legal Overcollateralisation Ratio is complied with.

Non-compliance by the Issuer with the Minimum Legal Overcollateralisation Ratio will constitute a "**Breach of Minimum Legal Overcollateralisation Ratio**".

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*.

See "**Asset Monitoring – Minimum Legal Overcollateralisation Ratio**".

#### **Maximum Legal Substitution Assets Percentage .....**

Pursuant to Articles L. 515-17 and R. 515-7 of the French Monetary and Financial Code (*Code monétaire et financier*), the so-called substitution assets (*valeurs de remplacement*) (the "**Legal Substitution Assets**") of the Issuer shall not exceed at any time a percentage equal to fifteen per cent. (15%) of the total amount of its liabilities which benefit from the *Privilège* (the "**Maximum Legal Substitution Assets Percentage**").

With respect to the Issuer and for the purpose of the calculation of the Maximum Legal Substitution Assets Percentage, the Legal Substitution Assets are comprised of such debt, securities, deposits and other investment products that are deemed eligible as the so-called substitution assets (*valeurs de remplacement*) within the meaning of Articles L. 515-17, R. 515-7 and R. 515-16 of the French Monetary and Financial Code (*Code monétaire et financier*) (including any Permitted Investment and any Cash Collateral made available to the Issuer by the Cash Collateral Provider in accordance with the Cash Collateral Agreement) and which are held by the Issuer from time to time.

The Specific Controller ensures that the Maximum Legal Substitution Assets Percentage is not exceeded by the Issuer.

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* (ACP) 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 Providers 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*.

See "Asset Monitoring – Maximum Legal Substitution Assets Percentage".

**Pre-Maturity Test and Legal  
Liquidity Test .....**

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 thirty (30) calendar days from the receipt of the relevant Cash Collateral Funding Notice.

The legal liquidity test of the Issuer (the "**Legal Liquidity Test**") shall be deemed complied with for so long as, in relation to all the Liabilities of the Issuer, (i) no Legal Liquidity Rating Downgrade Event has occurred, or (ii) if, to the contrary, a Legal Liquidity Rating Downgrade Event has occurred, the Cash Collateral Provider (x) has duly funded the Cash Collateral Account with the relevant Cash Collateral, up to the relevant CCRFA following the receipt of the relevant Cash Collateral Funding Notice, and (y) on each day following the initial funding of the Cash Collateral as mentioned above (each, a "**CCRFA Funding Date**"), the Cash Collateral Provider has maintained in the Cash Collateral Account an amount sufficient to ensure that the balance of the Cash Collateral Account shall be at least equal to the CCRFA, as determined pursuant to the Cash Collateral Agreement, computed as of such CCRFA Funding Date.

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, upon the occurrence of (i) the downgrading, during any Pre-Maturity Test Period (as defined below), of the then applicable ratings of the Borrower below at least one (1) of the Pre-Maturity Rating Required Levels (as defined below) (each, a "**Pre-Maturity Rating Downgrade Event**"), and (ii) the downgrading at any time of the then applicable ratings of the Borrower below (cumulatively) all three (3) Liquidity Rating Required Levels (as defined below) (each, a "**Legal Liquidity Rating Downgrade Event**"). The occurrence of a Pre-Maturity Rating Downgrade Event and/or a Legal Liquidity 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 as the "**Pre-Maturity Rating Required Levels**" for the purposes of the Cash Collateral Agreement: A-1 (short-term) (S&P), F1 + (short-term) (Fitch) and P-1 (short-term) (Moody's).

The following credit ratings with respect to the Borrower are defined as the "**Liquidity Rating Required Levels**" for the purposes of the Cash

Collateral Agreement: A-1 (short-term) (S&P), F1 (short-term) (Fitch) and P-1 (short-term) (Moody's).

A "**Pre-Maturity Test Period**" is, 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 and seventieth (270<sup>th</sup>) calendar day preceding the Final Maturity Date of that Series and ending on, and including, such Final Maturity Date and, with respect to any Series of Soft Bullet Covered Bonds, the period starting from, and including, the two hundred and seventieth (270<sup>th</sup>) calendar day preceding the Extended Final Maturity Date of that Series and ending on, and including, such Extended Final Maturity Date.

"**Legal Liquidity Cover Period**" means a period of one hundred and eighty (180) calendar days as from each CCRFA Funding Date, the first applicable Legal Liquidity Cover Period beginning upon the occurrence of a Legal Liquidity Rating Downgrade Event.

The failure by the Cash Collateral Provider to fund into the Cash Collateral Account the relevant amount within thirty (30) 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.

The failure by the Cash Collateral Provider to fund any required Cash Collateral following the receipt of a Cash Collateral Funding Notice or maintain the relevant amount in the Cash Collateral Account at any time during any Legal Liquidity Cover Period in accordance with the relevant terms of the Cash Collateral Agreement constitutes a "**Breach of Liquidity Test**". A Breach of Liquidity Test 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*.

See "**Asset Monitoring – The Pre-Maturity Test and the Legal Liquidity Test**".

**Amortisation Test .....** For so long as Covered Bonds remain outstanding 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 must ensure compliance with an amortisation test (the "**Amortisation Test**").

For so long as Covered Bonds remain outstanding, non compliance with the Amortisation Test would result from the Amortisation Ratio (as specified under "**Asset Monitoring – The Amortisation Test**") being less than one (1).

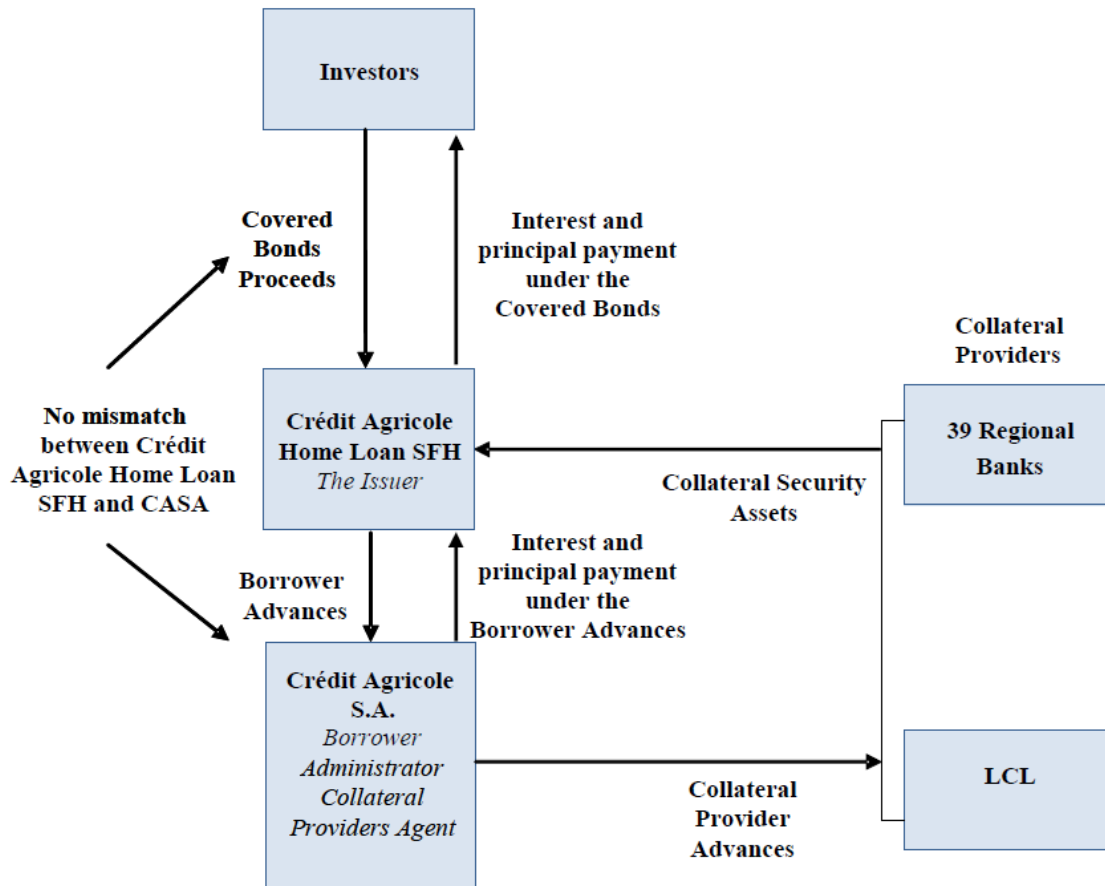
A non compliance with the Amortisation Test constitutes the occurrence of an Issuer Event of Default.

See section "**Asset Monitoring – The Amortisation Test**".

## STRUCTURE DIAGRAM – PRINCIPAL PROGRAM PARTIES

The following is a brief summary of certain material elements of the Program structure and parties only and should be read in conjunction with the rest of this Base Prospectus, any amendments or supplements hereto, and, in relation to the Covered Bonds, in conjunction with each applicable Final Terms and, to the extent applicable, the "Terms and Conditions of the Covered Bonds" section set out herein.

### Structure Diagram



The sole activity of the Issuer is to issue Covered Bonds from time to time that benefit from the *Privilège*, as described in this Base Prospectus, and to use the proceeds thereof to fund the Borrower Advances, as lender, to Crédit Agricole S.A., as borrower under the Borrower Facility Agreement. See "**The Borrower and the Borrower Facility Agreement**".

The Borrower Advances are made available to the Borrower for the purpose of enabling it to finance its general financial needs, including enabling the Borrower to make advances to its regional banks (the *Caisses Régionales de Crédit Agricole Mutuel*, as defined by Article L. 512-33 of the French Monetary and Financial Code (*Code monétaire et financier*)) and LCL, as Collateral Providers, in accordance with the terms and conditions of the credit facility agreement entered into between the Borrower and the Collateral Providers.

Pursuant to the Collateral Security Agreement, the Collateral Providers pledge "Eligible Assets" as collateral security for the benefit of the Issuer (as Lender under the Borrower Facility Agreement) in order to secure, as they become due and payable, the payment of all amounts owed by the Borrower under the Borrower Facility Agreement. See "**The Collateral Security**".

Pursuant to the Collateral Security Agreement, the Collateral Providers and Crédit Agricole S.A., as Collateral Providers' Agent, are required to monitor the Collateral Security Assets to ensure compliance with an Asset Cover Test and a Minimum Overcollateralisation Ratio. In addition, pursuant to the Cash Collateral Agreement, Crédit Agricole S.A., as Cash Collateral Provider, is required to fund the Cash Collateral Account up to an amount determined in accordance with the relevant provisions of the Cash Collateral Agreement. Following

enforcement of the Collateral Security and transfer, in favour of the Issuer, of the title to all rights and interest under the Home Loan Receivables granted by the Collateral Providers as collateral security for the repayment of the Borrower Advances, the Issuer will have to comply with the Amortisation Test. See "**Asset Monitoring**".

The terms and conditions regarding the calculation and payment of principal and interest under a Borrower Advance mirror the equivalent terms and conditions of the Covered Bonds funding such Borrower Advance. Consequently, the Issuer is not exposed to any risk of an interest rate or currency mismatch arising between the payments received on the Borrower Advances and the payments to be made under the Covered Bonds. Therefore, absent the occurrence of Borrower Event of Default, the Issuer has no need to enter into effective hedging transactions. See "**The Hedging Strategy**".

In the absence of a Borrower Event of Default, the Issuer will mainly rely on payments owed to it by the Borrower under the Borrower Advances to repay sums due under the Covered Bonds since the terms of each Borrower Advance will mirror the terms of the corresponding Series or Tranches of Covered Bonds. See "**The Borrower and the Borrower Facility Agreement**".

Upon the occurrence of a Borrower Event of Default, the Issuer will declare any Borrower Advances immediately due and payable and enforce the Collateral Security, including following the opening of any applicable insolvency proceedings with respect to the Borrower and/or the Collateral Providers. Enforcement of the Collateral Security will trigger the automatic transfer, in favour of the Issuer, of the title to all rights and interest of the Collateral Providers under the Home Loan Receivables granted by the Collateral Providers as collateral security for the repayment of the Borrower Advances under the Collateral Security Agreement. Upon such transfer, debtors under the Home Loans will be notified to pay all sums owed by them under the Home Loans directly to the Issuer. Hence, following such transfer, the Issuer will mainly rely on (i) the cash flows deriving from the Home Loan Receivables, (ii) the payments to be received from its hedging counterparties under the hedging arrangements to be entered into at such time by the Issuer in accordance with its Hedging Strategy, and/or (iii) the proceeds of any Home Loan Receivables that the Issuer will sell to third parties to repay sums due under the Covered Bonds. See "**The Borrower and the Borrower Facility Agreement**", "**The Collateral Security**" and "**The Hedging Strategy**".

Whether a Borrower Event of Default has occurred or not, subject to the SFH legal Framework, the Covered Bonds may be declared immediately due and payable by the Bondholders (or their representatives) upon the occurrence of an Issuer Event of Default. See "**Terms and Conditions of the Covered Bonds**".

Notwithstanding the occurrence of an Issuer Event of Default, under the SFH legal Framework, the filing of the Issuer for bankruptcy will not give rise to the right of the holders of the Covered Bonds to declare the Covered Bonds immediately due and payable. The legal regime applicable to the Issuer as a *société de financement de l'habitat* provides that upon the Issuer's bankruptcy, all cash flows generated by the assets of the Issuer are allocated to the repayment of sums due by the Issuer under the Covered Bonds (and the other resources of the Issuer that benefit from the *Privilège*) as they fall due.

However, and whether before or after the occurrence of an Issuer Event of Default, the cash flows generated by the assets of the Issuer will be allocated to the repayment of the Covered Bonds (and the other resources of the Issuer that benefit from the *Privilège*) as a matter of absolute priority, in preference to all other claims owed to any other creditors by the Issuer, whether or not secured or statutorily preferred, until payment in full of the liabilities of the Issuer which benefit from the *Privilège*.

### **Principal Program Parties**

The following list does not purport to be complete and is qualified in all respects by the remainder of this Base Prospectus.

<b>Issuer:</b>	Crédit Agricole Home Loan SFH
<b>Administrator:</b>	Crédit Agricole S.A.
<b>Borrower:</b>	Crédit Agricole S.A.
<b>Collateral Providers:</b>	Crédit Agricole Entities

<b>Collateral Providers Agent:</b>	Crédit Agricole S.A.
<b>Issuer Calculation Agent:</b>	Crédit Agricole S.A.
<b>Cash Collateral Provider:</b>	Crédit Agricole S.A.
<b>Arrangers:</b>	Crédit Agricole Corporate and Investment Bank, Crédit Agricole S.A., Citigroup Global Markets Inc.
<b>Permanent Dealers:</b>	Crédit Agricole Corporate and Investment Bank, Citigroup Global Markets Inc. and Citigroup Global Markets Limited
<b>Bondholders Representative:</b>	M. Bertrand Delaitre
<b>Fiscal Agent and Principal Paying Agent:</b>	(i) French law Covered Bonds: CACEIS Corporate Trust (ii) New York law Covered Bonds: Citibank N.A., London Branch (iii) Australian law Covered Bonds: BTA Institutional Services Australia Limited
<b>Australian Registrar: Calculation Agent:</b>	BTA Institutional Services Australia Limited Crédit Agricole S.A.
<b>Rating Agencies:</b>	Moody's Investors Service Ltd., Standard & Poor's Ratings Services and Fitch Ratings
<b>Issuer Account Bank:</b>	Crédit Agricole S.A.
<b>Asset Monitor:</b>	KPMG LLP
<b>Specific Controller:</b>	Mr. Stéphane MASSA (FIDES AUDIT)
<b>Substitute Specific Controller:</b>	Mrs. Martine LECONTE (MBV & Associés)

## **RISK FACTORS**

*This section applies to French law Covered Bonds and New York law Covered Bonds. Neither the German law Covered Bonds nor the Australian law Covered Bonds will be admitted to trading or listed on any market or stock exchange.*

*The risk factors set out in this Base Prospectus may also apply to German law Covered Bonds and Australian law Covered Bonds. However, this Base Prospectus does not describe all of the risks of an investment in German law Covered Bonds or Australian law Covered Bonds and investors or potential investors should take their own advice, and consult their own financial, legal, tax and other advisers in relation to the risks attached to, or associated with, the German law Covered Bonds and Australian law Covered Bonds or an investment in any of them including in light of such investors' particular circumstances.*

*The Issuer believes that the following factors may affect its ability to fulfil its obligations related to Covered Bonds issued under the Program. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material as to the market risk associated with Covered Bonds issued under the Program are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Covered Bonds issued under the Program. However, the Issuer does not represent that the statements below regarding the risks of holding any Covered Bonds are exhaustive. Investors must be aware that the list of factors set out below is not intended to be exhaustive and that other risks and uncertainties which, on the date of this Base Prospectus, are not known of by the Issuer, or are considered irrelevant, may have a significant impact on the Issuer, its activities, its financial condition and 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 risks relating to the Issuer, its financial condition and the issued Covered Bonds and consult their own financial or legal advisers about the risks associated with 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 should only be purchased by investors that are (or are advised by) financial institutions or other professional investors who have sufficient knowledge and experience necessary to appropriately evaluate the risks associated with the Covered Bonds.*

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

### **Risks related to the Issuer**

#### ***The Issuer has 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 Agricole S.A. (in any capacity, but in particular in its capacity as Borrower, Administrator, Issuer Calculation Agent, Cash Collateral Provider or Collateral Providers Agent), the Collateral Providers, the Dealers, the Representative, the Paying Agents, the Asset Monitor, any participant to the Hedging Strategy (as applicable) 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 making an investment decision, investors must rely upon their own examination of the Issuer, the Collateral Security Assets, the terms of the Covered Bonds issued under the Program and the financial information incorporated in this Base Prospectus. 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.

#### ***The Issuer relies on Crédit Agricole S.A. or its successors for its operations and to administer the Program Documents***

The Issuer has entered into a number of agreements with Crédit Agricole S.A., who has agreed to perform services for the Issuer. In particular, but without limitation:

- Crédit Agricole S.A. 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 Program Documents;
- Crédit Agricole S.A. has been appointed as Issuer Calculation Agent, as defined below, to make calculations as provided under the Program Documents and in particular to make calculations relating to the Asset Cover Test, the Pre-Maturity Test, the Legal Liquidity Test and the Amortisation Test.

Upon certain events occurring, a new entity would have to be appointed to act as Issuer Calculation Agent and Administrator.

Under the relevant Program Documents, the Issuer may in certain circumstances terminate the appointment of Crédit Agricole S.A. or any other Crédit Agricole Entity that may be appointed (such termination not being effective until a substitute servicer with the required rating shall have replaced Crédit Agricole S.A.), in which case the transfer of the servicing function to a new servicer outside the Crédit Agricole 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.

***The Issuer relies on third parties including Crédit Agricole S.A. and Crédit Agricole Entities and their successors for the monitoring of the Collateral Security Assets***

The Issuer has entered into the Collateral Security Agreement with Crédit Agricole S.A. (as Collateral Providers Agent) and the Crédit Agricole Entities (as Collateral Providers), who have agreed to administer and monitor the Collateral Security Assets and/or the Collateral Security.

Under the relevant Program Documents, the Issuer may terminate the appointment of Crédit Agricole S.A. or any other Crédit Agricole Entity that may be appointed (such termination not being effective until a substitute servicer with the required rating shall have replaced Crédit Agricole S.A. or the relevant Crédit Agricole Entity), in which case the transfer of the monitoring function to any entity outside the Crédit Agricole Group may result in delays, increased costs and/or losses for the Issuer, could create operational and administrative difficulties for the Issuer and could adversely affect its ability to perform its obligations under the Covered Bonds. In addition, if the Collateral Providers and/or the Collateral Providers 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.

***The Issuer relies on third parties including Crédit Agricole S.A. and Crédit Agricole Entities and their successors for the hedging of its obligations under the Covered Bonds***

Under the Hedging Strategy, the Issuer is reliant on Crédit Agricole Entities (only until a Borrower Event of Default has occurred and is enforced, subject to, and in accordance with the relevant terms of the Borrower Facility Agreement) and/or any relevant Eligible Hedging Provider(s), as defined below, to provide it with the funds matching its obligations under the Covered Bonds (see "**The Hedging Strategy**").

Failure of Crédit Agricole Entities and/or any relevant Eligible Hedging Provider(s) to enter into any hedging agreement contemplated by the Hedging Strategy may adversely affect the Issuers' ability to perform its obligations under the Covered Bonds.

***The Issuer relies on Crédit Agricole S.A. and its successors for the provision of liquidity***

The Issuer has entered into the Cash Collateral Agreement with Crédit Agricole S.A. (as Cash Collateral Provider), who has agreed to provide liquidity to the Issuer upon certain rating trigger events occurring.

Failure of Crédit Agricole S.A. to provide liquidity where required under the Cash Collateral Agreement may adversely affect the Issuers' ability to perform its obligations under the Covered Bonds.

***Modification, alteration or amendment of Program Documents without Bondholder prior consent***

Subject to the qualifications described in the relevant Program Document(s) to which it is a party, the Issuer may, with prior Rating Affirmation, as defined below, 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 Program Document to which it is a party. Such modifications, alterations or supplements may materially and adversely affect the interest of the Issuer but shall be made with prior Rating Affirmation.

Subject to the qualifications described in the relevant Program 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 Program Document to which it is a party if the same is:

- to cure any ambiguity, omission, defect or inconsistency;
- to evidence or effect the transition of any party to a Program 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 Program Document to which it is a party; or
- to comply with any mandatory requirements of applicable laws and regulations.

### ***Substitution risk***

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

If there is a downgrading of the long-term debt of Crédit Agricole S.A. or its successors, as the Administrator, or another Administrator Termination Event, as defined below, occurs pursuant to the terms of the Administrative Agreement, as defined below, 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. 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. 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.

### ***Certain conflicts of interest***

Conflicts of interest may arise during the life of the Program as a result of various factors involving certain parties to the Program Documents. For example, such potential conflicts may arise because Crédit Agricole S.A. acts in several capacities under the Program Documents, although its rights and obligations under the Program Documents are not contractually conflicting and are independent from one another. Also during the course of their business activities, the parties to the Program Documents 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 holders of the Covered Bonds.

### ***Insolvency and examinership laws in France could limit the ability of the Bondholders to enforce their rights under the Covered Bonds***

The Issuer, as a *société anonyme*, is subject to French laws and proceedings affecting creditors (including conciliation proceedings (*procédure de conciliation*), safeguard proceedings (*procédure de sauvegarde*) and judicial reorganisation or liquidation proceedings (*procédure de redressement ou de liquidation judiciaires*)).

The Issuer, as a regulated financial institution, is also subject to the provisions of Articles L. 613-25 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*). These provisions include in particular specific rules on the opening of an insolvency proceeding against the Issuer, the involvement of the *Autorité de contrôle prudentiel* (ACP) in the event of bankruptcy of the Issuer, specific concepts of suspension of payment (*cessation des paiements*) for the Issuer and some specific rules of liquidation for the Issuer.

As a general principle, the above mentioned insolvency and reorganisation rules favour the continuation of a business and protection of employment over the payment of creditors.

However, the Issuer, as a *société de financement de l'habitat*, benefits from a regime which derogates in many ways from the French legal provisions relating to insolvency proceedings, in particular:

- in accordance with Article L. 515-37 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 Program Documents;
- the bankruptcy proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) of a shareholder of the Issuer cannot be extended to the Issuer;
- any service/loan agreement pursuant to which the Issuer has delegated to another credit institution 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;
- in case of bankruptcy proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) or conciliation proceedings (*procédure de conciliation*) of the Issuer, 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.

As a result of the operation of the SFH legal Framework, in the case of a bankruptcy or insolvency proceedings in respect of the Issuer, the ability of holders of Covered Bonds to exercise their rights under the Covered Bonds may be limited.

***Holders of the Covered Bonds may not declare the Covered Bonds immediately due and payable upon the Issuer filing for bankruptcy***

The bankruptcy of the Issuer, which is an event that is customarily considered an event of default under debt instruments giving rise to an absolute or qualified right on the part of the registered holder to declare such debt instrument immediately due and payable, constitutes the occurrence of an Issuer Event of Default under the Terms and Conditions of the Covered Bonds. However, under the SFH legal Framework, the opening of bankruptcy proceedings or of conciliation proceedings with respect to the Issuer will not give rise to the right on the part of the holders of the Covered Bonds to declare the Covered Bonds immediately due and payable since, pursuant to the terms of the French Monetary and Financial Code (*Code monétaire et financier*) mentioned above, 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.

***Limited resources are 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 any hedging agreement concluded in accordance with the Hedging Strategy and/or the revenue proceeds generated by Permitted Investments, as defined below and/or the available amount under the Share Capital Proceeds Account and/or payments proceeds under Legal Substitution Assets.

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 Borrower Debt, as defined below, 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 any hedging agreement concluded in accordance with the Hedging Strategy, 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, as defined below 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 Borrower Debt until such Borrower Debt is 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 securing the repayment of the Covered Bonds 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 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 any hedging agreement concluded in accordance with the Hedging Strategy 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.

***Recourse and enforcement with respect to the Issuer is subject to significant limitations***

Payments due under the Covered Bonds are subject to significant limitations as described in Condition 14 "Limited recourse" under "**Terms and Conditions of the Covered Bonds**". Furthermore, payment with respect to the Covered Bonds will be subordinated to the full payment of certain sums pursuant to the then applicable Priority Payment Order and recoverable only from and to the extent of the amount of the Available Funds as described in Condition 15 under "**Terms and Conditions of the Covered Bonds**". No enforcement action under the Covered Bonds may be taken 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 Program, or (ii) the date of payment of any sums outstanding and owing under the latest outstanding Covered Bond as described in Condition 14 "Non-petition" under "**Terms and Conditions of the Covered Bonds**".

***Permitted Investments***

Any available funds in the Issuer Accounts (prior to their allocation and distribution) may be invested by the Administrator in Permitted Investments. The value of the Permitted Investments may fluctuate depending on the financial markets and the Issuer may be exposed to a credit risk in relation to such Permitted Investments. None of the Arrangers, the Dealers, the Issuer, the Administrator or any other party to the Program Documents guarantees the market value of the Permitted Investments. None of them shall be liable if the market value of any of the Permitted Investments fluctuates and decreases.

***The Issuer has not prepared IFRS or U.S. GAAP financial statements and there may be substantial differences between the financial position and operating results of the Issuer under French GAAP, on the one hand, and IFRS and U.S. GAAP, on the other hand***

The Issuer prepares financial statements in accordance with French GAAP. Certain differences exist between French GAAP and both IFRS and U.S. GAAP, and these differences may be material to an understanding of the financial information contained in this Base Prospectus. The Issuer has not determined the significant differences between French GAAP and IFRS and French GAAP and U.S. GAAP (as they apply to the Issuer) and has not

reconciled its financial statements to IFRS or U.S. GAAP in this Base Prospectus. The Issuer does not intend to reconcile future financial statements to IFRS or U.S. GAAP. Because there may be significant differences between French GAAP and IFRS and French GAAP and U.S. GAAP, there may be substantial differences in the operating results, cash flows and financial position of the Issuer, including its debt levels, if the Issuer were to prepare its financial statements in IFRS or U.S. GAAP instead of French GAAP. In making an investment decision, investors must rely upon their own examination of the Issuer, the terms of the offering and the financial information incorporated in this Base Prospectus. Prospective investors should also consult their own professional advisors for an understanding of the differences among French GAAP, IFRS and U.S. GAAP and how those differences might affect the financial information contained herein.

## **Risks related to the Borrower**

### ***Crédit Agricole S.A.'s ability to pay under the Borrower Debt***

Neither the Issuer, Crédit Agricole S.A. nor any other party to the Program 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 Debt, being part of the Issuer assets.

Should Crédit Agricole S.A. 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 Crédit Agricole S.A. to obtain timely payment of amounts of principal and interest due and payable under the Borrower Debt.

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).

### ***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 Agricole S.A., as well as the strength of the support which is granted by the Crédit Agricole Entities 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 Agricole S.A. 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 Program Documents, decreases in the credit rating of Crédit Agricole S.A. may cause a decrease in the credit rating of the Covered Bonds. Furthermore, failure to meet any overcollateralisation requirement required by a Rating Agency may result not only in the occurrence of a Borrower Event of Default but also in a downgrade of the ratings 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.

## **Certain additional Risks relating to Crédit Agricole S.A.**

Generally for certain additional risks relating to Crédit Agricole S.A., its operations and organizational structure, see Annex A to the Base Prospectus.

## **Risks related to the Collateral Security**

### ***No interpretation by French courts of rules applicable to Collateral Security***

The Home Loan Receivables which will be granted as Collateral Security in favour of the Issuer for the repayment of the Borrower Debt extended by the Issuer will be granted in accordance with Articles L. 211-36 to L. 211-40 of the French Monetary and Financial Code (*Code monétaire et financier*) implementing Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements, which has been amended by Directive 2009/44/EC of the European Parliament and of the Council of 6 May 2009 (the "**EU Collateral Directive**").

However, Article L. 211-38 of the French Monetary and Financial Code (*Code monétaire et financier*) further states that the establishment and enforceability of a collateral security "*derive from the transfer of the relevant property and rights, the dispossession of the grantor or their control by the beneficiary or a person acting on his behalf*" but there are no guidelines in the EU Collateral Directive, in Article L. 211-38 of the French Monetary and Financial Code (*Code monétaire et financier*), in legal commentaries or in French case law on how to satisfy the "control" requirement in practice and in the context of security over loan receivables such as the security purported to be created over the Home Loan Receivables under the Collateral Security Agreement.

Although these French laws are in full force and effect, as of the date of this Base Prospectus, holders of the Covered Bonds should note that French courts have not yet had the opportunity to interpret such rules and therefore the manner in which the Collateral Security would be enforced by a French court is uncertain.

### ***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 will be granted as Collateral Security without notification or information of the underlying debtors of the Home Loans.

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.

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. However, also in such circumstances, the Hedging Agreements concluded in accordance with the Hedging Strategy are designed to cover limited amounts of interest on the related Series of Covered Bonds for a limited period of time.

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.

### ***Set-off by debtors under the Home Loans***

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*). Set-off may also be invoked if claims are deemed mutual or inter-related (*dettes connexes*).

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. A set off between debts which are deemed mutual by contract or on an economic standpoint is available as of right.

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 under a Home Loan 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 (see "**The Collateral Security – The Collateral Security Agreement – Eligible Assets - Home Loan Eligibility Criteria**"), 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 a right. Inter-related debts (*dettes connexes*) mainly result from an economic association. 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 circumstance where set-off would be considered is 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 states that there is no mutuality of claims, notwithstanding the fact that instalment 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 interrelate their current account relationship and the lending transaction from an economical standpoint.

#### ***Risks related to maintenance of 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 Program 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 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.

The materialization of any of the foregoing factors could 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.

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.

### **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 on 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 Program Documents guarantees or warrants full and timely payment by the debtors under the Home Loans of any sums payable under such Home Loans.

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.).

Furthermore, the 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 the competent court 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, (pursuant to (i) law no. 98-657 dated 29 July 1998, as amended, and (ii) law no. 2003-710 dated 1<sup>st</sup> August 2003) a full or partial extinguishment of its indebtedness against a credit institution.

#### ***No independent investigation – representations and warranties***

None of the Issuer, the Arrangers, the Dealers, the Administrator or any other party to any Program Documents 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 Receivable 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. Upon becoming ineligible on any given Asset Cover Test Date, any Home Loan Receivable shall be accounted for zero for the purposes of determining compliance with the Asset Cover Test. The foregoing is without prejudice to the obligations of the relevant parties under the Program Documents, including the obligation to comply with the Asset Cover Test and to the Home Loan Eligibility Criteria.

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.

#### ***Limited description of the Home Loans***

The holders of the Covered Bonds will not receive detailed statistics or information in relation to the Home Loans or the Collateral Security Assets, because it is expected that the constitution of the security over the Collateral Security Assets may constantly change due to, among other things, the Collateral Providers granting security over additional and/or new Collateral Security Assets or new Collateral Providers acceding to the

Program. However, each eligible Home Loan Receivable will be required to meet the applicable eligibility criteria.

### ***Prepayment***

The rate of prepayment of Home Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax laws (including but not limited to amendments to mortgage interest tax deductibility), local and regional economic conditions, as well as changes in the debtor's behaviour (including but not limited to home-owner mobility). No guarantee can be given as to the level of prepayment that the Home Loans may experience, and variation in the rate of prepayments of principal on the Home Loans may affect the ability of the Issuer to have sufficient funds to make payments under the Covered Bonds upon the service of a Borrower Enforcement Notice, and effect subsequent transfer of title to the Home Loan Receivables and Home Loan Security in favour of the Issuer.

### ***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 the type of financed property, term of loan, age of applicant, the loan-to-value ratio, the status of applicants and their credit history. One (1) 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, and all lending criteria and preconditions as applied by the originator of the Home Loan pursuant to its customary lending procedures be satisfied. Each of the Collateral Providers retains the right to revise its lending criteria from time to time. If the lending criteria changes 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 a part thereof, and may affect the ability of the Issuer to make payments under the Covered Bonds upon the service of a Borrower Enforcement Notice, and ultimately effect transfer of title to the Home Loan Receivables and Home Loan Security in favour of the Issuer.

### ***Foreclosing on real property granted as security under French law governed Mortgages***

French legal procedures to be followed in relation to the enforcement of French law governed Mortgages and related expenses may affect the Issuer's ability to liquidate the properties secured under such Mortgages efficiently and in a timely manner. An outline of these procedures is set out below. (Specific rules are provided for lender's privileges and mortgages registered in the departments of Haut-Rhin, Bas-Rhin and Moselle. However, these specific rules do not substantially change the outline of these procedures set out below.)

Foreclosure on property located in France by secured creditors (*saisie immobilière*) may require the sale of the property at a public auction (*vente aux enchères*) 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. The beneficiary of a lender's privilege or a mortgage will rank in, with respect to sale proceeds, in the order of priority of registration of privileges and mortgages (*droits de préférence*) encumbering such property (Article 2458 of the French Civil Code (*Code civil*)). The first step in the foreclosure procedure consists of delivering a foreclosure notice to the debtor by a bailiff or *huissier* (a process server or *commandement de saisie immobilière*). This notice is filed at the French Land and Charges Registry having jurisdiction in the district where the real property is located. The next step is to instruct a local lawyer (*avocat*) 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 are required to 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 a reserve price specified in the terms of the sale. Rules applicable to the *saisie immobilière* procedure have been recently modified by an act (*ordonnance n° 2006-461 réformant la saisie immobilière*) dated 21 April 2006. This new legislation (Articles 2190 *et seq.* of the French Civil Code (*Code civil*)) came into force on 1 January 2007. The purpose of the legislation is to simplify the foreclosure process by encouraging voluntary sales (*ventes à l'amiable*) and to reduce the duration and complexity of the foreclosure process.

In accordance with Article 2461 of the French Civil Code (*Code civil*), secured creditors will continue to benefit from the lender's privilege or mortgage, even if the property is transferred, by the debtor to a third party without the lenders' consent. This right is known as *droit de suite*. If the secured creditor wishes to exercise this right, an



order to pay is required to be served on the debtor by a bailiff and notice is required to be served on the third party to whom the relevant secured property was transferred (*tiers détenteur de l'immeuble hypothéqué*) with a view either to pay the debt secured over the property or to surrender the property at an auction.

The exercise of the *droit de suite* is often frozen due to an "advanced clearing" of the privileges and mortgages granted over the relevant property (*purge des privilèges et hypothèques*). If the debtor and all secured creditors agree, in accordance with Article 2475 of the French Civil Code (*Code civil*), for sale proceeds to be allocated (*affecté*) to them, the secured creditors exercise their preferential rights (*droits de préférence*) over the sale proceeds, the payment of which will discharge all privileges and mortgages granted over the property (*purge amiable*). 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 2478 *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 which is the price offered by the relevant third party being made 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 adversely affected by the legal procedures described above.

### ***Enforcement of Home Loan Guarantees***

Following enforcement of the Collateral Security, title to the Home Loan Receivables and related Home Loan Security is transferred in favour of the Issuer, notification of the debtors under such Home Loans is then given, and the Issuer enforces its rights under the relevant Home Loan Guarantees against the guarantor. If thereafter, such guarantor does not pay in whole or in part any amounts due under the relevant Home Loan Guarantees 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.

### **Risks relating to swaps and options derivatives**

#### ***Interest and currency risks***

Each Borrower Advance granted by the Issuer for 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 Debt 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 this case, in order to hedge the potential mismatch of the interest rates applicable to the Covered Bonds and to the Home Loan Receivables and the potential mismatch of currencies, the Issuer shall apply the Hedging Strategy as from the occurrence of the Hedging Rating Trigger Event, as defined below. However, there can be no assurance that the Hedging Strategy will adequately address such hedging risks.

### ***Hedging strategy***

On January 23, 2012, following the occurrence of a Hedging Rating Trigger Event, the Issuer and the Borrower executed the Issuer Hedging Agreement (as it may be amended from time to time), the Borrower Hedging Agreement (as it may be amended from time to time) and the related Hedging Transactions in accordance with the provisions of the Amended Hedging Approved Form Letter. As a result, the Issuer's obligations under the Hedging Strategy and the Amended Hedging Approved Form Letter are fully satisfied and completed on the date of this Base Prospectus. However, in certain circumstances, the hedging documentation under the Hedging Strategy may be terminated and as a result the Issuer may be unhedged if replacement interest rates and/or currency derivative transactions are not entered into.

### **Risks related to Covered Bonds generally**

#### ***The Covered Bonds may not be a suitable investment for all investors***

Each prospective investor in the Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Covered Bonds, and weight the merits and risks of investing in the relevant Covered Bonds. The prospective investor should have sufficient knowledge in experience for the purpose of properly evaluating the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to this Base Prospectus and the relevant Final Terms;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Covered Bonds and the impact the relevant Covered Bonds will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds with principal or interest payable in one (1) or more currencies, or where the currency for principal or interest payments is different from the prospective investor's currency;
- (d) understand thoroughly the terms of the relevant Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets;
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (f) be aware, in terms of any legislation or regulatory regime applicable to such investor, of the applicable restrictions (if any) on its ability to invest in Covered Bonds generally and in any particular type of Covered Bonds.

Some Covered Bonds are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to overall portfolios. A prospective investor should not invest in Covered Bonds which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Covered Bonds will perform under changing conditions, the resulting effects on the value of such Covered Bonds and the impact this investment will have on the prospective investor's overall investment portfolio.

#### ***Modification of the Conditions of French law Covered Bonds***

Subject to the provisions of the relevant Final Terms, the holders of French law Covered Bonds 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(b), and a General Meeting can be held thereto. The Terms and Conditions applicable to French law Covered Bonds permit in certain cases defined majorities to bind all holders of any series of French law Covered Bonds, including Bondholders of such series who did not attend and vote at the relevant General Meeting and holders of French law Covered Bonds who voted in a manner contrary to the majority. The General Meeting may deliberate on any proposal relating to the modification of the Conditions including any proposal,

whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, as more fully described in Condition 12(b).

### ***Modification of the Conditions of New York law Covered Bonds***

The Terms and Conditions applicable to New York law Covered Bonds permit in certain cases defined majorities to bind all holders of any series of New York law Covered Bonds including Bondholders of such series who did not attend and vote at the relevant meeting and holders of such series of New York law Covered Bonds who voted in a manner contrary to the majority. The meeting may deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, as more fully described in Condition 12(a).

### ***Change of law***

The Terms and Conditions of the Covered Bonds are based on French law in the case of French law Covered Bonds and New York law in the case of New York law Covered Bonds (except for the *Privilège*, which is governed by French law), in each case 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 to French law or New York law (as applicable) or administrative practice after the date of this Base Prospectus.

### ***Impact of regulatory changes***

The Issuer is subject to financial services laws, regulations, administrative actions and policies in each jurisdiction in which it carries on business. Changes in supervision and regulation, in particular in France, could materially affect the Issuer's business, the products and services offered or the value of its assets. Although the Issuer works closely with its regulators and continually monitors its environment, future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Issuer.

### ***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. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Covered Bonds. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Covered Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus and the additional tax sections, if any, contained in the relevant supplement to this Base Prospectus.

### ***EU Savings Directive***

On 3 June 2003, the European Council of Economics and Finance Ministers adopted a directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the "**Savings Directive**"). The Savings Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within their jurisdiction to an individual resident in that other Member State, except that, for a transitional period, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise and authorises the paying agent to disclose the above information. The rate of this withholding tax is currently thirty-five per cent (35%). (see "**Taxation – EU Savings Directive**").

If a payment were to be made or collected through a Member State which has opted for a withholding system and tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Covered Bond as a result of the imposition of such withholding tax.

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented amend or broaden the scope of the requirements described above.

### ***U.S. Foreign Account Compliance Act (FATCA) Withholding***

Pursuant to the FATCA provisions set out in Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or similar law implementing an intergovernmental FATCA approach, certain non-U.S. financial institutions that are not treated as exempt under FATCA may be required to withhold U.S. tax at a rate of thirty per cent. (30%) with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution.

The Issuer is classified as a financial institution for these purposes. If an amount in respect of such withholding tax were to be deducted or withheld from interest, principal or other payments made in respect of the Covered Bonds, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Covered Bonds, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Prospective investors should refer to the section **Taxation – Foreign Account Tax Compliance Act**.

### **Risks related to the structure of a particular issue of Covered Bonds**

Covered Bonds issued under the Program will either be fungible with an existing Series 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 Program. 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.

In such case, an investor generally may 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. Prospective investors should consider reinvestment risk in light of other investments available at that time.

#### ***Soft Bullet Covered Bonds may be redeemed after their initial maturity date***

The Final Maturity Date of the Soft Bullet Covered Bonds may be extended automatically to the Extended Final Maturity Date if the Final Redemption Amount of the relevant Soft Bullet Covered Bonds is not paid by the Issuer on the Final Maturity Date (as specified in the applicable Final Terms). The payment of the Final Redemption Amount may be automatically deferred and shall become due and payable on the Extended Final Maturity Date if so specified in the relevant Final Terms, provided that all or part of the Final Redemption Amount unpaid on the Final Maturity Date may be paid by the Issuer on any Specified Interest Payment Date occurring thereafter up to and including the relevant Extended Final Maturity Date. Interest will continue to accrue on any unpaid amount during such extended period at the relevant newly applicable Rate of Interest (as specified in the relevant Final Terms) and be payable on each Specified Interest Payment Date and on the Extended Final Maturity Date all as specified in the relevant Final Terms and in accordance with the applicable Conditions.

#### ***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.

### ***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 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.

### ***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.

### ***Inverse Floating Rate Covered Bonds***

Inverse Floating Rate Covered Bonds have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of such Covered Bonds typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Covered Bonds are more volatile because an increase in the reference rate not only decreases the interest rate of the Covered Bonds, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Covered Bonds.

### ***Fixed/Floating Rate Covered Bonds***

Fixed/Floating Rate Covered Bonds may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. 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, 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, the fixed rate may be lower than then prevailing rates on its 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.

### ***Certain decisions of majority holders of French law Covered Bonds may bind all holders of the relevant Series***

Any resolution to direct the Representative to serve an Issuer Enforcement Notice, and any direction to the Representative to take any action as provided under this Base Prospectus must be passed at a single meeting of the holders of the French law Covered Bonds of a single Series then outstanding and cannot be decided upon at a meeting of the holders of the French law Covered Bonds of all Series. Any resolution to direct the Representative to serve an Issuer Enforcement Notice will be effective for all the holders of such Series of French law Covered Bonds, including the holders of such Series of French law Covered Bonds who did not attend and vote at the relevant meeting and the holders of such Series of French law Covered Bonds who voted in a manner contrary.

### ***Decisions of majority holders of New York law Covered Bonds may bind all holders of the relevant Series***

Any Extraordinary Resolution permitting the service of an Issuer Enforcement Notice, and any approval via an Extraordinary Resolution to take any action as provided under this Base Prospectus must be passed at a meeting of the holders of the New York law Covered Bonds of a single Series then outstanding and cannot be decided upon at a meeting of the holders of the New York law Covered Bonds of all Series. Any Extraordinary Resolution permitting the service of an Issuer Enforcement Notice will be effective for all the holders of such Series of New York law Covered Bonds, including the holders of such Series of New York law Covered Bonds who did not attend and vote at the relevant meeting and the holders of such Series of New York law Covered Bonds who voted in a manner contrary.

### ***Ratings 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, any Cash Collateral and the other relevant structural and credit enhancement features provided for under the Program Documents, including, among other things, the short-term and/or long-term unsecured, unguaranteed and unsubordinated debt ratings of the parties to the Program Documents, and reflect only the views of the Rating Agencies. The 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. The Moody's ratings address the expected loss posed to investors (Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors). There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of changes in or unavailability of information or if, in the judgment of the Rating Agencies, circumstances so warrant. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact 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 Program 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 ratings 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 ratings are lower than the comparable ratings assigned to the Covered Bonds by the Rating Agencies, those unsolicited ratings 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 ratings assigned by the specified Rating Agencies only.

### ***Implementation of Basel II and Basel III Risk-Weighted Asset Framework***

In June 1999, the Basel Committee on Banking Supervision (the "**Basel Committee**") issued proposals for the reform of the 1988 Basel Capital Accord and proposed a new capital adequacy framework which would place enhanced emphasis on risk sensitivity and market discipline. On 26 June 2004, the Basel Committee published a new Capital Accord under the title "Basel II International Convergence of Capital Measurement and Capital Standards: a Revised Framework" ("**Basel II**"), an updated version of which was published in November 2005. Basel II was implemented under EU legislation by virtue of directives no. 2006/48 and no. 2006/49 (the "**Capital Requirements Directives**" as amended from time to time) both dated 14 June 2006. In France, the provisions of the Capital Requirements Directives providing for a new solvency ratio were implemented under the *arrêtés* dated 20 February 2007 and the *ordonnance* no. 2007-571 dated 19 April 2007. In addition, the *arrêté* dated 25 August 2010 transposing the Capital Requirements Directives, which came into effect on 31 December 2010, amended the French prudential control requirements applicable to credit institutions and investment firms.

On December 17, 2009, the Basel Committee published for consultation a package of proposals for new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. On December 16, 2010 and January 13, 2011, the Basel Committee has approved significant changes to Basel II ("**Basel III**"), including new capital and liquidity standards for credit institutions. Those measures are expected to be implemented by relevant authorities starting from January 1, 2013 with full

implementation on January 1, 2019, although certain supervisory authorities have already announced their intention to require an earlier application.

In particular, the changes introduced by Basel III refer to, amongst other things:

- a complete review of the capital standards;
- the introduction of a leverage ratio; and
- the introduction of short-term and longer-term standards for funding liquidity (referred to as the "*Liquidity Coverage Ratio*" and the "*Net Stable Funding Ratio*").

The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general. The European Commission implemented those changes in the proposed amendment to the Capital Requirements Directive published on July 21, 2011 (directive *CRD IV*) and in the regulations (the *Capital Requirement Regulation*). Once adopted, the new Capital Requirements Directive and regulation will be implemented under French law. On April 16, 2013 the European Parliament has agreed upon the proposals of the new Capital Requirement Directive and Regulation submitted by the Council of the European Union. Most of the provisions of these texts are scheduled to be transposed or enter into force on January 1, 2014 (if the texts are definitively approved on or before June 30, 2013) or on July 1, 2014 (if the texts are definitively approved after June 30, 2013).

The implementation of Basel II and Basel III has and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those of the Issuer. The direction and the magnitude of the impact of Basel II and Basel III will depend on the particular asset structure of each bank and its precise impact on the Issuer cannot be quantified with certainty at this time. The Issuer may operate its business in ways that are less profitable than its present operation in complying with the new guidelines resulting from the transposition of the Capital Requirements Directives.

In addition, the implementation of Basel II and Basel III could affect the risk weighting of the Covered Bonds in respect of certain investors to the extent that those investors are subject to the new guidelines resulting from the implementation of the Capital Requirements Directives. Accordingly, recipients of this Base Prospectus should consult their own advisers as to the consequences and effects the implementation of the Capital Requirements Directives could have on them.

### ***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.

### **Risks related to the market generally**

#### ***An active trading market for the Covered Bonds may not develop***

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. 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, holders of Covered Bonds 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. The Issuer cannot predict when these

circumstances will change and if and when they do whether there will be a more liquid market for the Covered Bonds and instruments similar to the Covered Bonds at that time.

***Exchange rate risks and exchange controls***

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 (i) the Investor's Currency-equivalent yield on the Covered Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds and (iii) the Investor's Currency-equivalent market value of the Covered Bonds.

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

***Interest rate risks***

Investment in Fixed Rate Covered Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Covered Bonds.

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent (i) Covered Bonds are legal investments for it, (ii) Covered Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Covered Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital or similar rules.



## USE OF PROCEEDS

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 Agricole S.A. (as Borrower) under the Borrower Facility Agreement. Such net proceeds may also fund the purchase by the Issuer in the future of eligible assets other than the Borrower Advances and the Home Loan Receivables. In particular, the Issuer may purchase any such assets in the future with a view to grant such assets as collateral with the *Banque de France* in accordance with the rules of the Eurosystem.

## TERMS AND CONDITIONS OF THE COVERED BONDS

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

*In this section, "Covered Bonds" refers only to French law Covered Bonds and New York law Covered Bonds, except as otherwise provided. In the case of French law Covered Bonds which are Dematerialised Covered Bonds, the text of the terms and conditions will not be attached to any physical documents of title but will be constituted by the following text as completed by the relevant Final Terms. In the case of French law Covered Bonds which are Materialised Covered Bonds, or New York law 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, in each case, be attached to the relevant Definitive Materialised Covered Bond, Temporary Global Certificate, Permanent Global Certificate and each Certificate relating to New York law Covered Bonds, as the case may be.*

*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 Program.*

The Covered Bonds are issued outside France by Crédit Agricole Home Loan SFH (the "**Issuer**") in series (each a "**Series**") having one (1) or more issue dates and on terms otherwise identical (or identical save as to the first payment of interest), the Covered Bonds of each Series being intended to be interchangeable with all other Covered Bonds of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (including, without limitation, the 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 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 on or before the date of this Base Prospectus (the "**Agency Agreement**"), governed by French law (except for those provisions in respect of New York law Covered Bonds which are governed by New York law) and entered into between the Issuer, CACEIS Corporate Trust as fiscal agent and principal paying agent with respect to French law Covered Bonds (the "**French Fiscal Agent**"), Citibank N.A., London Branch as fiscal agent and principal paying agent with respect to New York law Covered Bonds (the "**New York Fiscal Agent**"), BTA Institutional Services Australia Limited as fiscal agent and principal paying agent with respect to Australian law Covered Bonds (the "**Australian Fiscal Agent**" and references to the "**Fiscal Agent**" shall be to the French Fiscal Agent, the New York Fiscal Agent and/or the Australian Fiscal Agent, as appropriate), Citibank N.A., London Branch as transfer agent with respect to New York law Covered Bonds (the "**Transfer Agent**") and the other agents named therein. The paying agents, the registrar, the registration agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Registrar**", the "**Registration Agent**" and the "**Calculation Agent(s)**". CACEIS Corporate Trust and/or any other agent(s) appointed pursuant to the Agency Agreement will not benefit from the *Privilège* for the payment of their fees or any other amounts that might be due to them by the Issuer under the Agency Agreement.

The Bondholders (as defined below) and, where applicable, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Covered Bonds and, where applicable in the case of such Covered Bonds, talons (the "**Talons**") for further Coupons and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Covered Bonds of which the principal is redeemable in instalments are respectively referred to below as the "**Couponholders**" and the "**Receiptholders**" and are deemed to have notice of all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them.

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 and the specified offices of the Paying Agents 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 Directive 2003/71/EC dated 4 November 2003, as amended (in particular by Directive 2010/73/EU dated 24 November 2010 to the extent that it is implemented in any relevant Member State) (the "**Prospectus Directive**"), 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 and/or the Paying Agent 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.

For the purposes of the Terms and Conditions, "**French law Covered Bonds**" means the Covered Bonds specified in the applicable Final Terms as being governed by French law and "**New York law Covered Bonds**" means the Covered Bonds specified in the applicable Final Terms as being governed by New York law (except for the *privilège*, which is governed by French law).

## 1. Definitions

"**Base Prospectus**" means the Base Prospectus, dated 5 July 2013 of the Issuer, in the form in which it is on file with the *Autorité des marchés financiers* in France and granted visa no. 13-329 on 5 July 2013.

"**Bondholder**" or, as the case may be, "holder of any Covered Bond" means:

- (a) in the case of New York law Covered Bonds, the person in whose name a New York law Covered Bond is registered;
- (b) in the case of French law Covered Bonds, (i) if 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, (ii) if Definitive Materialised Covered Bonds, the bearer of any Definitive Materialised Covered Bond and the Coupons, Receipts or Talons relating to it and (iii) if 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 procedures of any relevant clearing institution, including, without limitation, Euroclear France, Euroclear or Clearstream, Luxembourg, as appropriate;
- (c) in the case of German law Covered Bonds, the registered holder of a German law Covered Bond; and
- (d) in the case of Australian law Covered Bonds, the registered holder of an Australian law Covered Bond.

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

"**Closing Date**" means the date of the issuance of the first Series of Covered Bonds by the Issuer.

"**Covered Bonds Cross Acceleration Event**" has the meaning ascribed to such term in paragraph (d) of the definition of Issuer Event of Default below.

"**Crédit Agricole Entities**" means (i) any entity, duly licensed as a French credit institution (*établissement de crédit*), controlled by Crédit Agricole S.A. within the meaning of Article L. 233-3 of the French Commercial Code (*Code de commerce*) and/or (ii) any Caisse de Crédit Agricole Mutuel (within the meaning of Articles L. 512-20 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*)).

"**Group**" or "**Crédit Agricole Group**" means Crédit Agricole S.A. and the Crédit Agricole Entities.

"**Crédit Agricole S.A. Group**" means Crédit Agricole S.A. and any entity, duly licensed as a French credit institution (*établissement de crédit*), controlled by Crédit Agricole S.A. within the meaning of Article L. 233-3 of the French Commercial Code (*Code de commerce*) but excluding the Caisses de Crédit Agricole Mutuel and their controlled entities (save for the Caisse Régionale de Crédit Agricole Mutuel de Corse which is a wholly controlled subsidiary of Crédit Agricole S.A.).

"**Issuer Enforcement Notice**" in respect of New York law Covered Bonds, has the meaning given in Condition 10(a) and, in respect of French law Covered Bonds, has the meaning given in Condition 10(b).

"**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 the section "**The Borrower and the Borrower Facility Agreement – The Borrower Facility Agreement**" of the Base Prospectus), a Breach of Amortisation Test (as defined in the section "**Asset Monitoring**" of the 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 (including German law Covered Bonds and Australian law Covered Bonds) and such default has not been cured within thirty (30) days after the receipt by the Fiscal Agent (with copy to the Issuer and, when 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 New York law Covered Bonds, German law Covered Bonds or Australian law Covered Bonds, 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 French law Covered Bonds, New York law Covered Bonds, German law Covered Bonds and Australian 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 is not 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 (including German law Covered Bonds or Australian law Covered Bonds) or, if applicable, any Receipts or Coupons relating to them, are Outstanding, and such liquidation or winding up being subject to prior Rating Affirmation); or
- (f) the Issuer makes any proposal for a general moratorium in relation to its debt or applies for, or is subject to, the appointment of a *mandataire ad hoc* or has applied to enter into a conciliation procedure (*procédure de conciliation*) or into a safeguard procedure (*procédure de sauvegarde*) or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) or the transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or, to the extent permitted by applicable law, if the Issuer is subject to any other insolvency or bankruptcy proceedings or makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors; or
- (g) the Issuer ceases to carry on all or a material part of its business (except in the case of a cessation for the purpose of a reconstruction, amalgamation, merger or following the transfer of all or substantially all of the assets of the Issuer, in each case the terms of which have previously been approved by the Majority Bondholders of all Series for which Covered Bonds (including German law Covered Bonds and Australian law Covered Bonds) or, if applicable, any Receipts or Coupons relating to them, are Outstanding and such liquidation or winding up being subject to prior Rating Affirmation).
- (h) upon the occurrence of a Hedging Rating Trigger Event (as defined in the section "**The Hedging Strategy**" of the Base Prospectus), (i) the Issuer (or the Administrator on its behalf) fails to enter into the Issuer Hedging Agreement and related Issuer Hedging Transaction(s) (as defined in section "**The Hedging Strategy**" of the Base Prospectus) within thirty (30) calendar days from the occurrence date of such Hedging Rating Trigger Event, as described under the Hedging Strategy (as defined in the section "**The Hedging Strategy**" of the Base Prospectus) or (ii) the Issuer (or the Administrator on its

behalf) fails to enter into the Borrower Hedging Agreement and related Borrower Hedging Transaction(s) (as defined in the section "**The Hedging Strategy**" of the Base Prospectus) with the Borrower within thirty (30) calendar days from the occurrence date of such Hedging Rating Trigger Event, as described under the Hedging Strategy (as defined in section "**The Hedging Strategy**" of the Base Prospectus).

"**Majority Bondholders**" means:

- (a) in relation to any Series of New York law Covered Bonds, the Bondholders acting through an Extraordinary Resolution (as defined in Condition 12(a) of the Terms and Conditions) taken at a meeting of Bondholders of such Series;
- (b) in relation to any Series of French law Covered Bonds, a decision of the General Meeting (as defined in Condition 12(b) of the Terms and Conditions) of such Series taken in accordance with Condition 12(b)(v) of the Terms and Conditions;
- (c) in relation to any Series of German law Covered Bonds, an approval of one or more German law Bondholders holding at least two-thirds (2/3) of the then outstanding principal amount of such German law Covered Bonds; and
- (d) in relation to any Series of Australian law Covered Bonds, the Bondholders acting through an Extraordinary Resolution (as defined in the terms and conditions of the Australian law Covered Bonds) taken at a meeting of the Bondholders of such Series

"**Outstanding**" means, in relation to Covered Bonds of any Series (including German law Covered Bonds and Australian law Covered Bonds), all the Covered Bonds issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Covered Bonds to the date for such redemption and any interest payable after such date) have been duly paid as provided in Condition 8 of the Terms and Conditions, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in these Conditions, (e) in the case of Definitive Materialised Covered Bonds (i) those mutilated or defaced Definitive Materialised Covered Bonds that have been surrendered in exchange for replacement Definitive Materialised Covered Bonds, (ii) (for the purpose only of determining how many such Definitive Materialised Covered Bonds are outstanding and without prejudice to their status for any other purpose) those Definitive Materialised Covered Bonds alleged to have been lost, stolen or destroyed and in respect of which replacement Definitive Materialised Covered Bonds have been issued and (iii) any Temporary Global Certificate or Permanent Global Certificate to the extent that it shall have been exchanged for one (1) 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 for such Covered Bonds.

"**Program Date**" means the date of the Base Prospectus applicable to the Program.

"**Program Documents**" means:

- (a) the Shareholder Letter of Undertaking (as defined in the section "**The Issuer – Issuer Share Capital, Subordinated Loan and Issuer Majority Shareholder's undertakings**" of the Base Prospectus);
- (b) the Subordinated Loan Agreement (as defined in the section "**The Issuer – Issuer Share Capital, Subordinated Loan and Issuer Majority Shareholder's undertakings**" of the Base Prospectus);
- (c) the Administrative Agreement (as defined in the section "**The Issuer – The Administrative Agreement**" of the Base Prospectus);
- (d) the *Convention d'externalisation de prestations de services* (as defined in the section "**The Issuer – Issuer Risk Management**" of the Base Prospectus);
- (e) the Issuer Accounts Agreement (as defined in the section "**The Issuer – The Issuer Accounts Agreement**" of the Base Prospectus);

- (f) the Terms and Conditions;
- (g) the Agency Agreement (including the Terms and Conditions of the German law Covered Bonds);
- (h) the Australian Deed Poll (including the Terms and Conditions of the Australian law Covered Bonds);
- (i) the Australian Agency Agreement (as defined in the Agency Agreement);
- (j) the Dealer Agreement dated 5 July 2013 between the Issuer, the Arrangers and the Permanent Dealers and relating to the Covered Bonds;
- (k) the Borrower Facility Agreement (as defined in the section "**The Borrower and the Borrower Facility Agreement – The Borrower Facility Agreement**" of the Base Prospectus);
- (l) the Collateral Security Agreement (as defined in the section "**The Collateral Security – The Collateral Security Agreement**" of the Base Prospectus);
- (m) the Cash Collateral Agreement (as defined in the section "**The Collateral Security – The Cash Collateral Agreement**" of the Base Prospectus);
- (n) the Calculation Services Agreement (as defined in the section "**Asset Monitoring – The Calculation Services Agreement**" of the Base Prospectus);
- (o) the Asset Monitor Agreement (as defined in the section "**Asset Monitoring – The Asset Monitor Agreement**" of the Base Prospectus);
- (p) the Master Definitions and Construction Agreement, providing for the definitions of defined terms and incorporated by reference into certain of the Program Documents;
- (q) the Amended Hedging Approved Form Letter and the Approved Forms of Borrower Hedging Agreement(s) and Issuer Hedging Agreement(s) attached as Schedules to the Amended Hedging Approved Form Letter (as defined in the section "**The Hedging Strategy**" of the Base Prospectus); and
- (r) the Hedging Agreements and Hedging Transactions (if any) (as defined in the section "**The Hedging Strategy**" of the Base Prospectus).

**"Rating Affirmation"** means, with respect to any specified action, determination or appointment and except as otherwise specified herein and/or in any Program Documents, notification by the Issuer (or the relevant Representative) for so long as any Covered Bonds are rated by them (i) to Fitch of such specified action, determination or appointment and (ii) to the relevant Rating Agencies other than Fitch 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 Agency"** means each of Moody's Investors Service Ltd. ("**Moody's**"), Standard and Poor's Ratings Services ("**S&P**") and Fitch Ratings ("**Fitch**"), or any of their respective successors.

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

**"Representative Consent"** means, with respect to any specified action, determination or appointment, receipt by the Issuer of:

- (a) in relation to any Series of New York law Covered Bonds, confirmation of an Extraordinary Resolution (as defined in Condition 12(a) of the Terms and Conditions) taken at a meeting of holders of New York law Covered Bonds (in accordance with Condition 12(a) of the Terms and Conditions) of such Series;
- (b) in relation to any Series of French law Covered Bonds, written confirmation of consent of the Representative (acting upon instructions of the Majority Bondholders of the relevant Series of Outstanding French law Covered Bonds or, if applicable, any Receipts or Coupons relating to them);

- (c) in relation to any Series of German law Covered Bonds, written confirmation of consent of two-third (2/3) of the holders of each Series of Outstanding German law Covered Bonds, as described in the Agency Agreement, in each case to such proposed action, determination or appointment; and
- (d) in relation to any Series of Australian law Covered Bonds, confirmation of an Extraordinary Resolution (as defined in Condition 12 of the terms and conditions of the Australian law Covered Bonds) taken at a meeting of holders of Australian law Covered Bonds.

## 2. Form, Denomination, Title and Redenomination

### (a) Form

#### A New York law Covered Bonds

New York law Covered Bonds will be represented by registered certificates ("**Certificates**") and, except as provided in Condition 3(c), each Series of New York law Covered Bonds will be represented by one or more Certificates registered in the name of a nominee for The Depository Trust Company ("**DTC**") and such Certificates (each a "**Global Certificate**") will together represent the entire Series of such New York law Covered Bonds.

#### B French law Covered Bonds

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

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

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

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

- (ii) Materialised Covered Bonds will be issued in bearer form only. Materialised Covered Bonds in definitive form ("**Definitive Materialised Covered Bonds**") will be serially numbered and 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. Instalment Covered Bonds are issued with one (1) or more Receipts attached. In accordance with Articles L. 211-3 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*), securities (such as Covered Bonds constituting obligations under French law) in materialised form and governed by French law must be issued outside of the French territory.

The Covered Bonds may be "Fixed Rate Covered Bonds", "Floating Rate Covered Bonds", "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 on the basis of the applicable Conditions.

**(b) Denomination**

The Covered Bonds will be issued in the Specified Denomination(s) 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 Directive will have a minimum denomination of €100,000 (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. All New York law Covered Bonds of a Series will have the same Specified Denomination. Dematerialised Covered Bonds will be issued in one (1) Specified Denomination only.

**(c) Title****A New York law Covered Bonds**

In respect of New York law Covered Bonds, title to the Covered Bonds shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

Global Certificates held by a Custodian on behalf of DTC will be registered in the name of Cede & Co., as nominee of DTC, but this does not confer any rights or benefits on Cede & Co. or any other nominee of DTC in whose name a Global Certificate may be registered. Transfers of interests in Global Certificates by such nominee of DTC shall be limited to transfers of such Global Certificates, in whole or in part, to another nominee of DTC or to a successor of DTC or such successor's nominee. Rights conferred by the Global Certificate are only enforceable by the Account Holders as provided therein.

**B French law Covered Bonds**

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

**(d) Redenomination**

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

**(e) Method of Issue**

The Covered Bonds will be issued on a syndicated or non-syndicated basis. The Covered Bonds will be issued in Series having one or more issue dates and on terms otherwise identical (or identical other



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

### **3. Conversions, Transfers and Exchanges of Covered Bonds**

#### **A *New York law Covered Bonds***

##### **(a) Transfer of New York law Covered Bonds**

One or more New York law Covered Bonds may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such New York law Covered Bonds to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of New York law Covered Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of New York law Covered Bonds and entries on the Register will be made subject to such further restrictions on transfers as are provided for in the Agency Agreement. Such restrictions may be changed by the Issuer, with the prior written approval of the Registrar and the New York Fiscal Agent. In the case of a transfer of New York law Covered Bonds to a person who is already a holder of New York law Covered Bonds, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

##### **(b) Exercise of Options or Partial Redemption in Respect of New York law Covered Bonds**

In the case of an exercise of the Issuer's or Bondholders' option in respect of, or a partial redemption of, a holding of New York law Covered Bonds, a new Certificate shall be issued to the Bondholder in exchange for such Bondholder's existing Certificate to reflect the partial exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in New York law Covered Bonds of the same holding having different terms, separate Certificates will be issued in respect of such New York law Covered Bonds of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent.

##### **(c) Delivery of New Certificates**

Each new Certificate to be issued pursuant to Conditions 3(a) or 3(b) shall (subject to compliance with the applicable provisions of Conditions 3(a) or 3(b)) be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 7(d)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 3(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

##### **(d) Exchange Free of Charge**

Exchange and transfer of New York law Covered Bonds and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental

charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require in respect thereof).

**(e) Closed Periods**

No holder of New York law Covered Bonds may require the transfer of New York law Covered Bonds to be registered for one or more New York law Covered Bonds (i) during the period of fifteen (15) days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, such New York law Covered Bonds, (ii) during the period of fifteen (15) days before any date on which Covered Bonds may be called for redemption by the Issuer at its option pursuant to Condition 7(c), (iii) after any such New York law Covered Bond has been called for redemption or (iv) during the period of seven (7) days ending on (and including) any Record Date.

**B French law Covered Bonds**

**(a) Dematerialised Covered Bonds**

- (i) Dematerialised Covered Bonds issued in bearer form (*au porteur*) may not be converted into 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 into 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 and Receipts 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, German, Australian and New York 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 Receipts or Coupons relating to them, is Outstanding:

**(a) Negative Pledge**

Except in accordance with the Program 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 and (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. 515-19 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. 515-19 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. 515-14 to L. 515-17 and L. 515-35 of the French Monetary and Financial Code (*Code monétaire et financier*) and forward financial instruments referred to in Article L. 515-18 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 (*liquidation judiciaire*) of the Issuer will not result in the *obligations de financement de l'habitat* (such as the Covered Bonds) and the other debts benefiting from the *Privilège* becoming due and payable.

**(c) Limitation on Indebtedness**

The Issuer undertakes not to incur any indebtedness other than as contemplated by the Program 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 (of S&P), and notification (of Moody's and Fitch).

**(e) Separateness covenants**

The Issuer undertakes (except as permitted under the Program 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 the section "**Asset Monitoring**" of the Base Prospectus are incorporated by reference in this Condition 5 (f).

**(g) Hedging Strategy**

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

**(h) Program Documents**

Subject to the qualifications described in the relevant Program Document(s) to which it is a party, the Issuer undertakes that no amendment, modification, alteration or supplement shall be made to any Program 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 Program 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 Program 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 Program 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 Program 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 Program Document 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 after all Covered Bonds have been paid and discharged in full.

(i) **Notification of Issuer Events of Default**

In respect of any Series, the Issuer undertakes to promptly inform the Rating Agencies, the Representative, the holders of New York law Covered Bonds and the Administrator of the occurrence of any Issuer Event of Default. Upon receipt of a written request from the Rating Agencies, the Representative, any holder of New York law Covered Bonds or the Administrator, the Issuer will confirm to the Rating Agencies, the Representative, the holders of New York law Covered Bonds and the Administrator that, save as previously notified to the Rating Agencies, the Representative, the holders of New York law Covered Bonds and the Administrator or as notified in such confirmation, no Issuer Event of Default has occurred or is continuing.

(j) **No further Issuance**

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

- (i) as from the date a Borrower Enforcement Notice (as defined in the section "**The Borrower and the Borrower Facility Agreement – The Borrower Facility Agreement**" of the 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 the section "**Asset Monitoring**" of the 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;
- (iv) for so long as a Non Compliance with Amortisation Test (as defined in the section "**Asset Monitoring**" of the 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 and the Legal Liquidity Test (as defined in the section "**Asset Monitoring**" of the Base Prospectus), a Non Compliance Notice (as defined in the section "**Asset Monitoring**" of the Base Prospectus) has been delivered and is not withdrawn, except for the purposes of subscription by the Issuer of Auto-held Covered Bonds in accordance with Condition 19.

**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 LIBOR, EURIBOR, EONIA, EUR CMS or any other reference rate as specified in the relevant Final Terms.

**"Business Day"** means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer payment system (TARGET2) 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 (1) 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) when "**2006 ISDA Definitions**" is specified in the relevant Final Terms, and 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 360, calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30

- (vi) when "**2006 ISDA Definitions**" is specified in the relevant Final Terms, and if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" 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 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" 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 31, in which case D<sub>2</sub> will be 30.

"**Effective Date**" means, as the context requires:

- (i) 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; or
- (ii) with respect to the Collateral Security Agreement and the Cash Collateral Agreement, the date upon which a first Borrower Advance shall have been made available by the Lender to the Borrower subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement;

"**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 establishing the European Community, as amended from time to time.

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

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

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

**"Interest Determination Date"** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two (2) TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two (2) Business Days in the city specified in the Final Terms for the Specified Currency prior to the first (1<sup>st</sup>) day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro.

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

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

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

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

**"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 (4) major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR or EONIA is the relevant Benchmark, shall be the Euro Zone, and if LIBOR is the relevant Benchmark, shall be London).

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

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

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



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

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

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

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

**(b) Interest on Fixed Rate Covered Bonds**

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

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

**(c) Interest on Floating Rate Covered Bonds**

(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 Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day. Notwithstanding the foregoing, where the applicable Final Terms specify that the relevant Business Day Convention is to be applied on an "unadjusted" basis, the Interest Amount payable on any date shall not be affected by the application of that Business Day Convention.

- (iii) *Rate of Interest for Floating Rate Covered Bonds:* The Rate of Interest in respect of Floating Rate Covered Bonds for each Interest Accrual Period shall be determined in the manner specified in 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 (1<sup>st</sup>) 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.

(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 (1) entity); or
  - (II) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page, in each case appearing on such Page at the Relevant Time on the Interest Determination Date as disclosed in the relevant Final Terms, plus or minus (as indicated in the relevant Final Terms) the Margin (if any); and
- (2) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (1)(I) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (1)(II) applies and fewer than two (2) Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent, plus or minus (as indicated in the relevant Final Terms) the Margin (if any), and
- (3) if paragraph (2) above applies and the Calculation Agent determines that fewer than two (2) Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum

(expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two (2) out of five (5) 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 (2) 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 (2) 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).

**(d) Zero Coupon Covered Bonds**

Where a Covered Bond the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Final Maturity Date (or the Extended Final Maturity Date, as the case may be) 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. As from the Final Maturity Date (or the Extended Final Maturity Date, as the case may be), the Rate of Interest for any overdue principal of such a Covered Bond shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 7(e)(i)).

**(e) 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 New York law Covered Bonds and 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 judgment) at the Rate of Interest in the manner provided in this Condition 6 to the Relevant Date.

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

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

**(g) 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.

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

The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Covered Bonds for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the holders of Covered Bonds, any other Calculation Agent appointed in respect of the Covered Bonds that is to make a further calculation upon receipt of such information and, if the Covered Bonds are admitted to trading on a Regulated Market and the rules of such Regulated Market so require, such Regulated Market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such Regulated Market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth (4<sup>th</sup>) 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.

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

The Issuer shall procure that there shall at all times be four (4) Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one (1) 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 (1) Calculation Agent is appointed in respect of the Covered Bonds, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office, 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 in accordance with the paragraph below, each Covered Bond shall be finally redeemed on the Final Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided in these Conditions, is its nominal amount) or, in the case of a Covered Bond falling within Condition 7(b) below, its final Instalment Amount.

Covered Bonds may have hard bullet maturities (which means with no Extended Final Maturity Date, as defined below) or soft bullet maturities (allowing the Final Maturity Date of the relevant Series to be extended), as specified in the Final Terms of the relevant Series. With respect to Series of Covered Bonds having a soft bullet maturity, an extended Final Maturity Date (the "**Extended Final Maturity Date**") shall be specified as applying in relation to such Series in the applicable Final Terms. This means that if the Final Redemption Amount of the relevant Series is not paid by the Issuer on the Final Maturity Date, then payment of such Final Redemption Amount shall be automatically deferred and shall become due and payable one (1) year later on the Extended Final Maturity Date. However, any amount representing the Final Redemption Amount remaining unpaid on the Final Maturity Date may be paid by the Issuer on any Specified Interest Payment Date thereafter, up to (and including) the relevant Extended Final Maturity Date. Interest will continue to accrue on any unpaid amount during such extended period at the relevant newly applicable Rate of Interest (as specified in the relevant Final Terms) and be payable on each Specified Interest Payment Date and on the Extended Final Maturity Date all as specified in the relevant Final Terms and in accordance with the applicable Conditions.

**(b) Redemption by Instalments**

Unless previously redeemed, purchased and cancelled as provided in this Condition 7, or the relevant Instalment Date (being one (1) of the dates so specified in the relevant Final Terms) is extended pursuant to any Issuer's or Bondholders' option in accordance with Conditions 7(c) or 7(d), each Covered Bond that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Covered Bond shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Covered Bond, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused (i) in the case of Dematerialised Covered Bonds, on the due date for such payment or (ii) in the case of Materialised Covered Bonds or New York law Covered Bonds on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

**(c) Redemption at the Option of the Issuer and Partial Redemption**

- (i) 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) days' irrevocable notice in accordance with Condition 17 to the holders of Covered Bonds redeem in relation to all or, if so provided, some, of the Covered Bonds on any Optional Redemption Date as the case may be. Any such redemption of Covered Bonds shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if any. Any such redemption must relate to Covered Bonds of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed as specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed as specified in the relevant Final Terms.

All Covered Bonds in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

*A. French law Covered Bonds*

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

#### *B. New York law Covered Bonds*

In the case of a partial redemption, the notice to holders of New York law Covered Bonds shall specify the nominal amount of New York law Covered Bonds and the holder(s) of such New York law Covered Bonds chosen 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 stock exchange requirements.

- (ii) So long as the Covered Bonds are listed and admitted to trading on Euronext Paris 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 AMF ([www.amf-france.org](http://www.amf-france.org)) or in a leading financial newspaper of general circulation in France, which is expected to be *Les Echos*, a notice specifying the aggregate nominal amount of Covered Bonds outstanding and, in the case of Materialised Covered Bonds and New York law Covered Bonds a list of any Materialised Covered Bonds and New York law Covered Bonds, drawn for redemption but not surrendered.

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

If a Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the Bondholder, upon the Bondholder giving not less than fifteen (15) nor more than thirty (30) days' notice to the Issuer 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 within the notice period. In the case of Materialised Covered Bonds, the Exercise Notice shall have attached to it the relevant Covered Bonds (together with all unmatured Receipts and Coupons and unexchanged Talons) or (in the case of New York law Covered Bonds) the Certificate representing such New York law Covered Bonds must be deposited with the Registrar or any Transfer Agent at its specified office. In the case of Dematerialised Covered Bonds, the Bondholder shall transfer, or cause to be transferred, the Dematerialised Covered Bonds to be redeemed to the account of the Paying Agent with a specified office in Paris, as specified in the Exercise Notice. No option so exercised and, where applicable, no Covered Bond so deposited or transferred, may be withdrawn without the prior consent of the Issuer.

#### **(e) Early Redemption**

##### *(i) Zero Coupon Covered Bonds*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Covered Bond, upon redemption of such Covered Bond pursuant to Condition 7(f) or (g) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Nominal Amount (calculated as provided below) of such Covered Bond.

- (B) Subject to the provisions of sub-paragraph (C) below, the amortised nominal amount of any such Covered Bond (the "**Amortised Nominal Amount**") shall be the scheduled Final Redemption Amount of such Covered Bond on the Final Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the amortisation yield (which shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Covered Bonds if they were discounted back to their issue price on the Issue Date) (the "**Amortisation Yield**") compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Covered Bond upon its redemption pursuant to Condition 7(f) or 7(g) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Covered Bond shall be the Amortised Nominal Amount of such Covered Bond as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Covered Bond becomes due and payable was the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Final Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Covered Bond on the Final Maturity Date together with any interest that may accrue in accordance with Condition 6(d).

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

(ii) *Other Covered Bonds*

The Early Redemption Amount payable in respect of any Covered Bond (other than Covered Bonds described in (i) above), upon redemption of such Covered Bond pursuant to Condition 7(f) or 7(g) or upon it becoming due and payable as provided in Condition 10 shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption.

(f) **Redemption for Taxation Reasons**

- (i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Covered Bonds, not be able to make such payment without having to pay additional amounts as specified under Condition 9(b) below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than forty-five (45) nor less than thirty (30) days' notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 17, redeem all, but not some only, of the Covered Bonds at their Early Redemption Amount together with, any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.
- (ii) If the Issuer would, on the next payment of principal or interest in respect of the Covered Bonds, be prevented by French law from making payment to the Bondholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 9(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven (7) days' prior notice to the Bondholders in accordance with Condition 17, redeem all, but not some only, of the Covered Bonds then outstanding at their Early Redemption Amount together with, any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Covered Bonds, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Bondholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Covered Bonds and (ii) fourteen (14) days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given

shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Covered Bonds, or, if applicable, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

**(g) Redemption due to illegality**

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

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

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

**(h) Purchases**

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

Covered Bonds so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Covered Bonds, or cancelled in accordance with Condition 7(i) below.

**(i) Cancellation**

Covered Bonds which have been purchased for cancellation, must be cancelled, in the case of Dematerialised Covered Bonds, by transfer to an account in accordance with the rules and procedures of Euroclear France, 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 unmaturing Receipts and Coupons and all unexchanged Talons, if applicable, to the Fiscal Agent and in the case of New York law Covered Bonds, the Certificate representing such New York law Covered Bonds is surrendered to the Registrar and, in each case, if so transferred or surrendered, shall, together with all Covered Bonds redeemed by the Issuer, be cancelled or annotated forthwith, as the case may be, (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 Materialised Covered Bonds, all unmaturing Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Covered Bonds so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Covered Bonds shall be discharged.



## 8. Payments and Talons

### (a) Dematerialised Covered Bonds

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

### (b) Definitive Materialised Covered Bonds

#### (i) *Method of payment*

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

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

Payments of principal in respect of Definitive Materialised Covered Bonds will (subject as provided below) be made in the manner provided in paragraph (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)).

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

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

Fixed Rate Covered Bonds in definitive form 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 (or Extended Final Maturity Date, as the case may be), 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.

(iii) *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.

(c) **New York law Covered Bonds**

- (i) Payments of principal (which for the purposes of this Condition 8(c) shall include final Instalment Amounts but not other Instalment Amounts) in respect of New York law Covered Bonds shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 8(c) shall include all Instalment Amounts other than final Instalment Amounts) on New York law Covered Bonds shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof or in case of New York law Covered Bonds to be cleared through the DTC, on the fifteenth (15<sup>th</sup>) DTC business day before the due date for payment thereof (the "**Record Date**"). For the purpose of this Condition 8(c), "**DTC business day**" means any day on which DTC is open for business. Payments of interest on each New York law Covered Bond shall be made in the currency in which such payments are due by cheque drawn on a Bank in the principal financial centre of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Covered Bond at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date subject to paragraph (b) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank in the principal financial centre of the country of that currency.
- (iii) Payments through DTC: Payments of principal and interest in respect of New York law Covered Bonds denominated in U.S. dollars will be made in accordance with Conditions 8(c)(i) and 8(c)(ii). Payments of principal and interest in respect of New York law Covered Bonds registered in the name of, or in the name of a nominee for, DTC and denominated in a Specified Currency other than U.S. dollars will be made or procured to be made by the Fiscal Agent in the Specified Currency in accordance with the following provisions. The amounts in

such Specified Currency payable by the Fiscal Agent or its agent to DTC with respect to New York law Covered Bonds held by DTC or its nominee will be received from the Issuer by the Fiscal Agent who will make payments in such Specified Currency by wire transfer of same day funds to the designated bank account in such Specified Currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payments, on or prior to the third DTC business day after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 DTC business days prior to the relevant payment date, to receive that payment in such Specified Currency. The Fiscal Agent, after the Exchange Agent (as defined in the Agency Agreement) has converted amounts in such Specified Currency into U.S. dollars, will cause the Exchange Agent to deliver such U.S. dollar amount in same day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such Specified Currency. The Agency Agreement sets out the manner in which such conversions are to be made.

**(d) Payments subject to Fiscal Laws**

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

**(e) Appointment of Agents**

The Fiscal Agent, the Paying Agents, the Transfer Agent, the Registrar, the Registration Agent, the Exchange Agent and the Calculation Agent initially appointed by the Issuer and their respective specified offices are set forth in the Agency Agreement. The Fiscal Agent, the Paying Agents, the Transfer Agent, the Registrar, the Exchange Agent 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, 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, Transfer Agent, Registrar, Exchange Agent, Registration Agent or Calculation Agent and to appoint other Fiscal Agent, Paying Agent(s), Transfer Agent(s), Registrar, Registration Agent(s), Exchange 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 (1) or more Calculation Agent(s) and an Exchange Agent where the Conditions so require, (iii) Paying Agents having specified offices in at least two (2) major European cities (and ensuring the financial services of the Covered Bonds in France so long as the Covered Bonds are listed and traded on Euronext Paris and, so long as the Covered Bonds are admitted to trading on any other Regulated Market of the EEA, such other city where the Covered Bonds are admitted to trading) (iv) a Registrar in relation to New York law Covered Bonds (v) a Transfer Agent in relation to New York law Covered Bonds, (vi) in the case of Materialised Covered Bonds, a Paying Agent having its specified office in a Member State of the EU that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other EU Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to, such Directive (which may be any of the Paying Agents referred to in (iii) above), (vii) in the case of Dematerialised Covered Bonds in fully registered form, a Registration Agent and (viii) 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. The Exchange Agent may, with the prior written consent of the Issuer, appoint a third party to carry out its duties in respect of New York law Covered Bonds that are to be cleared through DTC.

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 (b)(iii) 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, Receipt 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 all other Covered Bonds, on which Banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centre(s)**" in the relevant Final Terms and (C) (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) Tax Exemption for Covered Bonds constituting obligations or debt instruments (*titres de créances*) assimilated thereto for French tax purposes**

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

**(b) Additional Amounts**

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

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

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

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

(c) **U.S Foreign Account Compliance Act (FATCA)**

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (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. The Issuer will have no obligation to pay additional amounts or otherwise indemnify an investor for any FATCA withholding deducted or withheld by the Issuer, any paying agent or any other party.

**10. Events of Default**

(a) **New York law Covered Bonds**

Subject to the legal framework applicable to an SFH, if an Issuer Event of Default occurs in respect of any Series of New York law Covered Bonds, any holder of the relevant New York law Covered Bonds may, following an Extraordinary Resolution at a meeting of the holders of the relevant New York law Covered Bonds, or if such Issuer Event of Default is a Covered Bonds Cross Acceleration Event, any holder of the New York law Covered Bonds may at its discretion, upon written notice (an "**Issuer Enforcement Notice**") to the Fiscal Agent (with copy to the Issuer 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 Payment Priority Order), together with any accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent.

(b) **French law Covered Bonds**

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 Payment Priority 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, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 12. Representation of Bondholders

### (a) New York law Covered Bonds

The Agency Agreement contains provisions for convening meetings of the holders of New York law Covered Bonds to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of the Conditions. Any modification of the Conditions shall only be binding on the Issuer if agreed by it or on its behalf.

The meeting of the holders of the New York law Covered bonds may deliberate on and also may act with respect to any matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the New York law Covered Bonds. It may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that it may not increase amounts payable by holders of New York law Covered Bonds, nor establish any unequal treatment between the holders of New York law Covered Bonds.

Such a meeting may be convened by the Issuer or one (1) or more holders of New York law Covered Bonds holding not less than one-thirtieth ( $1/30$ ) of the nominal amount of the New York law Covered Bonds for the time being outstanding may address to the Issuer a demand for convening such a meeting. If such a meeting has not been convened within two (2) months after such demand, the holder of the New York law Covered Bonds may petition a competent court in Paris to appoint an agent (*mandataire*) who will call the meeting.

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

The quorum for any meeting convened to consider an Extraordinary Resolution shall be holders (or persons representing them) of New York law Covered Bonds holding at least a fifth ( $1/5$ ) of the nominal amount of the New York law Covered Bonds for the time being outstanding and at any adjourned meeting, no quorum shall be required. An Extraordinary Resolution will be deemed sanctioned at a valid meeting if a two-third ( $2/3$ ) majority of votes is cast in favour of the proposed resolution by holders of New York law Covered Bonds attending such meeting or represented thereat.

Each holder of a New York law Covered Bond has the right to participate in the meeting in person or by proxy. Each New York law Covered Bond carries the right to one (1) vote or, in the case of New York law Covered Bonds issued with more than one (1) Specified Denomination, one (1) vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such New York law Covered Bond. Any Extraordinary Resolution duly passed shall be binding on relevant Bondholders (whether or not they were present at the meeting at which such resolution was passed) and on all relevant Couponholders.

However, without the consent of each holder of any Series of New York law Covered Bonds, no modification may:

- (1) reduce the principal amount of New York law Covered Bonds whose holders of such New York law Covered Bonds must consent to a modification;
- (2) reduce the stated rate, or extend the stated time for payment, of interest on any New York law Covered Bonds;
- (3) reduce the principal, or extend the maturity date, of any New York law Covered Bonds;

- (4) make any New York law Covered Bonds payable in a currency other than U.S. dollars;
- (5) impair the right of any holders of such New York law Covered Bonds to receive payment of, premium, if any, principal of or interest on such holder's New York law Covered Bonds on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder's New York law Covered Bonds;
- (6) make any change in the amendment or waiver provisions of the Agency Agreement which require the consent of holders of such New York law Covered Bonds; or
- (7) make any change in the provisions of the New York law Covered Bonds or the Agency Agreement relating to additional amounts that adversely affects the rights of any holder of such New York law Covered Bonds in any material respect or amends the terms of such New York law Covered Bonds in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the payor agrees to pay additional amounts, if any, in respect thereof.

Extraordinary Resolutions sanctioned at a valid meeting must be published in accordance with the provisions set forth in Condition 17.

Each holder of New York law Covered Bonds will have the right, during the fifteen (15)-day period preceding the holding of each meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the meeting, all of which will be available for inspection by the relevant holders of New York law Covered Bonds at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the meeting.

The Issuer will pay all expenses relating to the calling and holding of meetings and, more generally, all administrative expenses resolved upon by the meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the New York law Covered Bonds.

The Agency Agreement provides that a resolution in writing signed by or on behalf of all the holders of New York law Covered Bonds who for the time being are entitled to receive notice of a meeting in accordance with the provisions herein contained shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of such Bondholders duly convened and held in accordance with the provisions herein contained. Such resolution in writing 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. These Conditions may be amended, modified or varied in relation to any Series of New York law Covered Bonds by the terms of the relevant Final Terms in relation to such Series.

**(b) French law Covered Bonds**

In respect of the representation of Bondholders, the following shall apply:

- (i) If the relevant Final Terms specifies "Full Masse", 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**") and the provisions of the French Commercial Code (*Code de commerce*) relating to the *masse* shall apply subject to the below provisions of this Condition 12(b)(i).

Subject to the provisions of the relevant Final Terms, the names and addresses of the initial representative (the "**Representative**") of the Masse and its alternate as well as its remuneration will be as set out in Condition 12(b)(ii) below.

In the event of death, retirement or revocation of appointment of the initial Representative, such Representative will be replaced by its alternate. In the event of death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the general meeting of the Bondholders (the "**General Meeting**").

In accordance with Article R.228-71 of the French Commercial Code (*Code de commerce*), the right of each Bondholder to participate in General Meetings will be evidenced by the entries in

the books of the relevant Bondholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting.

The place where a General Meeting shall be held will be set out in the notice convening such General Meeting; or

- (ii) If the relevant Final Terms specify "Contractual Masse", the Bondholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a Masse which will be subject to the provisions of this Condition 12(b)(ii) below.

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

1) **Legal Personality**

The Masse will be a separate legal entity and will act in part through the Representative and in part through the "General Meeting.

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

2) **Representative**

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

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

Subject to the provisions of the relevant Final Terms, the Representative appointed in respect of the first Tranche of the first Series of French law Covered Bonds will be M. Bertrand Delaitre, domiciled at CACEIS, 1-3 Place Valhubert, 75013 Paris, France.

The Representative appointed in respect of the first Tranche of any Series of French law Covered Bonds will be the Representative of the single Masse of all Tranches in such Series. The Representative appointed in respect of each Series of French law Covered Bonds will be the Representative in respect of the first Tranche of the first Series of French law Covered Bonds.

Subject to the provisions of the relevant Final Terms, the alternative representative shall be Mrs. Evelyne Lefort, domiciled at CACEIS, 1-3 Place Valhubert, 75013 Paris, France.



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

Subject to the provisions of the relevant Final Terms, the Issuer shall pay to the Representative an amount of Euro 1,000 per year so long as any of the French law Covered Bonds is Outstanding. The alternative representative will only become entitled to the annual remuneration of Euro 1,000 if it exercises the duties of Representative on a permanent basis; such remuneration will accrue from the day on which it assumes such duties .

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

### 3) **Powers of Representative**

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

All legal proceedings against the Bondholders or initiated by them must be brought by or against the Representative except that, should safeguard procedure (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings be commenced against the Issuer, the Specific Controller would file the proof of debt of all creditors (including the holders of the Covered Bonds) of the Issuer benefiting from the *Privilège* pursuant to paragraph 1 of Article L. 515-31 of the French Monetary and Financial Code (*Code monétaire et financier*).

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

### 4) **General Meeting**

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

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

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

### 5) **Powers of the General Meetings**

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

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

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

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

**6) Information to Bondholders**

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

**7) Expenses**

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

**8) Single Masse**

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

For the avoidance of doubt, in this Condition 12, the expression "outstanding" shall not include the Notes subscribed or purchased by the Issuer in accordance with Article L.213-1 A of the French Monetary and Financial Code which are held by the Issuer and not cancelled.

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

If, in the case of any New York law Covered Bonds or Materialised Covered Bonds, a Certificate, Definitive Materialised Covered Bond, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market regulations, at the specified office of the Fiscal Agent and in the case of New York law Covered Bonds, of the Registrar, or in each case, 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 accordance with Condition 17, 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 Certificate, Definitive Materialised Covered

Bond, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Certificates, Definitive Materialised Covered Bonds, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Certificates, Materialised Covered Bonds, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

#### 14. **Limited recourse, Non-petition**

##### *Limited recourse*

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

- (a) not to seek recourse under any obligation, covenant or agreement of the Issuer under the Covered Bonds and these Conditions against any shareholder, member of the board of directors (*conseil d'administration*), managing director (*directeur général*) 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 be attached to, or be incurred by, any shareholder, member of the board of directors (*conseil d'administration*), managing director (*directeur général*) or agent 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*), managing director (*directeur général*) 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 relevant 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. 515-19 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. 515-19 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. 515-37 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 Program Documents.

#### *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 Program, 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.

Despite the fact that the Issuer is almost entirely owned by Crédit Agricole S.A., pursuant to the provisions of Article L. 515-27 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 Agricole S.A., in its capacity as shareholder of the Issuer, shall not be extended to the Issuer.

## **15. Priority Payment Orders**

Any and all sums due by the Issuer under the Program (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 the section "**Cash Flow**" of the 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 the Base Prospectus.

## **16. Further Issues and Consolidation**

### **(a) Further Issues**

The relevant Final Terms, the Issuer may from time to time without the consent of the Bondholders, Receiptholders or Couponholders create and issue further Covered Bonds to be consolidated (*assimilées* for the purposes of French law) 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 as specified in the relevant Final Terms) and that the terms of such Covered Bonds provide for such consolidation, and references in these Conditions to "**Covered Bonds**" shall be construed accordingly provided that in order for any such further Covered Bonds to be consolidated and bear the same identification number as the New York law Covered Bonds, any such further Covered Bonds must be fungible with the New York law Covered Bonds for U.S. federal income tax purposes.

**(b) Consolidation**

The Issuer, with the prior approval of the Fiscal Agent (which shall not be unreasonably withheld), may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than thirty (30) days' prior notice to the Bondholders in accordance with Condition 17, without the consent of the Bondholders, Receiptholders or Couponholders, consolidate the Covered Bonds of one (1) Series denominated in Euro with the Covered Bonds of one (1) or more other Series issued by it, whether or not originally issued in one (1) of the European national currencies or in Euro, provided such other Covered Bonds have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Covered Bonds, provided that in order for further Covered Bonds to be consolidated and be at the same identification number as the New York law Covered Bonds, any such further Covered Bonds must be fungible with the New York law Covered Bonds for U.S. federal income tax purposes.

**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<sup>th</sup>) weekday (being a day other than a Saturday or a Sunday) after the mailing, or at the option of the Issuer (ii) they are published in a leading daily financial newspaper of general circulation in Europe (which is expected to be the *Financial Times*) provided that, so long as such Covered Bonds are admitted to trading on any Regulated Market and the applicable rules of such Regulated Market so require, notices will only be deemed to be valid if they are published on the website of any relevant regulatory authority, in a leading daily financial newspaper with general circulation in the city/ies where the Regulated Market on which such Covered Bonds are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos*, or as otherwise required by the rules applicable to that Regulated Market, as the case may be.
- (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 financial newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and, so long as such Covered Bonds are admitted to trading on any Regulated Market and the applicable rules of such Regulated Market so require, in a leading daily financial newspaper with general circulation in the city/ies where the Regulated Market on which such Covered Bonds are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos*, or as otherwise required by the rules applicable to that Regulated Market, as the case may be.
- (c)** Notices required to be given to the holders of Dematerialised Covered Bonds (whether in registered or in bearer form) (*au porteur* or *au nominatif*) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Covered Bonds are for the time being cleared in substitution for the mailing and publication as required by Conditions 17(a) and (b), above; provided that (i) so long as such Covered Bonds are admitted to trading on any Regulated Market and the rules of that Regulated Market so require, notices shall also be published in a leading daily financial newspaper with general circulation in the city/ies where the Regulated Market on which such Covered Bonds are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos*, or as otherwise required by the rules applicable to that Regulated Market, as the case may be.
- (d)** Notices to the holders of New York law Covered Bonds shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. For New York law Covered Bond interests held by a Custodian on behalf of DTC, notice to holders shall be presumed to have been received upon delivery to DTC. In addition, so long as any New York law Covered Bonds are listed on any Regulated Market and the rules of that exchange so require, notices to the holders of such New York law Covered Bonds will be valid if placed in a daily newspaper with general circulation in the city/ies where the Regulated Market on which such Covered Bonds are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos*, or as otherwise required by the rules applicable to that Regulated Market, as the case may be.

- (e) If any such publication is not practicable, notice shall be validly given if published in another leading daily financial newspaper with general circulation in Europe, provided that so long as such Covered Bonds are admitted to trading on any Regulated Market, notices shall be published as otherwise required by the rules applicable to that Regulated Market, as the case may be. Any such notice 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.
- (f) Notices to be given by any Bondholder shall be in writing and given by lodging the same, together (in the case of any Covered Bonds in definitive form) with the relative Covered Bonds or Covered Bonds, with the Paying Agent (in the case of Materialised Covered Bonds) or the Registrar (in the case of New York law Covered Bonds).

## 18. Governing Law and Jurisdiction

### (a) New York law Covered Bonds

#### (i) *Governing Law*

The New York law Covered Bonds are governed by, and shall be construed in accordance with, New York law, except for the *Privilège*, which is governed by French law.

#### (ii) *Jurisdiction*

Any claim against the Issuer in connection with any New York law Covered Bonds may be instructed in any state or federal court in the Borough of Manhattan, New York and the Issuer will irrevocably submit to the non-exclusive jurisdiction of any such court in any such action. The Issuer has appointed CT Corporation as its agent upon whom process may be served in any action brought against the Issuer in any state or federal court in the Borough of Manhattan.

### (b) French law Covered Bonds

#### (i) *Governing Law*

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

#### (ii) *Jurisdiction*

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

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

Pursuant to Article L. 515-32-1 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer as *société de financement de l'habitat (SFH)* may subscribe to its own Covered Bonds (the "**Auto-held Covered Bonds**") 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 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) 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 (ACP)*.

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.

## TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF FRENCH LAW COVERED BONDS WHICH ARE 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 to a common depositary (the "**Common Depositary**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and for Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"). Upon the delivery of such Temporary Global Certificate with a Common Depositary, Euroclear and Clearstream, Luxembourg 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, Luxembourg 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, Luxembourg, 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):

- (a) 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
- (b) otherwise, in whole but not in part, upon certification as required under U.S. Treasury Regulation section 1.163-5 (c)(2)(i)(D)(3) or any successor regulation issued under the Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") containing rules identical to those 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 Bonds prior to the Exchange Date (as defined below) will be made only to the extent that the certification described in (b) above has been received by Euroclear and/or Clearstream, Luxembourg, and Euroclear and/or Clearstream, Luxembourg, 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 Bonds 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 in accordance with the terms hereunder (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). 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) days after its issue date, provided that in the event any further



Materialised Covered Bonds which are to be consolidated (*assimilables* for the purposes of French law) with such first mentioned Materialised Covered Bonds are issued prior to such day pursuant to Condition 3B, the Exchange Date may, at the option of the Issuer, be postponed to the day falling after the expiry of forty (40) 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) days (and that are not relying on the C Rules), the Temporary Global Certificate shall bear the following legend:

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

## BOOK ENTRY; DELIVERY AND FORM IN RESPECT OF NEW YORK LAW COVERED BONDS

### Summary of Provisions Relating to New York law Covered Bonds in Global Form

New York law Covered Bonds will be issued in the form of one or more fully registered global certificates ("**Global Certificates**") without interest coupons registered in the name of a nominee of DTC. Beneficial interests in the Global Certificates will be represented by Book-Entry Interests (as defined below) and are being offered and sold only (i) to Qualified Institutional Buyers, or QIBs, in reliance on Rule 144A under the Securities Act (the "**Rule 144A Covered Bonds**") or (ii) to persons other than U.S. persons (within the meaning of Regulation S under the Securities Act) in offshore transactions in reliance on Regulation S (the "**Regulation S Covered Bonds**"). The Regulation S Covered Bonds will be represented by one or more permanent unrestricted Global Certificates (the "**Unrestricted Global Certificates**"), and will be deposited with a custodian for, and registered in the name of Cede & Co., as nominee for DTC, for the accounts of its participants, including Euroclear and Clearstream, Luxembourg. Prior to the 40<sup>th</sup> day after the later of the commencement of the offering of the Covered Bonds and the date of the original issue of the Covered Bonds, any resale or other transfer of beneficial interests in an Unrestricted Global Certificate (the "**Regulation S Book-Entry Interests**") or a Restricted Global Certificate as defined below ("**Rule 144A Book-Entry Interests**" and, together with the Regulation S Book-Entry Interests, the "**Book-Entry Interests**") to U.S. persons shall not be permitted unless such resale or transfer is made pursuant to Rule 144A or Regulation S and in accordance with the certification requirements described below.

The Rule 144A Covered Bonds will initially be represented by one or more restricted Global Certificates (the "**Restricted Global Certificates**"), with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by the Terms and Conditions and the Agency Agreement and such legends as may be applicable thereto, and will be deposited with a custodian for, and registered in the name of Cede & Co., as nominee for DTC duly executed by the Issuer and authenticated by the New York Fiscal Agent, as Registrar, as provided in the Agency Agreement. Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of Rule 144A Book-Entry Interests during the 40-day period commencing on the later of the closing date and the date of commencement of the distribution of the Covered Bonds (the "**distribution compliance period**") only if such transfer occurs in connection with a transfer of Covered Bonds pursuant to Rule 144A and only upon receipt by the New York Fiscal Agent, as Registrar, of written certifications (in the form or forms provided in the Agency Agreement) to the effect that the Covered Bonds are being transferred to a person who the transferor reasonably believes is a QIB within the meaning of Rule 144A under the Securities Act, purchasing the Covered Bonds for its own account or the account of a QIB in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the United States and other jurisdictions. Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of Regulation S Book-Entry Interests only upon receipt by the Fiscal Agent, as Registrar, of written certifications from the transferor (in the form or forms provided in the Fiscal Agency Agreement) to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S.

Any Book-Entry Interest in one of the Global Certificates that is transferred to a person who takes delivery in the form of an interest in another Global Certificate will, upon transfer, cease to be an interest in such first Global Certificate and become an interest in the other Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Certificate for as long as it remains such an interest.

Each Global Certificate (and any Certificates issued in exchange therefor) will be subject to certain restrictions on transfer set forth therein and as described under "**Transfer Restrictions**". Except in the limited circumstances described below under "**Summary of Provisions Relating to Certificated Covered Bonds**", owners of Book-Entry Interests will not be entitled to receive physical delivery of certificated Covered Bonds.

Ownership of Book-Entry Interests will be limited to persons who have accounts with DTC, or participants, or persons who hold interests through participants. Ownership of Book-Entry Interests will be shown on, and the transfer of that ownership will be effected only through records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). Qualified Institutional Buyers may hold their Rule 144A Book-Entry Interests directly through DTC if they are participants in such system, or indirectly through organizations which are participants in such system.

Investors may hold their Regulation S Book-Entry Interests directly through Euroclear or Clearstream, Luxembourg, if they are participants in such systems, or indirectly through organizations that are participants in such systems, Euroclear and Clearstream, Luxembourg will hold Regulation S Book-Entry Interests on behalf of their participants through DTC.

So long as DTC, or its nominee, is the registered owner or holder of a Global Certificate, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Covered Bonds represented by such Global Certificate for all purposes under the Agency Agreement and the Terms and Conditions. No beneficial owner of a Book-Entry Interest will be able to transfer that interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Agency Agreement and, if applicable, those of Euroclear and Clearstream, Luxembourg.

Conveyance of notices and other communications by DTC to its participants, by those participants to its indirect participants, and by participants and indirect participants to beneficial owners of Book-Entry Interests will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The New York Fiscal Agent will send any notices in respect of the Covered Bonds held in book-entry form to DTC or its nominee.

Neither DTC nor its nominee will consent or vote with respect to the Covered Bonds unless authorized by a participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy to the Issuer as soon as possible after the record date. The omnibus proxy assigns DTC's or its nominee's consenting or voting rights to those participants to whose account the Covered Bonds are credited on the record date.

Payments of the principal of, and interest on, a Global Certificate will be made to DTC or its nominee, as the case may be, as the registered owner thereof. Neither the Issuer nor the New York Fiscal Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of Book-Entry Interests or for maintaining, supervising and reviewing any records relating to such Book-Entry Interests.

The Issuer expects that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Certificate, will credit participants' accounts with payments in amounts proportionate to their respective Book-Entry Interests in the principal amount of such Global Certificate as shown on the records of DTC or its nominee. The Issuer also expects that payments of participants to owners of Book-Entry Interests in such Global Certificate held through such participants will be governed by standing instructions and customer practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream, Luxembourg will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Euroclear and Clearstream, Luxembourg participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant European depository; however, those cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in that system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the relevant European depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream, Luxembourg participants may not deliver instructions directly to the European depositories.

Because of time zone differences, credits of securities received in Euroclear or Clearstream, Luxembourg as a result of a transaction with a person that does not hold the Covered Bonds through Euroclear or Clearstream, Luxembourg will be made during subsequent securities settlement processing and dated the first (1<sup>st</sup>) day Euroclear or Clearstream, Luxembourg, as the case may be, is open for business following the DTC settlement date. Those credits or any transactions in those securities settled during that processing will be reported to the relevant Euroclear or Clearstream, Luxembourg participants on that business day. Cash received in Euroclear or

Clearstream, Luxembourg as a result of sales of securities by or through a Euroclear participant or a Clearstream, Luxembourg participant to a DTC participant will be received with value on the DTC settlement date, but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the first (1<sup>st</sup>) day Euroclear or Clearstream, Luxembourg, as the case may be, is open for business following settlement in DTC.

The Issuer expects that DTC will take any action permitted to be taken by a holder of Covered Bonds (including the presentation of Covered Bonds for exchange as described below) only at the direction of one or more participants to whose account the DTC interests in a Global Certificate are credited and only in respect of such portion of the aggregate principal amount of Covered Bonds as to which such participant or participants has or have given such direction. However, if there is an Issuer Event of Default under the Covered Bonds, DTC will exchange the applicable Global Certificate for certificated Covered Bonds, which it is distribute to its participants and which may be legended as set forth under the heading "**Transfer Restrictions**".

## **DTC**

DTC advises that it is a limited purpose trust company organized under The New York Banking Law, a "banking organization" within the meaning of The New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of The New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for its participants and facilitates the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly, or indirect participants.

## **Euroclear**

Euroclear holds securities and book-entry interests in securities for participating organizations and facilitates the clearance and settlement of securities transactions between Euroclear participants, and between Euroclear participants and participants of certain other securities intermediaries through electronic book-entry changes in accounts of such participants or other securities intermediaries. Euroclear provides Euroclear participants, among other things, with safekeeping, administration, clearance and settlement, securities lending and borrowing, and related services. Euroclear participants are investment banks, securities brokers and dealers, banks, central banks, supranationals, custodians, investment managers, corporations, trust companies and certain other organizations. Certain of the Dealers, or other financial entities involved in this offering, may be Euroclear participants. Non-participants in the Euroclear system may hold and transfer book-entry interests in the Global Certificates through accounts with a participant in the Euroclear system or any other securities intermediary that holds a book-entry interest in the securities through one or more securities intermediaries standing between such other securities intermediary and Euroclear.

Investors electing to acquire Covered Bonds in the offering through an account with Euroclear or some other securities intermediary must follow the settlement procedures of such intermediary with respect to the settlement of new issues of securities. Covered Bonds to be acquired against payment through an account with Euroclear will be credited to the securities clearance accounts of the respective Euroclear participants in the securities processing cycle for the first day Euroclear is open for business following the settlement date for value as of the settlement date.

Investors electing to acquire, hold or transfer Covered Bonds through an account with Euroclear or some other securities intermediary must following the settlement procedures of such intermediary with respect to the settlement of secondary market transactions in securities. Euroclear will not monitor or enforce any transfer restrictions with respect to the Covered Bonds. Investors that acquire, hold and transfer interests in the Covered Bonds by book-entry through accounts with Euroclear or any other securities intermediary are subject to the laws and contractual provisions governing their relationship with their intermediary, as well as the laws and contractual provisions governing the relationship between such intermediary and each other intermediary, if any, standing between themselves and the Global Certificates.

Euroclear has advised that, under Belgian law, investors that are credited with securities on the records of Euroclear have a co-property right in the fungible pool of interests in securities on deposit with Euroclear in an amount equal to the amount of interests in securities credited to their accounts. In the event of the insolvency of Euroclear, Euroclear participants would have a right under Belgian law to the return of the amount and type of

interests in securities credited to their accounts with Euroclear. If Euroclear did not have a sufficient amount of interests in securities on deposit of a particular type to cover the claims of all participants credited with such interests in securities on Euroclear's records, all participants having an amount of interests in securities of such type credited to their accounts with Euroclear would have the right under Belgian law to the return of their *pro rata* share of the amount of interests in securities actually on deposit. Under Belgian law, Euroclear is required to pass on the benefits of ownership in any interests in Global Certificates on deposit with it (such as dividends, voting rights and other entitlements) to any person credited with such interests in securities on its records. Distributions with respect to the Global Certificates held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Euroclear terms and conditions.

### **Clearstream, Luxembourg**

Clearstream, Luxembourg advises that it is incorporated under the laws of Luxembourg and licensed as a bank and professional depositary. Clearstream, Luxembourg holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions among its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg interfaces with domestic markets in several countries. Clearstream, Luxembourg has established an electronic bridge with the Euroclear operator to facilitate the settlement of trades between Clearstream, Luxembourg and Euroclear. As a registered bank in Luxembourg, Clearstream, Luxembourg is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. As a professional depositary, Clearstream, Luxembourg is subject to regulation by the Luxembourg Monetary Institute. Clearstream, Luxembourg participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. In the United States, Clearstream, Luxembourg participants are limited to securities brokers and dealers and banks, and may include the Dealers, or other financial entities involved in, this offering. Other institutions that maintain a custodial relationship with a Clearstream, Luxembourg participant may obtain indirect access to Clearstream, Luxembourg. Clearstream, Luxembourg is an indirect participant in DTC. Distributions with respect to Global Certificates held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream, Luxembourg participants in accordance with its rules and procedures.

Although DTC, Euroclear and Clearstream, Luxembourg are expected to following the foregoing procedures in order to facilitate transfers of interests in a global note among participants of DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Issuer nor the Fiscal Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their respective operations.

The information in this section concerning DTC, Euroclear and Clearstream, Luxembourg and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

### **Summary of Provisions Relating to Certificated Covered Bonds**

If DTC is at any time unwilling or unable to continue as a depositary for the Global Certificates and a successor depositary is not appointed by the Issuer within ninety (90) days, or if there shall have occurred and be continuing an Issuer Event of Default with respect to the Covered Bonds, the Issuer will issue certificated Covered Bonds in exchange for the Global Certificates. Certificated Covered Bonds delivered in exchange for Book-Entry Interests will be registered in the names, and issued in authorized denominations, requested by or on behalf of DTC or the successor depositary (in accordance with its customary procedures). Holders of Book-Entry Interests may receive certificated Covered Bonds, which may bear the legend referred to under "**Transfer Restrictions**", in accordance with DTC's rules and procedures in addition to those provided for under the Agency Agreement.

Except in the limited circumstances described above, owners of Book-Entry Interests will not be entitled to receive physical delivery of individual definitive certificates. The New York law Covered Bonds are not issuable in bearer form.

Transfers of interests in certificated Covered Bonds may be made only in accordance with the legend contained on the face of such Certificates, and the New York Fiscal Agent will not be required to accept for registration of

transfer any such Certificates except upon presentation of evidence satisfactory to the New York Fiscal Agent and the applicable Transfer Agent that such transfer is being made in compliance with such legend.

Payment of principal and interest in respect of the certificated Covered Bonds shall be payable at the office or agency of the Issuer in the City of New York which shall initially be at the corporate trust office of the New York Fiscal Agent.

## THE ISSUER

### General

The Issuer was incorporated on 30 April 2001 as a French *société anonyme*. Its term of existence is ninety-nine (99) years from the date of its incorporation. The Issuer was registered with the *Registre du Commerce et des Sociétés de Paris* under number 437 667 371 until 3 September 2012 when it was changed to the *Registre du Commerce et des Sociétés de Nanterre* under number 437 667 371. The Issuer adopted the name "Crédit Agricole Covered Bonds" on 7 November 2007 which was changed to "Crédit Agricole Home Loan SFH" on 12 April 2011 concurrently with the adoption of the status of *société de financement de l'habitat*.

From the date of its incorporation and until 29 July 2008, the Issuer was a dormant entity owned (indirectly and thereafter directly) by Crédit Agricole S.A. holding only some securities issued by French UCITS corresponding to the investment of its own funds. On July 2008, the Issuer established a program for the issue of contractual covered bonds. As a result of the Issuer's adoption of the status of *société de financement de l'habitat*, such contractual covered bonds automatically benefit from the *Privilège* from 12 April 2011 onward.

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 is a special purpose entity, with separate legal capacity and existence, which was licensed by the French banking regulator (the *Autorité de contrôle prudentiel (ACP)*) as a credit institution (*établissement de crédit*), with the status of a financial company (*société financière*) and with limited and exclusive purpose, on 13 November 2007.

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 (SFH)*", 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 (SFH)*. On 28 March 2011, the Issuer was granted the right to adopt the status of *société de financement de l'habitat (SFH)* by the *Autorité de contrôle prudentiel (ACP)*, which it exercised on 12 April 2011. As a consequence, the Issuer is now governed by the SFH legal Framework as described below. See "**The SFH legal Framework**".

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.

Therefore, in compliance with its license as *société de financement de l'habitat* but subject to the limitations set forth in its by-laws (*statuts*), the Issuer may:

- (a) grant or finance home loans (*prêts à l'habitat*) and hold eligible securities and instruments;
- (b) grant to any credit institutions (including Crédit Agricole S.A.) loans guaranteed by the remittance, the transfer or the pledge of the receivables arising from home loans;
- (c) acquire promissory notes issued by credit institutions which represent receivables arising from home loans;
- (d) issue *obligations de financement de l'habitat* (such as the Covered Bonds) and raise other sources of financing which benefit from the *Privilège* in order to finance these assets;
- (e) issue ordinary bonds or raise other sources of financing which do not benefit from the *Privilège* (such as the subordinated shareholder's loan from Crédit Agricole S.A., London branch. See "**Issuer Share Capital, Subordinated Loan and Issuer Majority Shareholder's undertakings**"), including promissory notes (*billets à ordre*) which represent receivables arising from home loans;
- (f) carry out temporary transfers of securities, pledge a securities account and pledge or transfer all or part of the receivables held by it 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 defined in Article L. 515-19 of the French Monetary and Financial Code (*assiette du Privilège*) and are not taken into account for the calculation of the Overcollateralisation Ratio;

- (g) in order to hedge its 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 its assets, liabilities and off balance sheet exposures, use derivative instruments as defined in Article L. 211-1 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*.

The Issuer may not hold equity participations or other forms of equity interest issued by other companies.

The Issuer's registered office and principal place of business is located at 12 place des Etats-Unis, 92120 Montrouge, France since 1 July 2012. The telephone number of the Issuer's registered office is: + 33 1 43 23 48 68. Until 1 July 2012 the previous registered office of the Issuer was located 91-93 boulevard Pasteur, 75015 Paris, France.

As of 1 July 2013, the outstanding amount of the covered bonds issued by the Issuer is €25,306 million net principal amount, as compared to €26,610 million net principal amount, on 31 December 2012. Such covered bonds are scheduled to mature no later than July 2033.

### Issuer's Activities

The sole activity of the Issuer is to issue Covered Bonds from time to time that benefit from the *Privilège*, as described in this Base Prospectus, and to use the proceeds thereof to fund advances (each, a "**Borrower Advance**"), as lender (in such capacity the "**Lender**"), to Crédit Agricole S.A., as borrower (in such capacity, the "**Borrower**") under a credit facility agreement (the "**Borrower Facility Agreement**"). See "**The Borrower and the Borrower Facility Agreement**".

The following is a brief summary of certain material elements of the structure of the Program and parties only and should be read in conjunction with the rest of this Base Prospectus.

The Borrower Advances are made available to the Borrower for the purpose of enabling it to finance its general financial needs, including enabling the Borrower to make advances to its regional banks and its subsidiaries, as Collateral Providers, in accordance with the terms and conditions of the Collateral Security Agreement. Pursuant to the Collateral Security Agreement, the Collateral Providers grant "Eligible Assets" as Collateral Security for the benefit of the Lender in order to secure, as they become due and payable, the payment of all amounts owed by the Borrower under the Borrower Facility Agreement. See "**The Collateral Security**".

Pursuant to the Collateral Security Agreement, the Collateral Providers and Crédit Agricole S.A., as Collateral Providers' Agent, are required to monitor the Collateral Security Assets to ensure compliance with an Asset Cover Test and a Minimum Overcollateralisation Ratio, as such terms are defined herein under "**Asset Monitoring**". In addition, Crédit Agricole S.A., as Cash Collateral Provider, is required to fund a Cash Collateral Account up to an amount determined in accordance with the provisions of the Cash Collateral Agreement. See "**Asset Monitoring**".

The terms and conditions regarding the calculation and payment of principal and interest under a Borrower Advance mirror the equivalent terms and conditions of the Covered Bonds funding such Borrower Advance. Consequently, the Issuer is not exposed to any risk of an interest rate or current mismatch arising between the payments received on the Borrower Advances and the payments to be made under the Covered Bonds. Therefore, absent a Borrower Event of Default, the Issuer has no need to enter into effective hedging transactions.

### *The Borrower*

See section below entitled "The Borrower and the Borrower Facility Agreement – General information relating to Crédit Agricole S.A."



### *Eligible Assets*

An Eligible Asset under the Collateral Security Agreement means any Home Loan Receivable that complies (or whose underlying Home Loan complies) with the Home Loan Eligibility Criteria (each such terms being defined in the Collateral Security Agreement) and with the requirements of the SFH legal Framework. See "**The Collateral Security**". All of the Home Loan Receivables granted by the Collateral Providers as Collateral Security are originated directly by the Regional Banks or LCL, throughout all regions of France.

As of 30 June 2013, Collateral Security Assets totalled €38.7 billion, and consisted of 923,265 loans with an average loan balance of €41,938, a weighted average loan to value ratio of 61.41% (55.40% indexed), an average seasoning of 78 months and a weighted average remaining term of 162 months.

As of 30 June 2013, approximately 82.8% of the Home Loans (in value) underlying the Collateral Security Assets were owner occupied home loans, and the remainder were non-owner occupied (buy to let) and vacation or second home loans. Of these loans, approximately 86.0% were fixed rate loans and 14.0% were floating rate loans with caps. The Home Loans underlying the Collateral Security Assets at such date include mortgage loans with a mortgage lien (64.6%) (13.0% of which bear an additional guarantee of the French State), a guarantee by Crédit Logement (24.0%), an independent mortgage guarantee company licensed as a French credit institution, or a home-loan guarantee by CAMCA Assurance ("**CAMCA**") (11.4%), a *société anonyme* incorporated under the laws of Luxembourg which belongs to the Crédit Agricole Group. See "**Origination of the Home Loans**".

Further information concerning the Home Loan Receivables granted as Collateral Security is not included herein as it is expected that the constitution of the Collateral Security will change on a monthly basis due to, among other things, the Collateral Providers granting security over different, additional and/or new Collateral Security Assets or new Collateral Providers acceding to the Program. Each Home Loan Receivable (or the underlying Home Loan), however, will be required to meet the applicable eligibility criteria (as described below under "**The Collateral Security – The Collateral Security Agreement – Eligible Assets - Home Loan Eligibility Criteria**") and the requirements of the SFH legal Framework.

### *Special purpose entity and restrictions on object and powers*

The Issuer's objects and powers are restricted to those activities necessary to carry out its obligations under the Program Documents.

The Issuer does not have and will not have any employees, nor will it own or lease any premises. The management of its operations is, and will be, entrusted to another credit institution or credit institutions in accordance with the provisions of Article L. 515-22 of the French Monetary and Financial Code (*Code monétaire et financier*). On the Program Date, the management of the administrative operations of the Issuer is carried out by Crédit Agricole S.A. in its capacity as Administrator in accordance with the Administrative Agreement and the risk management of the Issuer is carried out by the relevant departments of Crédit Agricole S.A. in accordance with the provisions of the *Convention d'externalisation et de prestations de services* entered into between the Issuer and Crédit Agricole S.A.

The Issuer will undertake pursuant to the Administrative Agreement and its by-laws not to engage in unrelated business activities or incur any material liabilities other than those contemplated in the Program Documents.

### *Limitations on indebtedness*

Pursuant to the Conditions, the Issuer is restricted from incurring additional indebtedness (other than as contemplated by the Program Documents) unless:

- (a) such indebtedness is fully subordinated to any amounts (whether privileged or not privileged) incurred in relation to Covered Bonds; or
- (b) prior Rating Affirmation has been delivered in relation to such indebtedness.

### *Limited recourse*

Each party to any Program Document will agree:

- (a) not to seek recourse under any obligation, covenant or agreement of the Issuer under any Program Document against any shareholder, member of the board of directors (*conseil d'administration*), managing director (*directeur général*) 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 Program Document is a corporate obligation of the Issuer, and that no personal liability shall be attached to, or be incurred by, any shareholder, member of the board of directors (*conseil d'administration*), managing director (*directeur général*) or agent 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 Program Document or implied therein and to waive any and all personal liability of every such shareholder, member of the board of directors (*conseil d'administration*), managing director (*directeur général*) or agent of the Issuer for breaches by the Issuer of any of its obligations, covenants or agreements under any Program Document;
- (b) to limit its recourse against the Issuer under any Program Document to amounts payable or expressed to be payable to it by the Issuer on, under or in respect of its obligations and liabilities under any Program 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 Program Document) 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 any Program 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 Program 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. 515-19 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. 515-19 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. 515-37 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 Program Documents.

#### *Non-petition*

Each party to any Program 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 Program, 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 Program 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 Program Document and the payment of all sums owing under any such Program Document.

#### *No risk of Issuer consolidation upon insolvency of the Group*

The Issuer is a ring-fenced, bankruptcy remote entity. Pursuant to the provisions of Article L. 515-27 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 Agricole S.A., 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.

### **The SFH legal Framework**

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. 515-14, L. 515-16, L. 515-17 to L. 515-32-1 and L. 515-34 to L. 515-39 of the French Monetary and Financial Code, such application resulting from enactment of Law no. 2010-1249 dated 22 October 2010 on banking and financial regulation;
- Articles R. 515-2, R. 515-4, R. 515-5, R. 515-7 to R. 515-11, R. 515-12 to R. 515-14 and R. 515-15 to R. 515-17 of the French Monetary and Financial Code, such application resulting from enactment of Decree no. 2011-205 dated 23 February 2011; and
- Regulation (*règlement*) no. 99-10 dated 9 July 1999, as amended, issued by the *Comité de la Réglementation Bancaire et Financière* (Banking and Financial Regulation Committee).

The below description of the SFH legal Framework is mainly based on the above provisions, it does not supersede them and, should the need for interpretation arises, such interpretation would be based only on the French legal and regulatory provisions.

#### *Legislation relating to sociétés de financement de l'habitat*

Pursuant to Articles L. 515-34 to L. 515-36 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de financement de l'habitat* (SFH) may (i) grant or finance home loans (*prêts à l'habitat*) and hold eligible securities and instruments, (ii) grant to any credit institution loans guaranteed by the remittance, the transfer or the pledge of the receivables arising from home loans, (iii) acquire promissory notes issued by credit institutions which represent receivables arising from home loans and (iv) issue *obligations de financement de l'habitat* (or incur other forms of borrowings benefiting from the *Privilège*) in order to finance these assets.

*Sociétés de financement de l'habitat* (SFH) may also issue ordinary bonds or raise other sources of financing which do not benefit from the *Privilège*, including promissory notes (*billets à ordre*) which represent receivables arising from home loans.

*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. 515-19 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*). 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* may not hold equity participations or other forms of equity interest issued by other companies.

In addition:

- in accordance with Article L. 515-37 of the French Monetary and Financial Code (*Code monétaire et financier*), the provisions of Article L. 632-2 of the French Commercial Code (*nullités facultatives de la période suspecte*) shall not apply to payments made by the Issuer in application of the Program Documents;
- 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 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; 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*.

#### *SFH 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. 515-5 of the French Monetary and Financial Code (*Code monétaire et financier*), or that are guaranteed by a credit institution 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 benefiting from the highest level of credit quality (*meilleur échelon de qualité de crédit*) given by an external rating agency recognised by the *Autorité de contrôle prudentiel* (ACP) 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 vehicles governed by the laws of a Member State of the European Union or the EEA (or governed by the laws of the United States, Switzerland, Japan, Canada, Australia or New Zealand if their assets do not include home loans referred to in Article L. 515-14 of the French Monetary and Financial Code (*Code monétaire et financier*)) if (i) their assets comprise at least ninety per cent. (90%) of home loans referred to in (i) above or other receivables benefiting from the same level of guarantees (within the meaning of Article R. 515-5 of the French Monetary and Financial Code (*Code monétaire et financier*); and (ii) such units or notes benefit from the highest level of credit assessment (*meilleur échelon de qualité de crédit*) assigned by an external rating agency recognised by the French *Autorité de contrôle prudentiel*

pursuant to Article L. 511-44 of the French Monetary and Financial Code (*Code monétaire et financier*), provided that, in accordance with Article R. 515-4 of the French Monetary and Financial Code (*Code monétaire et financier*), the total amount of units or notes issued by *organismes de titrisation* or other similar vehicles that the Issuer is holding does not exceed ten per cent. (10%) of the total outstanding nominal amount of its privileged liabilities;

- (iv) promissory note (*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 until enforcement of the Collateral Security following the occurrence of a Borrower Event of Default. After such enforcement, the eligible assets are comprised of the Borrower Advances and the Home Loan Receivables which are receivables arising from home loans referred to in (i) above.

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. In particular, the Issuer may acquire any such assets in the future in a view to grant such assets as collateral with the *Banque de France* in accordance with the rules of the Eurosystem.

The *sociétés de financement de l'habitat* (SFH) 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. 515-7 and R. 515-16 of the French Monetary and Financial Code (*Code monétaire et financier*). Such assets (the "**Legal Substitution Assets**") include:

- (i) debts due or guaranteed by credit institutions or investment companies benefiting from the highest level of credit quality (*meilleur échelon de qualité de crédit*) established by an external rating agency recognized by the *Autorité de contrôle prudentiel* (ACP) meaning the following ratings: AAA to AA- for Fitch, Aaa to Aa3 for Moody's or AAA to AA- for S&P;
- (ii) debt with a maturity of less than one hundred (100) days due or guaranteed by credit institutions or investment companies of a Member State of the European Union or the EEA benefiting from the second highest level of credit quality (*second meilleur échelon de qualité de crédit*) established by an external rating agency recognized by the *Autorité de contrôle prudentiel* (ACP), meaning the following ratings: A+ to A- for Fitch, A1 to A3 for Moody's or A+ to A- for S&P; and
- (iii) debt securities (*titres de créances*) issued or guaranteed by public sector entities referred to in paragraph I, 1 to 5, of Article L. 515-15 of the French Monetary and Financial Code (*Code monétaire et financier*).

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*. See "**Asset Monitoring - The Maximum Legal Substitution Assets Percentage**".

Pursuant to Article R. 515-14 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 Regulation (*règlement*) no. 99-10 dated 9 July 1999, as amended, issued by the *Comité de la Réglementation Bancaire et Financière* (Banking and Financial Regulation Committee), *sociétés de financement de l'habitat* must send to the *Autorité de contrôle prudentiel* information relating to the quality of the assets they are financing. This report is published within forty-five (45) 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) days of the end of each quarter. The Issuer will comply with all the foregoing regulations.

### *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 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 covered bonds and other privileged debt.

The principal and interest of the Covered Bonds will benefit from the *privilège* (statutory priority in right of payment) created by Article L. 515-19 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*) on insolvency proceedings), pursuant to Article L. 515-19 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. 515-14 to L. 515-17 and L. 515-35 of the French Monetary and Financial Code (*Code monétaire et financier*) and forward financial instruments referred to in Article L. 515-18 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 (*liquidation judiciaire*) of the Issuer will not result in the *obligations de financement de l'habitat* (such as the Covered Bonds) and the other debts benefiting from the *Privilège* becoming due and payable.

With respect to the Issuer, the liabilities benefiting from the *Privilège* comprise the Hedging Costs, amounts due under the Covered Bonds, the Hedging Termination Costs, amounts due to the Cash Collateral Provider under the Cash Collateral Agreement and certain amounts of fees and expenses due to the Administrator under the Administrative Agreement.

### *Overcollateralisation ratio*

Pursuant to Articles L. 515-20 and R. 515-7-2 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 between its eligible assets (including so-called substitution assets (*valeurs de remplacement*)) and its liabilities benefiting from the *Privilège* of at least one hundred and two per cent (102%). See "**Asset Monitoring – The Minimum Overcollateralisation Ratio**".

*Société de financement de l'habitat* must submit their Overcollateralisation Ratio to the *Autorité de contrôle prudentiel (ACP)* on 30 June and 31 December of each year.

### *Liquidity needs*

Pursuant to Articles L. 515-17-1 and R. 515-7-1 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) days, by acquiring so-called substitution assets (*valeurs de remplacement*) or other eligible assets to be granted as collateral with the *Banque de France* in accordance with the rules of the Eurosystem, or by entering into refinancing agreements with credit institutions benefiting from

the highest level of short term credit quality (*meilleur échelon de qualité de crédit à court terme*) established by an external rating agency recognized by the *Autorité de contrôle prudentiel (ACP)* or guaranteed by other legal entities benefiting from the same level of short term credit quality.

*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. 515-32-1 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) 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 (ACP)*.

### **Issuer Risk Management**

Pursuant to the terms of the Administrative Agreement (see below section "**The Administrative Agreement**") and of the *Convention d'Externalisation et de Prestations de Services*, the risk management of the Issuer is delegated to Crédit Agricole S.A.

#### *Ongoing and periodic internal control system*

The Issuer has set up ongoing internal and periodic control systems, in accordance with the *Règlement 97-02* of the French *Comité de la Réglementation Bancaire et Financière* (the "**Règlement**") relating to the internal control of credit institutions and investment companies. Ongoing internal and periodic control systems of the Issuer are those of Crédit Agricole S.A. and take into account the Issuer's legal form and the fact that the Issuer does not have its own means or employees.

#### *Ongoing internal control system (contrôle permanent)*

In accordance with Article 7-5 of the *Règlement*, the ongoing internal control (*contrôle interne permanent*) of the Issuer is under the responsibility of Mrs. Nadine Fedon as Managing Director of the Issuer, the implementation of it being entrusted to Mr. Hubert Reynier in his capacity of Group Head of Risks and Ongoing Control (*Responsable risques et contrôles permanents Groupe*) of Crédit Agricole S.A. In accordance with Article 6 a) of the *Règlement*, the ongoing internal control (*contrôle interne permanent*) implemented on behalf of the Issuer is organised as follows:

- First degree control: all of the departments of Crédit Agricole S.A. involved in the operation of the Issuer, in particular mobilisation and supervision of the Collateral Security Assets, front-office, back-office, accounting reporting and accountancy, are responsible for the performance of first level control.

- Second degree control: since 3 January 2012, the entites responsible for 2<sup>nd</sup> degree level 1 control (formerly the department “Piloting and Transversal Projects” within the Direction of Financial Management of Crédit Agricole S.A.) and 2<sup>nd</sup> degree level 2 control (formerly the department “Risk management of the Direction of Financial Management” within the Direction of Financial Risks and Accounting Controls of Crédit Agricole S.A.) have been united in a single team under the newly created Head of Risks and Ongoing Control of the Direction of Financial Management. The new unit is functionally linked to the Direction of Financial Management and hierarchically submitted to the Direction of Financial Risks and Accounting Controls within the Group Head of Risks and Ongoing Control of Crédit Agricole S.A. It supervises the quality of the ongoing control mechanism within the Issuer and is responsible for informing the review bodies of the Group of the lessons to be learned from such controls, as well as for the implementation and performance of corrective action plans. It performs a consolidated 2<sup>nd</sup> degree control via the process of risk consolidation of the Issuer.

The risks relating to activity are mapped and analysed, in order to identify the risks, to implement the most adequate controls with respect to the identified risks and to organise the communication of the results of the controls.

In accordance with Article 7-1 of the *Règlement*, the departments of Crédit Agricole S.A. in charge of the engagement of the operations are separated from the departments in charge of their approval, their settlement and the monitoring of risks.

#### *Periodic Internal Control system (contrôle périodique)*

In accordance with the *Règlement*, the periodic internal control system (*contrôle périodique*) of the activities of the Issuer is under the responsibility of Mrs. Nadine Fedon as Managing Director of the Issuer. This periodic internal control system is the periodic internal control system implemented within the Crédit Agricole Group, under the responsibility of Mr. Michel Le Masson. Within the framework of the regulatory requirements defined by the *Règlement*, the periodic internal control of specialized business lines of the Group is carried out with specialized auditors.

The audit duties are carried out by dedicated teams, in accordance with formalised methodologies and with an annual plan which has been validated by the general direction of Crédit Agricole S.A., under the terms of the *Règlement*. This audit plan is part of a multi-annual cycle, aiming to achieve regular audit as frequently as possible, of all of the activities and entities of the internal control perimeter.

The purpose of the duties carried out by the General Inspection of the Crédit Agricole S.A. Group is to ensure compliance with external and internal rules, to deliver a diagnostic of the level of risk management (identification, recording, supervision, hedging) as well as the level of security of the transactions and, finally, to assess the quality and the efficiency of the working methods. For each of the recommendations expressed as a result of the performance of these duties, the mechanism allows for the development of programmed corrective actions which are implemented in accordance with a specific schedule, depending on their level of priority.

#### *Compliance Control*

In accordance with Article 11 of the *Règlement*, the compliance control of the activities of the Issuer is under the responsibility of Mrs. Nadine Fedon as Managing Director of the Issuer and has been entrusted to Mr. Olivier Guilhamon. The person in charge of the compliance controls within the Issuer informs the board of directors of the Issuer of the conclusions of its missions.

#### *Accounting*

The general accounting, as well as the consolidation of periodical financial statements and regulatory statements are carried out by Crédit Agricole S.A. or any substituted entity of the Group for which Crédit Agricole S.A. will remain responsible.

#### *Internal control reporting*

The board of directors of the Issuer reviews the report on internal control drawn up once a year in accordance with Article 42 of the *Règlement*.



### *Procedures handbook*

A procedures handbook notably sets out the conditions under which the recording, management, administration and reporting of the information are performed as well as the accounting schemes and commitment procedures of the transactions.

### *Internal control documentation*

Documentation on periodic and ongoing internal controls is prepared in order to be made available, upon request, to the board of directors of the Issuer, the auditors of the Issuer and the *Autorité de contrôle prudentiel (ACP)*.

Based upon the information collected in the exercise of their mission, and further information provided by the Issuer, the persons who are responsible for the internal control of the Issuer are required to submit to the Issuer, once a year, a report on internal controls in accordance with Article L. 225-37 of the French Commercial Code (*Code de commerce*).

On the basis of the information collected by the persons in charge of the Group internal control in the exercise of their mission, and on further information provided by the Issuer, a report on internal control in accordance with Article 42 of the *Règlement* is required to be prepared once a year and submitted for approval to the board of directors of the Issuer.

On the basis of the information collected by the persons in charge of the Group internal control in the exercise of their mission, and on further information provided by the Issuer, a report on the assessment and monitoring of risks to which the Issuer is exposed, in accordance with Article 43 of the *Règlement*, is required to be prepared once a year.

### *Duty of care on money laundering transactions*

The entities of the Group have a duty of care with respect to money-laundering risks and are required to inform the Issuer in the event they identify any such risk.

The Issuer benefits from the anti-money laundering procedures of the Group.

The TRACFIN representative in charge of performing the above mentioned tasks is the TRACFIN representative within the Group.

## **Issuer Financial Elements**

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

### *Prudential ratios*

The Issuer's prudential ratios are assessed at the Group level, at Crédit Agricole S.A.'s level, and at the Issuer level (see *Expected capital adequacy ratio* below).

### *Expected capital adequacy ratio*

The Issuer's expected capital adequacy ratios for any period are 5.5% for Tier 1 (including 4% for Core Tier 1) and 8% total.

The information provided in this paragraph "Expected capital adequacy ratio" is forward-looking and reflects the current expectations of the Issuer with respect to future events and financial performance. These forward-looking statements reflect present expectations of future events and speak only as of the date of this Base Prospectus. The Issuer does not intend to release publicly any updates or revisions to any forward-looking statements contained in this paragraph "Expected capital adequacy ratio" to reflect any change in the Issuer's expectations or any change in events, conditions or circumstances, on which such forward-looking statements are based.

## Issuer Share Capital, Subordinated Loan and Issuer Majority Shareholder's undertakings

### *Share capital*

As of 31 December 2012, the Issuer's issued share capital (the "**Issuer Share Capital**") was €550,000,000, made up of 55,000,000 ordinary shares with a par value of €10 each.

On the date of this Base Prospectus, one hundred per cent. (100%) of the Issuer Share Capital is held by Crédit Agricole S.A., save for twelve (12) shares which are held by the Directors of the Issuer.

The Issuer 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 (1) 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 by-laws 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 Loan*

On or before the Closing Date, the Issuer also benefits from a subordinated shareholder's loan granted by Crédit Agricole S.A., London branch (the "**Subordinated Loan**"), the amount of which is €30,000,000 as of the date of this Base Prospectus.

The Subordinated Loan agreement provides 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 Terms and Conditions.

The Subordinated Loan agreement includes "Limited recourse" and "Non-petition" provisions, as described in "**The Issuer - Issuer's Activities – Limited Recourse**" and "**The Issuer - Issuer's Activities - Non-petition**".

No amendment, modification, alteration or supplement may be made to the Subordinated Loan agreement without prior Rating Affirmation if the same materially and adversely affects the interest of the Issuer or the Bondholders and the consent of the *Autorité de contrôle prudentiel (ACP)*, as per the relevant provisions of the Subordinated Loan agreement.

For the avoidance of doubt, the Subordinated Loan agreement 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 the Subordinated Loan agreement to any successor;
- (c) to add to the undertakings and other obligations of Crédit Agricole S.A. under the Subordinated Loan agreement; or
- (d) to comply with any mandatory requirements of applicable laws and regulations.

The Subordinated Loan agreement is governed by, and construed in accordance with, French law. The Issuer and Crédit Agricole S.A., London branch, as lender, have agreed to submit any dispute that may arise in connection with the Subordinated Loan agreement to the jurisdiction of the competent court 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 Agricole S.A. undertakes in favour of the holders of the Covered Bonds of all Series to be issued:

- (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 by-laws) of the Issuer other than as expressly contemplated under the Program Documents or without 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 Agricole S.A. to the Rating Agencies) or unless approved by Crédit Agricole S.A. subject to prior Rating Affirmation, that Crédit Agricole S.A. 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 (ACP)* and maintain its SFH status;
- (e) not to permit any amendments to the Program Documents other than as expressly permitted or contemplated under the Program Documents or without 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 Agricole S.A. as head of that tax group and not to amend the tax consolidation agreement (*convention d'intégration fiscale*) in force at the date hereof between Crédit Agricole S.A. 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, in one (1) 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 managing director*

Ms. Elisabeth Eychenne, chairman of the board of directors (*président du conseil d'administration*) and Mrs. Nadine Fedon, Managing Director (*directeur général*) are responsible for the conduct of the Issuer's activities vis-à-vis the *Autorité de contrôle prudentiel (ACP)* in accordance with Article L. 511-13 of the French Monetary and Financial Code (*Code monétaire et financier*).

In accordance with French applicable corporate laws, the managing director (*directeur général*) represents the Issuer vis-à-vis third parties. The chairman of the board of directors (*président du conseil d'administration*) of the Issuer ensures the efficient functioning of the board of directors (*conseil d'administration*) of the Issuer.

#### *Board of directors (conseil d'administration)*

The board of directors 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*

On the Program Date, the board of directors of the Issuer consists of twelve (12) members.

<b>Name</b>	<b>Position</b>	<b>Date of renewal</b>
Jean-Yves BARNAVON	Director	22 May 2013
Olivier BELORGEY	Director	22 May 2013
Elisabeth EYCHENNE	Chairman of the Board of Directors	22 May 2013
Nadine FEDON	Chief Executive Officer Director	22 May 2013
Thomas GADENNE	Director	22 May 2013
Olivier NICOLAS	Director	22 May 2013
FEDERATION NATIONALE DU CREDIT AGRICOLE represented by Eric PINAULT since 20 March 2012	Director	22 May 2013
Guy PROFFIT	Director	22 May 2013
Claude ROSENFELD	Director	22 May 2013
Christian ROUCHON	Director	22 May 2013
José SANTUCCI	Director	22 May 2013
Andrew WATSON	Independent Director	22 May 2013

The members of the board of directors have their business addresses at the registered office of the Issuer.

As of 31 December 2012, the principal activities of the members of the Issuer's board of directors, carried out outside the Issuer, are as follows:

<b>Name</b>	<b>Entity</b>	<b>Position</b>
Jean-Yves BARNAVON	CRCAM des Savoie	Chief Executive Officer
	Crédit Agricole Rhone Alpes Investment	Manager (representative of Crédit Agricole des Savoie)
	Crédit Agricole Alpes Développement	Co-Manager (representative of Crédit Agricole des Savoie)
	CA Financements Suisse	President
	CA Indosuez Private Banking	President
	Chevreux	Director
	FriulAdria	Director
	CA Titres	Member of the Supervisory Board
	FRACA	Vice-President, Director
	DELTAGER	President
	CA Technologies	Director
	Crédit Agricole Services	Director
	Crédit Agricole Private Banking	Director

Name	Entity	Position
	Compagnie des Alpes	Director
	SETAM	Censor
	Société des 3 Vallées	Censor
Olivier BELORGEY	Crédit Agricole S.A.	Head of Financial Management
	Crédit Agricole Public Sector SCF	President
	Radian	Chief Executive Officer Director
	Crédit Agricole Leasing and Factoring	Director
	Delfinances	Member of the Management Board
	Groupement des Provinces de France	Director (representative of Crédit Agricole S.A.)
	Predica	Director
	Crédit Logement	Director (representative of Crédit Agricole S.A.)
	AMUNDI	Director
	AFGAP	Director
	CA Classique (FCPE)	Member of the Supervisory Board
	CA Multiple 2007 (FCPE)	Member of the Supervisory Board
	Fonds d'Actionnariat Des Salariés	Member of the Supervisory Board
	Société d'Epargne Foncière Agricole	Member of the Supervisory Board
Elisabeth EYCHENNE	Caisse régionale de Crédit Agricole de Franche-Comté	Chief Executive Officer
	Crédit Agricole Services	Director
	Crédit Agricole Technologies	Director
	GIE CA Services NICE	Member of the Strategy Committee
	Crédit Agricole Titres	Member of the Supervisory board
	Crédit Agricole Financements Suisse	Director
	Crédit Agricole Solidarité Développement	Director

Name	Entity	Position
Nadine FEDON	Crédit Agricole S.A.	Global Head of Funding
	Crédit Agricole Public Sector SCF	Chief Executive Officer Director
	GFER	Chief Executive Officer
	GPF	President
	Caisse de Refinancement de l'Habitat	Director (representative of Crédit Agricole S.A.)
	Société de Financement de l'Economie Française (SFEF)	Director
	European Datawarehouse	Director (representative of Crédit Agricole S.A.)
Thomas GADENNE	Crédit Agricole Corporate and Investment Bank	Chief Market Activities Officer
		Member of the Executive Committee
	Amundi Investment Solutions (ex CASAM)	Director
	Crédit Agricole Public Sector SCF	Director
Olivier NICOLAS	LCL (Le Crédit Lyonnais)	Head of Finance and Institutionals
	Crédit Logement	Director, representing LCL
		President of the Audit Committee
	Banque Themis	Director
	Crédit Agricole Public Sector SCF	Director
	Crédit Lyonnais Europe	President
	Angle Neuf	Director
	Banque Française Commerciale des Antilles-Guyane	Director
Eric PINAULT	Fédération Nationale du Crédit Agricole	Head of the Finances and Risks Department
	Crédit Logement	Director
Guy PROFFIT	Caisse régionale de Crédit Agricole Mutuel Brie Picardie	President
	FCPR Vauban Partenaire 4	Member of the Investment Committee
	BforBank	Director
	CAMCA	Director
	CAMCA Mutuelle, Courtage, Assurance, Réassurance et CAMCA Vie	Director
	SACAM Assurances Caution	Member of the Executive Committee
	ESPAR (SAS)	President
	Environnement Foncier (SAS)	Representative of ESPAR
	SCI Oise	Partner (representative of CRCAM Brie Picardie)

Name	Entity	Position
	Finespar	Partner (representative of CRCAM Brie Picardie)
	Holdicab	Partner (representative of CRCAM Brie Picardie)
	SCIAB	Partner (representative of CRCAM Brie Picardie)
	SCI de Violenne	Manager (representative of CRCAM Brie Picardie)
	Emporiki Bank	Director
Claude ROSENFELD	Crédit Agricole S.A.	Head of ALM coordination
	CA International Employees	President Chief Executive Officer
	CA Preferred Funding LLC	Director
	CACIB Preferred Funding LLC	Director
	CACIB Preferred Funding LLC II	Director
	Crédit Agricole Public Sector SCF	Director
José SANTUCCI	Caisse régionale de Crédit Agricole Val de France	Chief Executive Officer
	LCL	Director
	FIRECA	Director
	Pleinchamp	Vice-President
	CA Titres	Director Member of the Supervisory Board
	GIE Carcentre	Director
	GIE Synergie	Director
	GIE Synergie Services	Director
	Crédit Agricole Technologies	Director
	Euro Securities Partners	Director
Andrew WATSON		

There is no incompatibility that may prevent Nadine FEDON, to act as Chief Executive Officer and Director of the Issuer at the same time.

#### *Rights and duties of the board of directors*

In accordance with French applicable corporate laws and the by-laws of the Issuer, the board of directors 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 by-laws permit, the board of directors 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 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 must carry out the inspections and verifications which it considers appropriate. The chairman of the board of directors or the managing director is required to send all the documents and information necessary to perform this task to each director.

The chairman of the board of directors organises and oversees the work of the board of directors and reports to the shareholders' general meeting.

#### *Rights and duties of the managing director*

The general management of the Issuer is performed by the managing director (*directeur général*). The managing director has extensive powers to act on behalf of the Issuer in all circumstances, but must exercise its powers subject to those that the law allocates explicitly to shareholders' meetings and to the board of directors.

With regard to the shareholders, the by-laws of the Issuer provides that some actions may not be taken by the board of directors, nor by the chairman nor by the managing director, nor by any deputy managing director (*directeur général délégué*) 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, the chairman, the managing director or the deputy managing directors may take are not enforceable against third parties.

#### *The Issuer Independent Representative*

According to the by-laws of the Issuer, the board of directors 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 judgment by such member, as further described and detailed in the by-laws of the Issuer. On the Program Date, Mr. Andrew Watson 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 Program 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 Program Documents may not be amended without the prior Issuer Independent Representative Consent (except if any such amendment is expressly permitted or contemplated under the Program Documents).

#### **Issuer Statutory Auditors**

The auditors of the Issuer are:

<b>Statutory auditors</b>	
Mazars Tour Exaltis 61, rue Henri Regnault 92400 Courbevoie, France	Ernst & Young et Autres 1/2, place des Saisons 92400 Courbevoie - Paris - La Défense 1, France
<b>Substitute auditors</b>	
Guillaume Potel Tour Exaltis 61, rue Henri Regnault 92400 Courbevoie, France	Picarle & Associés 1/2, place des Saisons 92400 Courbevoie - Paris - La Défense 1, France

The Issuer statutory auditors' mandate has been renewed by the general meeting validating the Issuer annual accounts for the year ending 31 December 2012, whereupon the signatories were replaced.

#### **External Supervision and oversight of the Issuer**

##### *The Autorité de contrôle prudentiel (ACP)*

As a credit institution (*établissement de crédit*) and a *société de financement de l'habitat*, the Issuer is supervised by the *Autorité de contrôle prudentiel (ACP)*, 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* 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*. Off-site monitoring by the *Autorité de contrôle prudentiel* consists of the examination of the Issuer's prudential and accounting records as well as regular contacts with the Issuer's board of directors and statutory auditors. The Issuer is required to submit to the *Autorité de contrôle prudentiel* 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* 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* ascertains that the information disclosed by the Issuer accurately reflects its financial condition. The *Autorité de contrôle prudentiel* 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 Controller**

The Issuer has appointed, in accordance with Article L. 515-30 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 of the Issuer with the approval of the *Autorité de contrôle prudentiel* (ACP).

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* (ACP) 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 entrusted with the management or the recovery of loans, bonds or other sources of financing of the Issuer pursuant to Article L. 515-22 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* meet legal and regulatory requirements. The Specific Controller submits an annual report on its activity to the board of directors of the Issuer, and a copy is forwarded to the *Autorité de contrôle prudentiel*.

The *Autorité de contrôle prudentiel* 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* 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* 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 Agricole S.A. The Specific Controller is prevented from providing services exceeding the scope of its control to the Issuer or to Crédit Agricole S.A.

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
Stéphane MASSA (FIDES AUDIT) 37 avenue de Friedland 75008 Paris France	Martine LECONTE (MBV & Associés) 39 avenue de Friedland 75008 Paris France

### The Administrative Agreement

This section sets out the main material terms of the Administrative Agreement.

#### *Background*

The "**Administrative Agreement**" refers to the agreement dated on or prior to the Program Date and entered into between Crédit Agricole Home Loan SFH, as Issuer and Crédit Agricole S.A., as "Administrator" (the "**Administrator**").

#### *Purpose*

Under the Administrative Agreement, Crédit Agricole Home Loan SFH, as Issuer, appoints Crédit Agricole S.A. as its servicer for the rendering of 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). The Administrator will always act in the best and exclusive interest of Crédit Agricole Home Loan SFH.

#### *Administrator's duties*

Pursuant to the Administrative Agreement, the Administrator will *inter alia*:

- (a) advise and assist the Issuer in all accounting and tax matters;
- (b) advise and assist the Issuer in all legal and administrative matters;
- (c) ensure that the Issuer will exercise each of its rights and perform each of its obligations under the Program Documents;
- (d) provide the Issuer with all necessary assistance and know-how, whether technical or other, to exercise and perform all of its rights and obligations under the Program Documents;
- (e) 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 Program Documents;
- (f) act as custodian of any and all other documents that any corporate company similar to the Issuer shall keep on file under any applicable laws, until the Service Termination Date (as defined below);
- (g) 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.

- (h) upon a Borrower Enforcement Notice being served under the Borrower Facility Agreement, assist the Issuer within the enforcement process of the Collateral Security;
- (i) 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, cause the Collateral Providers Agent and the Collateral Providers to deliver the Collateral Security Assets to the Issuer and comply with their other obligations related to the enforcement of the Collateral Security under the Collateral Security Agreement;
- (j) 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. 515-22 of the French Monetary and Financial Code (*Code monétaire et financier*), and promptly notify the debtors for the direct payment to the Issuer of the amounts due under the relevant Home Loan Receivables.; and
- (k) perform the management and servicing of the Covered Bonds and of the other ressources of the Issuer mentioned in Article L. 515-36 of the French Monetary and Financial Code (*Code monétaire et financier*).

For the purpose of investment by the Administrator of the Issuer's available cash in Permitted Investments as mentioned in paragraph (e) above, "**Permitted Investments**" shall mean:

- (a) 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) days or less 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 A-1 (short term) or A+ (long term) by S&P, A (long term) and F1 (short term) by Fitch and P-1 (short term) by Moody's;
- (b) 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-four (364) days or less, 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 A1+ (short term) or AA- (long term) by S&P, AA- (long term) and F1+ (short term) by Fitch and P-1 by Moody's; and
- (c) Euro denominated government securities, Euro demand or time deposits, certificates of deposit of any remaining maturity date (including more than three hundred sixty-four (364) days) and the 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 AAA by S&P, AAA by Fitch and Aaa by Moody's;

provided that, at all times, up to the outstanding amount of available Permitted Investments, the amount due on each following Payment Date falling within the next nine (9) months under the outstanding Series is fully covered by Permitted Investment referred to in (a), (b) or (c) above maturing on or before such following Payment Date.

#### *Substitution and Agency*

The Administrator may not assign its rights and obligations under the Administrative Agreement but will have the right to be assisted by, to appoint or to substitute for itself any third party in the performance of certain or all its tasks under the Administrative Agreement provided that:

- (a) the Administrator has given written notice of the exercise of that right to the Issuer;

- (b) the Administrator remains liable to the Issuer for the proper performance of those tasks and, with respect to the Issuer only, the relevant third party has expressly waived any right to any contractual claim against the Issuer; and
- (c) the relevant third party has undertaken to comply with all obligations binding upon the Administrator under the Administrative Agreement.

#### *Fees*

In consideration of the services provided by the Administrator to the Issuer under the Administrative Agreement, the Issuer will pay to the Administrator an administration fee computed subject to, and in accordance with, the provisions of the Administrative Agreement.

The Administrator will benefit from the *Privilège* for the payment of that portion of its fees or the other amounts that might be owed to it by the Issuer under the Administrative Agreement which corresponds to the management and servicing of the assets and liabilities of the Issuer in accordance with Article L. 515-22 of the French Monetary and Financial Code (*Code monétaire et financier*).

#### *Representations, warranties and undertakings*

The Administrator has made the customary representations and warranties and undertakings to the Issuer, the representations and warranties being given on the execution date of the Administrative Agreement and continuing until the Service Termination Date.

#### *Indemnities*

Pursuant to the Administrative Agreement, the Administrator undertakes to hold harmless and fully and effectively indemnify the Issuer against all actions, proceedings, demands, damages, costs, expenses (including legal fees), claims, losses, prejudice or other liability, which the Issuer may sustain or incur as a consequence of the occurrence of any default by the Administrator in its performance of any of its obligations under the Administrative Agreement.

#### *Resignation of the Administrator*

The Administrator will not resign from the duties and obligations imposed on it as Administrator pursuant to the Administrative Agreement, except:

- (a) upon a determination that the performance of its duties under the Administrative Agreement will no longer be permissible under applicable law; and
- (b) in the case where the Issuer does not comply with any of its material obligations under the Administrative Agreement and fails to remedy the situation within one hundred and eighty (180) days from the receipt by the Issuer of a notice from the Administrator,

Such resignation shall however be effective upon replacement of the Administrator.

#### *Administrator's Defaults*

Each of the following events shall constitute an Administrator's Default:

- (a) any material representation or warranty made by the Administrator 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 Administrator or (if sooner) the Administrator 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 Administrator fails to comply with any of its material obligations under the Administrative 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 Administrator or (if sooner) the Administrator 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 Administrator; or
- (d) at any time it is or becomes unlawful for the Administrator to perform or comply with any or all of its material obligations under the Administrative Agreement or any or all of its material obligations under the Administrative Agreement are not, or cease to be, legal, valid and binding.

For such purposes, "**Insolvency Event**" means 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, including without limitation, *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 or a *procédure de conciliation* pursuant to Articles L. 611-1 *et seq.* 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) 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
- (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.

#### *Administrator Rating Trigger Event*

If an Administrator Rating Trigger Event occurs, the Administrator will notify the Issuer in writing of the occurrence of the Administrator Rating Trigger Event within five (5) Business Days from the date upon which it becomes aware of such event and this will constitute an Administrator Termination Event under the Administrative Agreement.

For such purposes, "**Administrator Rating Trigger Event**" means the event in which:

- (i) the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of the Administrator become rated below BBB by S&P, or
- (ii) the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of the Administrator become rated below Baa2 by Moody's or
- (iii) the long-term issuer default rating (IDR) of the Administrator becomes rated below BBB by Fitch.

#### *Termination*

"**Administrator Termination Events**" under the Administrative Agreement will include the following events:

- (a) the occurrence of any Administrator's Default;
- (b) the occurrence of the Administrator Rating Trigger Event; or

- (c) the occurrence of a Borrower Event of Default.

If an Administrator Termination Event occurs, the Issuer shall terminate the appointment of the Administrator under the Administrative Agreement by delivery of a written termination notice to the Administrator (the "**Notice of Termination**"). Upon receipt by the Administrator of the Notice of Termination, the appointment of the Administrator under the Administrative Agreement will terminate with effect:

- not earlier than twenty (20) Business Days as from the receipt by the Administrator of the Notice of Termination, if such Notice of Termination is served due to the occurrence of a Borrower Event of Default or of an Administrator Rating Trigger Event;
- not earlier than twenty (20) Business Days as from the receipt by the Administrator of the Notice of Termination or at any other date that the Issuer may have specified in the Notice of Termination, if such Notice of Termination is served due to any other reason,

and save for any continuing obligations of the Administrator contained in the Administrative Agreement.

Upon the resignation of the Administrator, or termination of its appointment as Administrator in accordance with the terms of the Administrative Agreement, the Issuer shall replace CASA, as Administrator, by any legal entity, which is a financial institution (*établissement de crédit*) within the meaning of Article L. 515-22 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "**Substitute Administrator**"), the choice of which being subject to prior Rating Affirmation.

Notwithstanding the resignation of the Administrator or the termination of its appointment as Administrator, the Administrator will continue to be bound by all its obligations under the Administrative Agreement until the earlier of (i) its replacement as Administrator in accordance with the Administrative Agreement, or (ii) the termination of the Administrative Agreement in accordance with the terms thereof (the "**Service Termination Date**"). The Administrator undertakes to act in good faith to assist any Substitute Administrator.

#### *Term and Termination of the Administrative Agreement*

The Administrative Agreement shall remain in effect for an initial period of ten (10) years and shall be automatically renewed for additional ten-year periods unless a party thereto notifies to the others its intention to terminate the Administrative Agreement three (3) months prior to the end of the initial period or the additional periods, as the case may be, in which case the Administrative Agreement shall terminate at the end of such three-month period.

Without prejudice to the other terms of the Administrative Agreement, the Administrative Agreement shall terminate:

- (a) on its term as defined above;
- (b) if earlier than its term as defined above, if the Issuer and any Substitute Administrator replacing (i) CASA as Administrator or (ii) a previous Administrator having replaced CASA as Administrator agree in writing to cease to be bound by the Administrative Agreement and execute another agreement for the performance of the services contemplated by the Administrative Agreement; or
- (c) if earlier than its term as defined above and upon failure to replace the Administrator (i) the last day of the sixty (60) Business Days period starting on the date of resignation of the Administrator, or (ii) the last day of the forty (40) Business Days period starting on the date a Notice of Termination is delivered to the Administrator.

The termination of the Administrative Agreement in accordance with its terms shall trigger the termination of the appointment of CASA as Administrator thereunder on the relevant termination date of the Administrative Agreement.

### *Limited recourse – Non-petition*

The Administrative Agreement includes "Limited recourse" and "Non-petition" provisions, as described in "**The Issuer - Issuer's Activities – Limited recourse**" and "**The Issuer - Issuer's Activities – Non-petition**".

### *Amendments*

No amendment, modification, alteration or supplement shall be made to the Administrative Agreement 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 Administrative Agreement 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 the Administrative Agreement to any successor;
- (c) to add to the undertakings and other obligations of the Administrator under the Administrative Agreement; or
- (d) to comply with any mandatory requirements of applicable laws and regulations.

### *Governing Law – Jurisdiction*

The Administrative Agreement shall be governed by, and construed in accordance with, French law. The Issuer Calculation Agent and the Administrator have agreed for the benefit of the Issuer to submit any dispute that may arise in connection with the Administrative Agreement to the jurisdiction of the competent court of Paris.

### **The Issuer Accounts Agreement**

This section sets out the main material terms of the Issuer Accounts Agreement pursuant to which the Issuer Accounts are opened in the books of the Issuer Accounts Bank.

### *Background*

The Issuer Accounts Agreement refers to the agreement dated on or prior to the Program Date and entered into between Crédit Agricole Home Loan SFH, as Issuer and Crédit Agricole S.A., as "Issuer Accounts Bank" (the "**Issuer Accounts Bank**") (the "**Issuer Accounts Agreement**").

### *Purpose*

Under the Issuer Accounts Agreement, Crédit Agricole Home Loan SFH, as Issuer, appoints Crédit Agricole S.A. as its account bank for the opening and operation of its bank accounts (the "**Issuer Accounts**"). The Issuer Accounts Bank will always act in the best and exclusive interest of Crédit Agricole Home Loan SFH.

### *Issuer Accounts*

The Issuer Accounts opened in the name of the Issuer in the books of the Issuer Accounts Bank include:

- (a) the "**Issuer Cash Accounts**", including the Issuer General Accounts (denominated in Euro, in Swiss franc (CHF), in US dollar (USD), in Australian dollar (AUD) and in Norwegian krone (NOK)), the Cash Collateral Account (denominated in Euro) and the Share Capital Proceeds Account (denominated in Euro); and
- (b) the "**Issuer Securities Accounts**", which are securities accounts (*comptes d'instruments financiers*) opened in relation to each Issuer Cash Account,

it being provided that, according to the Administrative Agreement, the Administrator may open within the books of the Issuer Accounts Bank, any new bank cash account in the name of the Issuer which may be necessary or advisable for the performance by the Issuer of its rights and obligations under any Program Document, and

notably in case of issuance of Covered Bonds denominated in a Specified Currency other than Euro provided that an Issuer Securities Account (*compte de titres financiers*) is opened in relation to each such Issuer Cash Account.

#### *Funds Allocation*

Each of the Issuer Bank Accounts shall be exclusively dedicated to the operation of the Issuer.

All sums standing to the credit balance of the Issuer Cash Accounts may be invested from time to time in Permitted Investments by the Administrator (see "**The Issuer – The Administrative Agreement**").

#### *Operation*

The Issuer Cash Accounts shall not be operated by the Issuer Accounts Bank otherwise than in accordance with the provisions of the Issuer Accounts Agreement and the Administrative Agreement and, in particular, the Issuer Accounts Bank shall be entitled to refuse to, without being liable for any such refusal:

- (a) deliver credit cards or other means of payment with respect to the Issuer Cash Accounts or make any transfer from any of the Issuer Cash Accounts upon instructions of the Administrator other than by bank transfer or any such other means as is agreed with the Issuer;
- (b) debit any of the Issuer Cash Accounts upon instructions of any person other than the Issuer or the Administrator;
- (c) debit any of the Issuer Cash Accounts upon instructions of the Administrator, if the Issuer Accounts Bank is aware that such instructions may cause a debit balance of the relevant Issuer Cash Accounts (in which case the Issuer Accounts Bank will promptly inform the Administrator and the Issuer and postpone the performance of the relevant instructions until it has received the relevant renewed written instructions of the same); or
- (d) implement any instruction from the Issuer (or the Administrator acting on its behalf) in connection with the Issuer Accounts if it is aware that an implementation of such instruction would constitute a breach of any provision of the Issuer Accounts Agreement.

#### *Issuer General Account(s)*

As from the Program Date and on any relevant date thereafter, the Issuer General Account(s) 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**").

#### *Cash Collateral Account*

The Cash Collateral Account shall be credited and debited only subject to, and in accordance with, the Cash Collateral Agreement as described in "**Asset Monitoring – The Pre-Maturity Test and the Legal Liquidity Test**" (the "**Cash Collateral Account**").

Upon the occurrence of a Borrower Event of Default which is enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, the Issuer (or the Administrator acting on its behalf) will give the appropriate instructions in order to ensure that the balance of the Cash Collateral Account be allocated in accordance with the applicable Priority Payment Order.

#### *Share Capital Proceeds Account*

On or prior to the Program Date and 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 Share Capital and the Subordinated Loan (the "**Share Capital Proceeds Account**").

The funds standing to the credit of the Share Capital Proceeds Account shall be invested from time to time in Legal Substitution Assets. Such funds and the proceeds from the relevant Legal Substitution Assets shall be



included in the Issuer's available funds and allocated to the payments due by the Issuer in accordance with the applicable Priority Payment Order.

*Representations, warranties and undertakings*

The Issuer Accounts Bank has made the customary representations and warranties and undertakings to the Issuer, the representations and warranties being given on the execution date of the Issuer Accounts Agreement and continuing until the Service Termination Date.

*Indemnities*

Pursuant to the Issuer Accounts Agreement, the Issuer Accounts Bank undertakes to hold harmless and fully and effectively indemnify the Issuer against all actions, proceedings, demands, damages, costs, expenses (including legal fees), claims, losses, prejudice or other liability, which the Issuer may sustain or incur as a consequence of the occurrence of any default by the Issuer Accounts Bank in its performance of any of its obligations under the Issuer Accounts Agreement.

*Fees*

In consideration of the services provided by the Issuer Accounts Bank to the Issuer under the Issuer Accounts Agreement, the Issuer (or the Administrator acting on its behalf) will pay to the Issuer Accounts Bank a fee to be computed subject to, and in accordance with, the provisions of the Issuer Accounts Agreement.

The Issuer Accounts Bank will not benefit from the *Privilège* for the payment of its fees or any other amounts that might be due by the Issuer under the Issuer Accounts Agreement.

*Resignation of Issuer Accounts Bank*

The Issuer Accounts Bank will not resign from the duties and obligations imposed on it as Issuer Accounts Bank pursuant to the Issuer Accounts Agreement, except as follows:

- (a) upon a determination that the performance of its duties under the Issuer Accounts Agreement will no longer be permissible under applicable law; and
- (b) in the case where the Issuer does not comply with any of its material obligations under the Issuer Accounts Agreement and fails to remedy the situation within one hundred and eighty (180) days from the receipt by the Issuer of a notice from the Issuer Accounts Bank (with copy to the Administrator),

Such resignation shall become effective upon replacement of the Issuer Calculation Agent.

*Issuer Accounts Bank's Defaults*

Each of the following events shall constitute an Issuer Accounts Bank's Default (an "**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 an Issuer Accounts Bank's Default occurs, the Issuer Accounts Bank shall notify the Issuer (or the Administrator) of such occurrence promptly after becoming aware of the same.

*Issuer Accounts Bank Rating Trigger Event*

If an Issuer Accounts Bank Rating Trigger Event occurs, the Issuer Accounts Bank will promptly notify the Issuer in writing of the occurrence of such event. Within thirty (30) calendar days of the occurrence of an Issuer Accounts Bank Rating Trigger Event:

- (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 the Issuer Accounts Agreement, with another financial institution whose (i) short term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least A-1 by S&P, (ii) short term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least P- 1 by Moody's, (iii) short-term issuer default rating (IDR) is rated at least F1 by Fitch and (iv) long-term issuer default rating (IDR) is rated at least A by Fitch; or
- (b) subject to prior Rating Affirmation, the Issuer Accounts Bank has obtained a guarantee of its obligations under the Issuer Accounts Agreement on terms acceptable to the Issuer, acting reasonably, from a financial institution whose (i) short term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least A1+ (or A1 provided that and as long as the aggregate balance of the Issuer Accounts Bank does not exceed twenty per cent. (20%) of the Euro equivalent of the aggregate principal amount of all Covered Bonds then outstanding) by S&P, (ii) short term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least P- 1 by Moody's, (iii) short-term issuer default rating (IDR) is rated at least F1 by Fitch and (iv) long term issuer default rating (IDR) are rated at least A by Fitch,

provided that failure to comply with the provisions of paragraph (a) or paragraph (b) above (each, a "**Remedy to an Issuer Accounts Bank Rating Trigger Event**") within the relevant thirty (30) calendar day-period shall constitute an Issuer Accounts Bank Termination Event within the meaning of the Issuer Accounts Agreement.

For the purpose of the above, "**Issuer Accounts Bank Rating Trigger Event**" means the event in which:

- (i) the short-term senior unsecured, unsubordinated and unguaranteed debt obligations of the then appointed Issuer Accounts Bank become rated below A-1 by S&P, or
- (ii) the short-term senior unsecured, unsubordinated and unguaranteed debt obligations of the then appointed Issuer Accounts Bank become rated below P-1 by Moody's; or
- (iii) the issuer default rating (IDR) of the then Issuer Accounts Bank becomes rated below F1 (short term) or A (long term) by Fitch.

The same provisions will apply each time an Issuer Accounts Bank Rating Trigger Event occurs in relation to any substitute financial institution appointed in replacement of an Issuer Accounts Bank.

*Termination*

"**Issuer Accounts Bank Termination Events**" under the Issuer Accounts Agreement will include the following events:

- (a) the occurrence of any Issuer Accounts Bank's Default;
- (b) the failure to comply with one or the other remedies to an Issuer Accounts Bank Rating Trigger Event within the relevant thirty (30) calendar day-period; or
- (c) the occurrence of a Borrower Event of Default.

If an Issuer Accounts Bank Termination Event occurs, the Issuer shall terminate the appointment of the Issuer Accounts Banks under the Issuer Accounts Agreement by delivery of a written termination notice to the Issuer Accounts Bank (the "**Notice of Termination**"). Upon receipt by the Issuer Accounts Bank of the Notice of Termination, the appointment of the Issuer Accounts Bank under the Issuer Accounts Agreement will terminate with effect not earlier than twenty (20) Business Days as from the receipt by the Issuer Accounts Bank of the Notice of Termination or at any other date that the Issuer may have specified in the Notice of Termination, save for any continuing obligations of the Issuer Accounts Bank contained in the Issuer Accounts Agreement.

Upon the resignation of the Issuer Accounts Bank or termination of its appointment as Issuer Accounts Bank hereunder in accordance with the terms of the Issuer Accounts Agreement, the Issuer shall replace Crédit Agricole S.A., as Issuer Accounts Bank, at the costs of Crédit Agricole S.A., by any legal entity (the "**Substitute Issuer Accounts Bank**"), the choice of which being subject to prior Rating Affirmation. Upon its appointment and unless otherwise agreed with the Issuer (but subject to prior Rating Affirmation), the Substitute Issuer Accounts Bank shall:

- (a) provide the Issuer with all necessary advice and assistance and know-how, whether technical or other, including in connection with the opening, maintaining and operation of the Issuer Accounts and the Program Documents and, in particular, as described under the Issuer Accounts Agreement;
- (b) together with the Issuer Accounts Bank, take all steps necessary to replace the Issuer Accounts Bank in all rights and obligations arisen from the Program Documents to which the Issuer Accounts Bank is a party and, for such purposes, become a party, as Issuer Accounts Bank, to any relevant Program Documents to which the Issuer Accounts Bank is a party;

Notwithstanding its resignation or the termination of its appointment as Issuer Accounts Bank in accordance with the terms of the Issuer Accounts Agreement and notwithstanding any other provision of the Issuer Accounts Agreement, the duties of the Issuer Accounts Bank under the Issuer Accounts Agreement shall continue and the Issuer Accounts Bank shall continue to be bound by all its obligations under the Issuer Accounts Agreement until the earlier of (i) its replacement as Issuer Accounts Bank, or (ii) the termination of the Issuer Accounts Bank Agreement in accordance with its terms (the "**Service Termination Date**").

#### *Term and Termination of the Issuer Accounts Bank Agreement*

The Issuer Accounts Bank Agreement shall remain in effect for an initial period of ten (10) years and shall be automatically renewed for additional ten-year periods unless a party thereto notifies to the others its intention to terminate the Issuer Accounts Bank Agreement three (3) months prior to the end of the initial period or the additional periods, as the case may be, in which case the Issuer Accounts Agreement shall terminate at the end of such three-month period.

Without prejudice to the other terms of the Issuer Accounts Bank Agreement, the Issuer Accounts Bank Agreement shall terminate:

- (a) on its term as defined above;
- (b) if earlier than its term as defined above, if the Issuer and any Substitute Issuer Accounts Bank replacing (i) CASA as Issuer Accounts Bank or (ii) a previous Issuer Accounts Bank having replaced CASA as Issuer Accounts Bank agree in writing to cease to be bound by the Issuer Accounts Bank Agreement and execute another agreement for the performance of the services contemplated by the Issuer Accounts Agreement; or
- (c) if earlier than its term as defined above and upon failure to replace the Issuer Accounts Bank (i) the last day of the sixty (60) Business Days period starting on the date of resignation of the Issuer Accounts Bank, or (ii) the last day of the forty (40) Business Days period starting on the date a Notice of Termination is delivered to the Issuer Accounts Bank.

The termination of the Issuer Accounts Agreement in accordance with its terms shall trigger the termination of the appointment of CASA as Issuer Accounts Bank thereunder on the relevant termination date of the Issuer Accounts Agreement.

### *Limited recourse – Non-petition*

The Issuer Accounts Agreement includes "Limited recourse" and "Non-petition" provisions, as described in "**The Issuer - Issuer's Activities – Limited recourse**" and "**The Issuer - Issuer's Activities - Non-petition**".

### *Amendments*

No amendment, modification, alteration or supplement shall be made to the Issuer Accounts Agreement 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 Accounts Agreement 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 the Issuer Accounts Agreement to any successor;
- (c) to add to the undertakings and other obligations of the Issuer Accounts Bank under the Issuer Accounts Agreement; or
- (d) to comply with any mandatory requirements of applicable laws and regulations.

### *Governing Law – Jurisdiction*

The Issuer Accounts Agreement shall be governed by, and construed in accordance with, French law. The Parties have agreed for the benefit of the Issuer to submit any dispute that may arise in connection with the Issuer Accounts Agreement to the jurisdiction of the competent court of Paris.

## THE BORROWER AND THE BORROWER FACILITY AGREEMENT

### The Borrower

The borrower under the Borrower Facility Agreement (the "**Borrower**") is Crédit Agricole S.A.

#### *General information relating to Crédit Agricole S.A.*

Crédit Agricole S.A. is a limited liability company (*société anonyme*) organised under the laws of France and licensed as a credit institution, having its registered office at 12 place des Etats-Unis, 92127 Montrouge cedex, France and registered with the Trade and Companies Register of Nanterre, France under number 784 608 416. Crédit Agricole S.A. was born from the transformation of the Caisse Nationale de Crédit Agricole, an "*Etablissement Public Industriel et Commercial*" at its Extraordinary General Meeting of 29 November 2001. The Company shall terminate on 31 December 2086, unless decided otherwise by its shareholders.

Crédit Agricole S.A., formerly known as the Caisse Nationale de Crédit Agricole ("**CNCA**"), was created by public decree in 1920 to distribute advances to and monitor a group of regional mutual banks known as the "*Caisses Régionales*" on behalf of the French State. In 1988, the French State privatized CNCA in a mutualization process, transferring most of its interest in CNCA to the Caisses Régionales. Today, the Caisses Régionales include thirty-nine (39) regional banks that operate one of the two French retail networks of the Group. Crédit Agricole S.A. holds approximately a twenty-five per cent. (25%) interest in thirty-eight (38) of the Caisses Régionales, and fully owns the Caisse Régionale of Corsica (together, the "**Regional Banks**").

Crédit Agricole S.A. is governed by the laws and regulations applicable to commercial companies and, in particular, the French Commercial Code (*Code de commerce*), to the extent that they are not disapplied by more specific laws, such as, *inter alia*, the various applicable rules of French law applicable to banking licensed entities, most of which are included in the French Monetary and Financial Code (*Code monétaire et financier*). In particular, the French Monetary and Financial Code which incorporates the 1984 French Banking Law states the role of Crédit Agricole S.A. as the "Central Body" of the Crédit Agricole network defined as the entity made up from the Local Credit Cooperatives (*Caisses Locales*), the Regional Banks, and their direct subsidiaries. In this capacity, Crédit Agricole S.A. makes advances available to the Regional Banks, centralises their liquidity surpluses, and exercises a statutory supervisory function over them. In the same capacity, Crédit Agricole S.A. also has the duty to ensure that each and all of the Regional Banks maintain satisfactory liquidity and solvency and to take all relevant measures to that purpose.

At the same time, the Regional Banks have extended a joint and several general guarantee which covers the obligations of Crédit Agricole S.A. to third parties. Through these reciprocal support mechanisms, the levels of risks incurred by creditors of Crédit Agricole S.A. and by those of the Regional Banks have become identical. As a result, the credit ratings of the debt issued by Regional Banks and Crédit Agricole S.A. are the same.

As of December 31, 2012, the short term ratings of the short term debt issued by Crédit Agricole S.A. are F1+ (Fitch), P-1 (Moody's) and A-1 (S&P). The long term ratings of the senior debt issued by Crédit Agricole S.A. are A+/Negative outlook (Fitch), Aa3/Stable (Moody's) and A/Negative Outlook (S&P).

Crédit Agricole S.A. acts as the central body and lead bank of the Crédit Agricole Group, which consisted of, as at 2012 year-end, the 2,512 Local Credit Cooperatives, the 39 Regional Banks, together with their subsidiaries, and itself, together with its subsidiaries.

Crédit Agricole S.A. coordinates the sales and marketing strategy for the Crédit Agricole Group as a whole. Through its specialised subsidiaries, it designs and manages financial products that are distributed primarily by the Regional Banks. It manages the domestic and foreign subsidiaries, and ensures the liquidity and solvency of each of the entities in the Crédit Agricole Group. The Crédit Agricole Group publishes annual consolidated accounts, which are audited.

The Crédit Agricole Group is one of France's largest banking group, and one of the largest in the world based on shareholders' equity. As at 2012 year-end, Crédit Agricole Group had consolidated equity of €71.0 billion (excluding minority interests) and a total of assets of €2,008 billion.

At the end of 2012, Crédit Agricole S.A. had total assets of €1,842.4 billion and equity of €39.7 billion (excluding minority interests).

Crédit Agricole S.A. operates two French retail banking segments. The first consists of the Regional Banks, which are owned approximately at twenty-five per cent. (25%) by Crédit Agricole S.A. (through equity accounted, non-voting shares), except the Caisse Régionale of Corsica, which is wholly owned by Crédit Agricole S.A. The second consists of the LCL (Le Crédit Lyonnais) retail banking network, which is fully consolidated. In addition to retail banking services, the two networks offer, mostly through their retail networks, products manufactured by their fully consolidated subsidiaries in life and non-life insurance, asset management, consumer credit, leasing, payment and factoring services.

Crédit Agricole S.A.'s specialised financial services segment includes consumer credit and specialized financing to businesses in the form of factoring and lease finance. The Group's corporate and investment banking segment conducts both financing activities and capital markets and investment banking activities. Through its asset management, insurance and private banking segment, the Group is a leading mutual fund manager and insurance provider in France and offers private banking services in France, Switzerland, Luxembourg and Monaco. This position has been enhanced by the creation of Amundi, a joint company resulting from the merger of most of Société Générale asset management activities with Crédit Agricole Asset Management. Amundi is seventy-five per cent. (75%) owned and controlled by the Crédit Agricole Group.

The Group's international retail banking segment reflects its international presence in Europe (in particular in Greece, Italy and Poland), Africa, and a participation in Portugal. On 1 February 2013 Crédit Agricole S.A. sold in full its Greek retail banking subsidiary Emporiki Bank.

#### *General information relating to share capital*

As of 31 December 2012, the total issued share capital of Crédit Agricole S.A. amounted to €7,494,061,611 divided into 2,498,020,537 fully paid up shares of €3 each, all of the same category (ordinary shares).

As of 31 December 2012, 56.25 per cent. of Crédit Agricole S.A.'s share capital was held by S.A.S. La Boétie, the holding company which manages the interests held by each of the Regional Banks in Crédit Agricole S.A. The remaining shares were held mainly by the public.

#### *Capitalization*

The table below sets forth the consolidated capitalization of the Borrower as of 31 December 2012. Except as set forth in this section or in an amendment or supplement to this Base Prospectus, as the case may be, there has been no material change in the capitalization of the Borrower since 31 December 2012.

<i>in millions of euros</i>	<b>As of December 31, 2012</b>
Debt securities* .....	81,099
Subordinated debt* .....	28,133
<b>Total .....</b>	<b>109,232</b>
Shareholders' Equity (group share): .....	39,727
<i>Share capital and reserves</i> .....	30,538
<i>Consolidated reserves</i> .....	13,738
<i>Other comprehensive income</i> .....	1,922
<i>Net income</i> .....	(6,471)
Minority interests .....	5,505
<b>Total Shareholders' Equity .....</b>	<b>45,232</b>
<b>Total Capitalization .....</b>	<b>154,464</b>

\* Total amount with a maturity greater than 1 year as of 31 December 2012, plus accrued interest

Since December 31, 2012 through July 1, 2013, the Borrower's (parent company only) "debt securities in issue", for which the maturity date as of July 1, 2013 is more than one year, did not increase by more than € 6,100 million, and "subordinated debt securities", for which the maturity date as of July 1, 2013 is more than one year, did not decrease by more than € 1,200 million.

### *Management and administration*

Since Crédit Agricole S.A.'s stock market listing, the company's Board of directors has comprised twenty-one (21) voting Directors and two (2) non-voting Directors, a Chairman and a Chief Executive Officer of a Crédit Agricole Regional Bank, including eighteen (18) Directors elected by the shareholders, one (1) Director appointed by joint decree of the Ministry of Finance and of the Ministry of Agriculture, 2 (two) Directors elected by the employees of Crédit Agricole S.A., and two (2) non-voting Directors appointed by the Board of Directors. The members of the Board of Directors are elected or appointed for a renewable term of three (3) years.

### *Control*

As a regulated bank, Crédit Agricole S.A. is subject to various controls by the French financial regulators (*Autorité de contrôle prudentiel (ACP), Banque de France, Autorité des Marchés Financiers*, etc.).

### *Accounting regulations and methods*

The consolidated financial statements of Crédit Agricole S.A. conform to International Financial Reporting Standards as adopted by the European Union (IFRS), for the fiscal years beginning 1 January 2005, and subject to subsequent modifications.

Crédit Agricole S.A. reports its non-consolidated financial statements according to the provisions in use in all private industrial and commercial companies registered in France. It pays tax according to the standard rules applicable to commercial companies, in France and in foreign legislation.

The accounts of Crédit Agricole S.A. are examined by Ernst & Young et Autres and Price Waterhouse Coopers Audit.

Barbier, Frinault et Autres then located 41, rue Ybry, 92576 Neuilly-sur-Seine Cedex was appointed Statutory Auditor at the Ordinary General Meeting of 31 May 1994 for a term of six (6) years, which was renewed for six (6) years at the Ordinary General Meeting of 25 May 2000, for a further six (6) years at the Combined General Meeting of 17 May 2006 and yet for another six (6) years at the Ordinary General Meeting of 22 May 2012.

The company, represented by Valérie Meeus, has been a member of the Ernst & Young network since 5 September 2002. It adopted the name Ernst & Young et Autres on 1 July 2006.

PricewaterhouseCoopers Audit was appointed Statutory Auditor at the Ordinary General Meeting of 19 May 2004. This term of office was renewed for a further six (6) years at the Combined General Meeting of 17 May 2006 and yet for another six (6) years at the Ordinary General Meeting of 22 May 2012.

PricewaterhouseCoopers Audit, represented by Catherine Pariset, belongs to the PricewaterhouseCoopers network.

The consolidated and non-consolidated financial statements of Crédit Agricole S.A. must be approved by its board of directors and, within six (6) months following the end of each financial year, are submitted, together with the statutory auditors' report, for examination by the shareholders' meeting of Crédit Agricole S.A. The consolidated interim financial statements of Crédit Agricole S.A. for the first six (6) month period of each financial year are only subject to a limited review by its statutory auditors.

## **The Borrower Facility Agreement**

### *Background*

The proceeds from the issuance of the Covered Bonds under the Program will be used by Crédit Agricole Home Loan SFH, as lender (in such capacity, the "**Lender**") to fund advances to be made available to Crédit Agricole S.A., as borrower (in such capacity, the "**Borrower**").

The Lender and the Borrower have agreed to enter into a credit facility agreement (the "**Borrower Facility Agreement**") in order to determine the terms and conditions according to which the Lender shall grant the Borrower with advances under the Borrower Facility Agreement (each, a "**Borrower Advance**").

### *The Borrower Advances*

The Borrower Advances shall be made available to the Borrower in an aggregate maximum amount equal to €35,000,000,000 (the "**Borrower Facility Commitment**") for the purpose of financing the general financial needs of the Borrower with respect to advances to be made available to the Collateral Providers, in accordance with the terms and conditions of the credit facility agreement entered into between the Borrower and the Collateral Providers.

Pursuant to the Borrower Facility Agreement, the Borrower shall send to the Administrator (with a copy to the Issuer acting as Lender under the Borrower Facility Agreement) a duly completed drawdown request (a "**Drawdown Request**") in respect of the Borrower Advance to be made available under the Borrower Facility Agreement. Upon receipt of a Drawdown Request by the Administrator (with copy to the Lender), the Lender, together with the Administrator, shall elaborate (i) corresponding Final Terms of the Covered Bonds to be issued to fund such Drawdown Request, and (ii) final terms of the Borrower Advance ("**Final Terms of Borrower Advance**") reflecting the terms and conditions of such corresponding Final Terms of the Covered Bonds.

The Borrower may (i) accept the terms and conditions of the Final Terms of Borrower Advance proposed by the Administrator and the Lender, in which case such Final Terms of Borrower Advance shall be definitive between the Borrower and the Lender and a Borrower Advance shall be made available according to such Final Terms of Borrower Advance, or (ii) refuse the terms and conditions of such Final Terms of Borrower Advance, in which case such Final Terms of Borrower Advance and the relevant Drawdown Request shall be considered as null and void between the Borrower and the Lender.

### *Principal and interest amounts*

The 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, it being provided that, as a principle, the interest and fees to be paid by the Borrower under a Borrower Advance shall be the financing costs of the Lender under the Covered Bonds funding such Borrower Advance, increased by a margin which covers all the costs and expenses relating to the structuring and updating of the Program, the issuance of Covered Bonds and taxes of the Issuer during the Program. The terms and conditions regarding the calculation and the payment of principal and interest under a Borrower Advance shall be further described hereunder and in the relevant Final Terms of Borrower Advance. Any amounts repaid or prepaid under any Borrower Advance may not be re-borrowed.

### *Representations, warranties and undertakings*

The Borrower has made customary representations and warranties and undertakings to the Lender, the representations and warranties being given on the execution date of the Borrower Facility Agreement and continuing until all sums due by the Borrower under the Borrower Facility Agreement shall have been repaid in full.

### *Main other terms*

The Borrower Facility Agreement also provides for:

- (a) (i) customary tax gross-up provisions relating to payments to be made by the Borrower to the relevant Finance Parties under the Borrower Facility Agreement and (ii) corresponding tax gross-up provision relating to payments to be made by the Issuer pursuant to Condition 9(b) of the Covered Bonds;
- (b) customary tax indemnity provisions relating to any payment to be made by the relevant Finance Parties on account of tax on or in relation to any sum received or receivable under the Borrower Facility Agreement by the Finance Parties from the Borrower or any liability in respect of any such payment being asserted, imposed, levied or assessed against the Finance Parties;
- (c) customary "increased costs" provisions;
- (d) general financial information covenants and other customary covenants of the Borrower.



### *Borrower Events of Default*

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

- (a) 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;
- (b) a Breach of Pre-Maturity Test occurs;
- (c) a Breach of Asset Cover Test occurs;
- (d) a Breach of Collection Loss Reserve Funding Requirement or a Breach of Home Loan Guarantee Reserve Funding Requirement occurs;
- (e) 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;
- (f) 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;
- (g) any Collateral Provider(s) fail to comply with any of its/their material obligations under the Program 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 Providers Agent or (ii) the date on which the Borrower or the Collateral Providers 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;
- (h) as regards the Borrower, an Insolvency Event occurs;
- (i) 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 Program Documents; or
- (j) 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
- (k) upon the occurrence of a Hedging Rating Trigger Event (as defined in section "**The Hedging Strategy**" of this Base Prospectus), (i) the Issuer (or the Administrator on its behalf) fails to enter into the Issuer Hedging Agreement and related Issuer Hedging Transaction(s) (as defined in section "**The Hedging Strategy**" of this Base Prospectus) within thirty (30) calendar days from the occurrence date of such Hedging Rating Trigger Event, as described under the Hedging Strategy (as defined in section "**The Hedging Strategy**" of this Base Prospectus) or (ii) the Issuer (or the Administrator on its behalf) or the Borrower fails to enter into the Borrower Hedging Agreement and related Borrower Hedging Transaction(s) (as defined in section "**The Hedging Strategy**" of this Base Prospectus) within thirty (30) calendar days from the occurrence date of such Hedging Rating Trigger Event, as described

under the Hedging Strategy (as defined in section "**The Hedging Strategy**" of this Base Prospectus) or (iii) the Borrower fails to pay any costs and expenses referred to in section "**The Hedging Strategy**" of this Base Prospectus.

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 Providers 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 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**").

#### *Borrower's indemnities*

Under the Borrower Facility Agreement, the Borrower undertakes to indemnify the Lender against:

- (a) any cost, claim, loss, expense (including legal fees) or liability (other than reasonable consequential losses including loss of profit), which it may (acting reasonably) sustain or incur as a consequence of the occurrence of any Borrower Event of Default or any default by the Borrower in the performance of any of the obligations expressed to be assumed by it in the Borrower Facility Agreement; and
- (b) (other than by reason of negligence or default by the Lender) any loss it may suffer or incur as a result of its funding or making arrangements to fund a Borrower Advance requested by the Borrower under the Borrower Facility Agreement but not made by reason of the operation of any one or more of the provisions of the Borrower Facility Agreement,

In addition, the Borrower as guarantor (in such capacity, the "**Guarantor**") irrevocably and unconditionally guarantees and undertakes to hold the Issuer harmless against any liabilities that the Issuer may incur in connection with its funding or making arrangements to fund, through the issuance of Covered Bonds or otherwise, any Borrower Advance made available to the Borrower under the Borrower Facility Agreement (including but not limited to any indemnity payable by the Lender (in its capacity as Issuer) to any party under any Program Documents and any termination costs due and payable by the Lender under any Hedging Agreement which would not be subordinated to the full and final redemption of the then outstanding Covered Bonds).

#### *Broken Funding Indemnity*

If, as a consequence of the occurrence of a Borrower Event of Default, the Lender receives or recovers all or any part of a Borrower Advance otherwise than as described or scheduled under the relevant Finals Terms of Borrower Advance, the Borrower shall pay to the Lender on demand an amount equal to the amount (if any) of the difference (if positive) between (x) the additional interest which would have been payable on the amount so received or recovered had such Borrower Event of Default not occurred, and (y) the amount of interest which the Lender reasonably determines would have been payable to the Lender on the last day of the term thereof in respect of a deposit equal to the amount so received or recovered placed by it with a prime bank for a period starting on the third (3<sup>rd</sup>) Business Day following the date of such receipt or recovery and ending on the last day of the term thereof.

#### *Limited recourse – Non-petition*

The Borrower Facility Agreement includes "Limited recourse" and "Non-petition" provisions, as described in "**The Issuer - Issuer's Activities – Limited recourse**" and "**The Issuer - Issuer's Activities - Non-petition**".

*Amendments*

No amendment, modification, alteration or supplement shall be made to the Borrower Facility Agreement 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 Borrower Facility Agreement 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 the Borrower Facility Agreement to any successor;
- (c) to add to the undertakings and other obligations of the Borrower under the Borrower Facility Agreement; or
- (d) to comply with any mandatory requirements of applicable laws and regulations.

*Governing Law – Jurisdiction*

The Borrower Facility Agreement shall be governed by, and construed in accordance with, French law. The Borrower has agreed for the benefit of the Issuer, the Administrator and the Issuer Calculation Agent to submit any dispute that may arise in connection with the Borrower Facility Agreement to the jurisdiction of the competent court of Paris.

## THE COLLATERAL SECURITY

### The Collateral Security Agreement

#### *Background*

The Collateral Security Agreement refers to the agreement dated on or prior to the Program Date and made between (i) the Issuer, in its capacity as "Lender", (ii) collateral providers (the "**Collateral Providers**") and (iii) Crédit Agricole S.A., in its respective capacity as "Borrower", "Collateral Providers Agent", "Administrator" and "Issuer Calculation Agent" (the "**Collateral Security Agreement**").

#### *Secured Liabilities*

The Collateral Security Agreement sets forth the terms and conditions in accordance with which the Collateral Providers, represented by the Collateral Providers Agent, shall grant financial assets (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 owed by the Borrower under the Borrower Facility Agreement, whether present or future (the "**Secured Liabilities**") provided that the purposes of Articles L. 211-36 and following of the French Monetary and Financial Code (*Code monétaire et financier*), each Collateral Provider agrees to be jointly and severally liable (*débiteur solidaire*) with the Borrower for the Secured Liabilities which constitute financial obligations (*obligations financières*) of the Borrower under the Borrower Facility Agreement within the meaning of Articles L. 211-36 and following of the French Monetary and Financial Code (*Code monétaire et financier*).

The title to the Eligible Assets granted as Collateral Security shall not be transferred in favour of the Issuer until perfection of the Collateral Security. The Issuer shall be vested in the title to such Eligible Assets only upon enforcement of the Collateral Security, if any such enforcement occurs in accordance with the terms of the Collateral Security Agreement.

#### *Collateral Providers on or about the Program Date*

On or about the Program Date, the Collateral Providers, duly represented by the Collateral Providers Agent, have entered into the Collateral Security Agreement. Under the Collateral Security Agreement, each of these Collateral Providers has represented and warranted for the benefit of the Issuer that, on the Program Date, it complies with the Collateral Provider Eligibility Criteria (as defined below).

#### *Accession of Collateral Providers after the Program Date*

At any time after the Program Date but prior to the occurrence of any Borrower Event of Default or any Issuer Event of Default, and subject to the procedure described in the Collateral Security Agreement, any entity may access to the Collateral Security Agreement as Collateral Provider provided that:

- (a) it complies, upon its accession to the Collateral Security Agreement, with the Collateral Provider Eligibility Criteria; and
- (b) it is not already a Collateral Provider at such time.

(individually the "**Applicant**" and collectively the "**Applicants**").

The Collateral Providers Agent (acting in its own name and on its own behalf) shall notify in writing the Administrator, the Lender, the Issuer, the Issuer Calculation Agent (together with the Collateral Providers Agent, the "**Finance Parties**") of any request made by any Applicant (or by any of its representatives) to accede as Collateral Provider to the Collateral Security Agreement and shall indicate the date for such accession. Each relevant Applicant (or any of its representatives) shall make such request at least thirty (30) Business Days before the contemplated date of such accession.

Such accession shall take effect on the Selection Date (as defined below) following the date indicated by the relevant Applicant (or any of its representatives) for its accession to the Collateral Security Agreement, subject to satisfaction of the following conditions precedent:

- (a) the issuance by the relevant Applicant (or any of its representatives) of an Accession Letter in accordance with the form set out in the Collateral Security Agreement, which shall contain in particular (i) a covenant by the acceding Applicant to perform all of the obligations resulting from the Collateral Security Agreement to which it will become a party and (ii) the appointment of Crédit Agricole S.A. as Collateral Providers Agent;
- (b) the notification by each of the Finance Parties to the relevant Applicant (or to any of its representatives) indicating its acceptance of the accession of such Applicant, by way of signature of such Accession Letter, it being provided that the Collateral Providers Agent shall execute such Accession Letter in its own name and on its own behalf;
- (c) the provision by such Applicant (or by any of its representatives) of a legal certificate regarding the situation of such Applicant and its accession to the Collateral Security Agreement.

Pursuant to the Collateral Security Agreement, each Collateral Provider acknowledges and accepts that, subsequently to the entering into the Collateral Security Agreement, other Crédit Agricole Entities may become party to the Collateral Security Agreement, pursuant to the conditions set forth therein, in order to grant Collateral Security for the performance and discharge in full of the Secured Liabilities.

Upon its accession to the Collateral Security Agreement and pursuant to the relevant terms and conditions of the Collateral Security Agreement, each acceding Collateral Provider shall have the same rights and obligations as those of the other Collateral Providers.

#### *Withdrawal of Collateral Providers*

At any time after the Program Date but prior to the occurrence of any Borrower Event of Default or any Issuer Event of Default, any Collateral Provider may withdraw from the Collateral Security Agreement, provided that such withdrawal does not and is not likely to cause the occurrence of any Borrower Event of Default (including the occurrence of a Breach of Asset Cover Test).

In such event, the Collateral Providers Agent (acting in its own name and on its own behalf) shall notify the other Finance Parties in writing of any request for the withdrawal of one or more Collateral Providers from the Collateral Security Agreement, and shall indicate the date of such withdrawal (the "**Withdrawal Letter**"). Each Withdrawal Letter shall be in the form set out in the Collateral Security Agreement and shall be made at least thirty (30) Business Days before the contemplated date of such withdrawal.

Such withdrawal shall take effect on the Selection Date following the date indicated in the relevant Withdrawal Letter, subject to the following conditions precedent:

- (a) the issuance by the Collateral Providers Agent (acting in its own name and on its own behalf) of a Withdrawal Letter;
- (b) the notification by each of the Finance Parties to the relevant withdrawing Collateral Provider(s) (or to any of its representatives) indicating its acceptance of the withdrawal of such Collateral Provider, by way of signature of the relevant Withdrawal Letter, it being provided that the Collateral Providers Agent shall execute such Withdrawal Letter in its own name and on its own behalf;
- (c) the confirmation by the Issuer Calculation Agent that such withdrawal does not and is not likely to cause the occurrence of any Borrower Event of Default;
- (d) the Issuer Calculation Agent shall have controlled and certified in writing to the Issuer that the Home Loan Receivables granted as Collateral Security by the withdrawing Collateral Provider(s) have been properly identified and that the withdrawal of such Collateral Provider(s), the subsequent release of Home Loan Receivables granted as Collateral Security by it/them, shall not result in a Non Compliance with Asset Cover Test. For such purpose, provided that the aggregate Home Loan Outstanding Principal Amount of the Home Loan Receivables granted as Collateral Security by the withdrawing Collateral Provider(s) exceeds five per cent. (5%) of the aggregate Home Loan Outstanding Principal Amount of the Home Loan Receivables granted as Collateral Security by any and all Collateral Provider(s), the Issuer Calculation Agent shall recalculate the Weighted Average Recovery Rate ("**WARR**"), the Weighted Average Frequency of Foreclosure ("**WAFF**"), the Weighted Average Loss Severity ("**WALS**") and the Asset Percentage that would be applicable

following the release of the Home Loan Receivables granted by such withdrawing Collateral Provider(s) as Collateral Security;

- (e) the relevant withdrawing Collateral Provider has reimbursed all amounts owed by it under the relevant Collateral Providers facility and has paid to Crédit Agricole S.A., as lender under the Collateral Providers facility, any and all fees and costs relating to the early amortization of such Collateral Providers facility.

For the purpose of the above, "**Home Loan Outstanding Principal Amount**" means, with respect to each relevant Home Loan, the amount of principal outstanding at the relevant date under such relevant Home Loan (in Euro or Euro equivalent with respect to Home Loans denominated in a Specified Currency).

Upon its withdrawal from the Collateral Security Agreement and pursuant to the relevant terms and conditions of the Collateral Security Agreement, each withdrawn Collateral Provider shall have no rights or obligations under the Collateral Security Agreement and the Home Loan Receivables granted as Collateral Security by such withdrawn Collateral Provider shall be automatically released without any further formality.

#### *Exclusion of Collateral Providers*

At any time after the Program Date but prior to the occurrence of any Borrower Event of Default or any Issuer Event of Default, any Collateral Provider may be excluded from the Collateral Security Agreement, in the event of a material breach of the Collateral Security Agreement by such Collateral Provider or if the non-exclusion of such Collateral Provider is likely to cause the occurrence of any Borrower Event of Default (including the occurrence of a Breach of Asset Cover Test).

In such event, the Administrator (acting on behalf of the Issuer) shall notify the relevant Collateral Provider(s) in writing (the "**Exclusion Letter**") of the decision of the Issuer to exclude it(them) as Collateral Provider. Each Exclusion Letter shall be executed among the Administrator (acting on behalf of the Issuer) and the Collateral Providers Agent (acting on its own name and on its own behalf) in the form set out in the Collateral Security Agreement and shall be made at least thirty (30) Business Days before the contemplated date of such exclusion.

Such exclusion shall take effect on the Selection Date following the date indicated in the relevant Exclusion Letter, subject to the following conditions precedent:

- (a) the execution of an Exclusion Letter by the relevant parties thereto (as mentioned above);
- (b) the exclusion of the relevant Collateral Provider(s) has been notified in writing by the Administrator to the Borrower, the Issuer Calculation Agent and the other Collateral Providers;
- (c) the Issuer Calculation Agent shall have controlled and certified in writing to the Issuer that the Home Loan Receivables granted as Collateral Security by the excluded Collateral Provider(s) have been properly identified. For such purpose, provided that the aggregate Home Loan Outstanding Principal Amount of the Home Loan Receivables granted as Collateral Security by the excluded Collateral Provider(s) exceeds 5% (five per cent.) of the aggregate Home Loan Outstanding Principal Amount of the Home Loan Receivables granted as Collateral Security by any and all Collateral Provider(s), the Issuer Calculation Agent shall recalculate the WARR, the WAFF, the WALs and the Asset Percentage that would be applicable following the release of the Home Loan Receivables granted by such excluded Collateral Provider(s) as Collateral Security;
- (d) the relevant excluded Collateral Provider has reimbursed all amounts owed by it under the relevant Collateral Providers facility and has paid to Crédit Agricole S.A., as lender under the Collateral Providers facility, any and all fees and costs relating to the early amortization of such Collateral Providers facility.

Upon its exclusion from the Collateral Security Agreement and pursuant to the relevant terms and conditions of the Collateral Security Agreement, each excluded Collateral Provider shall have no rights or obligations under the Collateral Security Agreement and the Home Loan Receivables granted as Collateral Security by such excluded Collateral Provider shall be automatically released without any further formality.

### *Updated List of Collateral Providers*

At all times after the Program Date, the Collateral Providers Agent shall keep an updated list of the Collateral Providers, containing sufficient details of such Collateral Providers (and taking into account any accession, withdrawal or exclusion made pursuant to the Collateral Security Agreement) and any other material events affecting the legal and financial situation of the Collateral Providers (and in particular the compliance with the Collateral Provider Eligibility Criteria). Such list shall be communicated by the Collateral Providers Agent to any other Finance Parties, promptly upon their request.

For the purposes of the Collateral Security Agreement, each Collateral Provider granting Collateral Security shall, at the relevant Selection Date or on any other date specified below or (in the absence of mention of any such specific date) at any time, comply with all the following cumulative eligibility criteria (each, a "**Collateral Provider Eligibility Criteria**"):

- (a) the relevant entity is either:
  - 1) LCL (Crédit Lyonnais) and, subject to prior Rating Affirmation, any other French legal entity, located in France, duly licensed as a French credit institution (*établissement de crédit*), controlled by Crédit Agricole S.A. within the meaning of Article L. 233-3 of the French Commercial Code (*Code de commerce*); or
  - 2) any *Caisse de Crédit Agricole Mutuel* (within the meaning of Articles L. 512-20 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*)), to the exclusion of the *Caisses Locales de Crédit Agricole Mutuel* referred to in Articles L. 512-20 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*), which is affiliated to Crédit Agricole S.A.;
- (b) the relevant entity has validly executed the Collateral Security Agreement on the Program Date or has become a party thereto in accordance with relevant provisions of the Collateral Security Agreement;
- (c) the relevant entity has the power to enter into the Collateral Security Agreement and to exercise its rights and to perform its obligations thereunder and all corporate and other action required to authorise its execution of the Collateral Security Agreement and its performance of its obligations thereunder have been done, fulfilled and performed;
- (d) all acts, conditions and things required to be done, fulfilled and performed in order (i) to enable such entity lawfully to enter into, exercise its rights under and to perform and comply with the obligations expressed to be assumed by it in the Collateral Security Agreement, (ii) to ensure that the obligations expressed to be assumed by it in the Collateral Security Agreement are legal, valid and binding and (iii) to make the Collateral Security Agreement admissible in evidence in its jurisdiction of incorporation have been done, fulfilled and performed (as appropriate);
- (e) any material obligations expressed to be assumed by the relevant entity in the Collateral Security Agreement are legal and valid obligations binding and enforceable on it in accordance with their respective terms;
- (f) the relevant entity is not in breach of any of its material obligations under the Collateral Security Agreement;
- (g) the execution and delivery of the Collateral Security Agreement by the relevant entity, the performance by it of any of the transactions contemplated therein or of any of its obligations thereunder or the creation of the security thereby constituted do not and will not:
  - 1) conflict with its constitutive documents; or
  - 2) contravene or constitute a default under or otherwise conflict with any provision contained in any material law, judgment, order, licence, permit or consent by which such entity or any of the assets of such entity is bound or affected; or

- 3) conflict, in any material respect, with any agreement or document to which it is a party or by which it is bound nor will breach any obligation under any negative pledge or cause any limitation of such entity to be exceeded;
- (h) the relevant entity is able to meet its payment obligations with its current assets and is not in a position of cessation of payment (*cessation des paiements*), nor is there any basis for any third party to request the opening of insolvency or similar proceedings against such entity;
- (i) the relevant entity is a party to a credit facility agreement with Crédit Agricole S.A. whereby Crédit Agricole S.A. undertakes to on-lend to the Collateral Providers the proceeds of any Borrower Advance.

**"Selection Date"** means, with respect to each Home Loan Receivable to be granted as Collateral Security under the Collateral Security Agreement, the date comprised between the 15<sup>th</sup> Business Day and the last Business Day (both included) of each calendar month upon which such Home Loan Receivable shall have been notified by the Collateral Providers Agent as being effectively granted as Collateral Security subject to, and in accordance with, the relevant terms of the Collateral Security Agreement.

#### *Collateral Providers Agent*

In accordance with the Collateral Security Agreement, each Collateral Provider has appointed Crédit Agricole S.A. as its agent (*mandataire*) under and in connection with the Collateral Security Agreement and in particular in order to manage the Collateral Security in the name and on behalf of the Collateral Providers (the "**Collateral Providers Agent**").

#### *Resignation of the Collateral Providers Agent*

The Collateral Providers Agent may resign from the duties and obligations imposed on it in the Collateral Security Agreement only upon prior Rating Affirmation. Such resignation shall be effective upon replacement of the Collateral Providers Agent.

#### *Collateral Providers Agent's Event of Defaults*

Collateral Providers Agent's Event of Defaults will occur upon the occurrence of any of the following events (each, a "**Collateral Providers Agent's Event of Default**"):

- (a) any material representation or warranty made by the Collateral Providers Agent 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 Collateral Providers Agent or (if sooner) the Collateral Providers Agent 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 Collateral Providers Agent fails to comply with any of its material obligations under the Collateral Security 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 Collateral Providers Agent or (if sooner) the Collateral Providers Agent 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 Collateral Providers Agent; or
- (d) at any time it is or becomes unlawful for the Collateral Providers Agent to perform or comply with any or all of its material obligations under the Collateral Security Agreement or any or all of its material obligations under the Collateral Security Agreement are not, or cease to be, legal, valid and binding.

Upon the occurrence of a Collateral Providers Agent's Event of Default, the Collateral Providers Agent shall notify the Issuer of such occurrence promptly after becoming aware of it.



### *Indemnities*

The Collateral Providers Agent undertakes to hold harmless and fully and effectively indemnify the Issuer against all actions, proceedings, demands, damages, costs, expenses (including legal fees), claims, losses, prejudice or other liability, which the Issuer may sustain or incur as a consequence of the occurrence of any default by the Collateral Providers Agent in its performance of any of its obligations under the Collateral Security Agreement.

Any indemnity given to the Issuer by the Collateral Providers Agent pursuant to the Collateral Security Agreement is in addition to and without prejudice to any indemnity allowed by law and shall continue after the termination of the Collateral Security Agreement, provided however that the Collateral Providers Agent shall not in any case be liable to pay twice for the same prejudice caused to the same person. No limitation of the Collateral Providers Agent's liability for a breach of the Collateral Security Agreement which causes a breach by the Issuer of its obligations under any other Program Document(s) is provided under the Collateral Security Agreement. The Collateral Providers Agent shall be at all times fully liable for the actions of its directors, officers, employees, agents or sub-contractors.

### *Collateral Providers Agent Rating Trigger Event*

If a Collateral Providers Agent Rating Trigger Event occurs, the Collateral Providers Agent will notify the Issuer in writing of the occurrence of the Collateral Providers Agent Rating Trigger Event within 5 (five) Business Days after the date upon which it becomes aware of such event and this will constitute a Collateral Providers Agent Termination Event.

For such purposes, "**Collateral Providers Agent Rating Trigger Event**" means the event in which:

- (i) the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of the Collateral Providers Agent become rated below at least BBB (S&P),
- (ii) the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of the Collateral Providers Agent become rated below Baa2 (Moody's); or
- (iv) the long-term issuer default rating (IDR) of the Collateral Providers Agent becomes rated below BBB- (Fitch).

### *Termination*

"**Collateral Providers Agent Termination Events**" under the Collateral Security Agreement will include the following events:

- (a) the title to the Collateral Security Assets has been transferred to the Issuer following enforcement of the Collateral Security and/or the Secured Liabilities have been satisfied in full;
- (b) the occurrence of any Collateral Providers Agent's Event of Default; or
- (c) the occurrence of the Collateral Providers Agent Rating Trigger Event.

If a Collateral Providers Agent Termination Event occurs, the appointment of the Collateral Providers Agent under the Collateral Security Agreement shall be terminated by the sending to the Collateral Providers Agent by the Administrator of a written notice for the purposes thereof (the "**Notice of Termination**"). Upon receipt by the Collateral Providers Agent of the Notice of Termination which is effective, the appointment of the Collateral Providers Agent will terminate with effect:

- not earlier than twenty (20) Business Days as from the receipt by the Collateral Providers Agent of the Notice of Termination, if such Notice of Termination is served due to the occurrence of a Collateral Providers Agent Rating Trigger Event;
- not earlier than twenty (20) Business Days as from the receipt by the Collateral Providers Agent of the Notice of Termination or at any other date that the Issuer may have specified in the Notice of Termination, if such Notice of Termination is served due to any other reason,

and save for any continuing obligations of the Collateral Providers Agent contained in the Collateral Security Agreement.

Upon the resignation of the Collateral Providers Agent or termination of its appointment as Collateral Providers Agent hereunder in accordance with the terms of the Collateral Security Agreement, the Collateral Providers shall replace Crédit Agricole S.A., as Collateral Providers Agent, by any legal entity (the "**Substitute Collateral Providers Agent**"), the choice of which being subject to prior Rating Affirmation.

Upon its appointment and unless otherwise agreed with the Issuer (but subject to prior Rating Affirmation, the Substitute Collateral Providers Agent shall:

- (a) provide the Collateral Providers with all necessary assistance and know-how, whether technical or other, as described under the Collateral Security Agreement;
- (b) together with the Collateral Providers Agent, take all steps necessary to replace the Collateral Providers Agent in all rights and obligations arising from the Program Documents to which the Collateral Providers Agent is a party and, for such purposes, become a party, as Collateral Providers Agent, to any relevant Program Documents to which the Collateral Providers Agent is a party;

it being provided that the provisions of this paragraph shall not apply with regard to the Collateral Providers Agent Termination Event referred to in the paragraph (a) of the definition thereof.

Notwithstanding its resignation or the termination of its appointment in accordance with the terms of the Collateral Security Agreement and notwithstanding any other provision of the Collateral Security Agreement, the duties of the Collateral Providers Agent under the Collateral Security Agreement shall continue and the Collateral Providers Agent shall continue to be bound by all its obligations hereunder until the earlier of (i) its replacement as Collateral Providers Agent and (ii) the termination of its appointment in accordance with the terms of the Collateral Security Agreement (each, a "**Service Termination Date**").

#### *Eligible Assets*

For the purposes of the Collateral Security Agreement, an "**Eligible Asset**" means, in relation to Collateral Security granted by any and all Collateral Providers, any Home Loan Receivable that complies, or whose underlying Home Loan complies (each, a "**relevant Home Loan**"), with the requirements of the SFH legal Framework and each of the following eligibility criteria (the "**Home Loan Eligibility Criteria**"):

- (a) prior to the date upon which the relevant Home Loan has been made available to the borrower thereof, all lending criteria and conditions precedent as applied by the originator of such relevant Home Loan pursuant to its customary lending procedures were satisfied;
- (b) the underlying property is located in the jurisdiction of the originator of the relevant Home Loan;
- (c) the relevant Home Loan is governed by the law of the jurisdiction where the originator of the relevant Home Loan is located;
- (d) the relevant Home Loan is denominated in Euro or in a Specified Currency;
- (e) all sums due under the relevant Home Loan (including interest and costs) are secured by a fully effective Home Loan Security;
- (f) on the relevant Selection Date, the current principal balance of the relevant Home Loan is no more than Euro 1,000,000 or its equivalent in the relevant Specified Currency;
- (g) the loan-to-value of the relevant Home Loan is no more than one hundred per cent. (100%);
- (h) on the relevant Selection Date, the remaining term for the relevant Home Loan is less than thirty (30) years;
- (i) on the relevant Selection Date, the borrower under the relevant Home Loan has paid at least one (1) instalment in respect of such Home Loan;

- (j) the borrower under the relevant Home Loan is an individual who is not an employee of the originator of such relevant Home Loan;
- (k) the relevant Home Loan is current (i.e. does not present any arrears) as at the Selection Date;
- (l) the relevant Home Loan is either monthly or quarterly amortising as at the Selection Date;
- (m) under the relevant Home Loan, the borrower does not benefit from a right to raise contractual right of set-off against the relevant Collateral Provider;
- (n) the opening by the borrower under the relevant Home Loan of a bank account dedicated to payments due under such relevant Home Loan is not provided for in the relevant contractual arrangements as a condition precedent to the originator of such relevant Home Loan making such relevant Home Loan available to the borrower under such relevant Home Loan;
- (o) except in the event that prior Rating Affirmation has been delivered, no amount drawn under the relevant Home Loan is capable of being redrawn by the borrower thereof (i.e. such relevant Home Loan is not flexible);
- (p) as at the end of the current calendar month, the Collateral Provider granting the Home Loan Receivables as Collateral Security complies with any and all Collateral Provider Eligibility Criteria;
- (q) except in the event that prior Rating Affirmation has been delivered, the relevant Home Loan does not relate to a property under construction (*bien en construction*) or to an unachieved property (*bien non achevé*);
- (r) the inclusion of the Home Loan Receivable in the Collateral Security Assets shall not result in the aggregate amount of the Home Loan Receivables under the relevant Home Loans guaranteed by a Home Loan Guarantee granted by CAMCA (as defined below) being equal to or exceeding fifty per cent. (50%) of the aggregate amount of all the Collateral Security Assets.

CAMCA Assurance ("**CAMCA**") is a *société anonyme* incorporated under the laws of Luxembourg, licensed as an insurance company (*entreprise d'assurance*) by ministerial order (*arrêté ministériel*) dated 5 May 1997, whose registered office is located at 32, avenue de la Liberté - L-1930 Luxembourg, registered with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Luxembourg under the number B 58149. CAMCA is an affiliate of Crédit Agricole S.A.

If it is confirmed that a relevant Home Loan ceases to comply with any of the Home Loan Eligibility Criteria (each, an "**Ineligible Home Loan**"), any Home Loan Receivables granted as Collateral Security under such Ineligible Home Loan shall account for zero for the purpose of calculation of the Asset Cover Test on the relevant Asset Cover Test Date (see "**Asset Monitoring – The Asset Cover Test**"). In addition, the Collateral Providers Agent, acting in the name and on behalf of the relevant Collateral Provider(s), may request that such Ineligible Home Loan be released from the scope of the Collateral Security.

The Home Loan Eligibility Criteria may be amended from time to time subject to prior Rating Affirmation.

For the purpose hereof:

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

"**Home Loan Receivable**" means each and any loan receivable arising from any Home Loan.

"**Home Loan Security**" means, in respect of a Home Loan, a Mortgage or a Home Loan Guarantee.

"**Home Loan Guarantee**" means (i) each and any joint and several guarantee or other type of guarantee provided by *Crédit Logement* or by CAMCA or, subject to Rating Affirmation, a credit institution of the EEA specialised in the guaranteeing of loans financing the acquisition of residential real estate property and guaranteeing the Home Loans; or (ii) 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 duly registered first ranking mortgage (and in particular in respect of Home Loans governed by French law, any *hypothèque*) or similar first ranking legal privilege (and in particular in respect of Home Loans governed by French law, any *privilège de prêteur de deniers*) securing the repayment of any given Home Loan, or any 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.

#### *Collateral Security Assets*

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. For the purpose of identifying at any time each Home Loan Receivable to be granted as Collateral Security under the Collateral Security Agreement, each Collateral Provider undertakes thereunder to identify the same according to the following identification requirements (the **"Identification Requirements"**):

- (a) it shall maintain and keep in custody, at its registered office, a list of each Home Loan Receivable granted as Collateral Security under the Collateral Security Agreement and identifying such Home Loan Receivable according to the identification requirements set forth therein (each, a **"Collateral Security List"**); and
- (b) it shall ensure that each Home Loan Receivable be identified in the database, held and operated by the Collateral Providers Agent, which lists all and any Collateral Security Assets (the **"Collateral Security Database"**).

Pursuant and subject to the Collateral Security Agreement:

- (a) each Collateral Provider will allow each of the Issuer, the Administrator, the Issuer Calculation Agent, the Collateral Providers Agent or any of their representatives to consult each Collateral Security List at any time, subject to five-day prior written notice;
- (b) each Collateral Provider shall inform the Issuer, the Administrator, the Issuer Calculation Agent and the Collateral Providers Agent of any change as to where each Collateral Security List is maintained and kept;
- (c) each Collateral Provider agrees and acknowledges that in the absence of evidence to the contrary, the registration of any Home Loan Receivable in the Collateral Security Database shall be sufficient evidence of the fact that such Home Loan Receivable is an element of Collateral Security granted by the relevant Collateral Provider in favour of the Issuer/Lender pursuant to the Collateral Security Agreement;
- (d) the Issuer/Lender acknowledges that any Collateral Security granted by a given Collateral Provider to the benefit of the Issuer/Lender pursuant to the Collateral Security Agreement shall be only to the extent of the amount (as calculated from time to time) of Eligible Assets which are the subject of such Collateral Security;
- (e) the parties thereto acknowledge and accept that no fee and/or remuneration shall be owed and paid by the Borrower, the Issuer and/or the Lender to any Collateral Provider for the commitment of such Collateral Provider to grant any assets as Collateral Security under the Collateral Security Agreement.

#### *Creation and Perfection*

The Collateral Security shall be created in accordance with Articles L. 211-36 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*). The Collateral Security shall not entail any transfer of title with respect to the relevant Eligible Assets until enforcement.

The Collateral Security shall be perfected pursuant to paragraphs I and II, 1°) and II, 2°) of Article L. 211-38 of the French Monetary and Financial Code (*Code monétaire et financier*).

The perfection of each security shall not be conditional upon any formality other than the identification of the assets subject to the Collateral Security.

### *Controlling Rights and Covenants*

The Collateral Security Agreement provides that the Issuer benefits from controlling rights and covenants (the "**Controlling Rights and Covenants**") which should give it sufficient "control" over the Collateral Security Assets as required by Article L. 211-38 of the French Monetary and Financial Code (*Code monétaire et financier*).

The Controlling Rights and Covenants include the following undertakings from each Collateral Provider to the benefit of the Issuer: (i) to maintain the Collateral Security Assets free from any encumbrance or any option to purchase or similar rights, except as contemplated under the Collateral Security Agreement; (ii) not to transfer, assign, pledge, delegate or in any way encumber any of the Collateral Security Assets other than pursuant to, or as permitted under, the Collateral Security Agreement; (iii) not to permit that similar restrictions apply which may materially affect the security created under the Collateral Security Agreement; (iv) to perform the servicing of the relevant Collateral Security Assets in accordance with applicable laws and its customary servicing procedures (the "**Servicing Procedures**"); (v) not to materially alter the Servicing Procedures without the prior consent of the Issuer (such consent not to be unreasonably withheld); (vi) not to agree any renegotiation, restructuring or amendment of the terms, conditions and main financial characteristics of the Collateral Security Assets which may materially and adversely affect the value of the Collateral Security Assets or the rights of the creditor thereunder without the prior consent of the Issuer; and (vii) for the purpose of satisfying itself whether the Collateral Security Assets remain Eligible Assets or controlling the information contained in the relevant asset reports, to grant (at reasonable times and intervals and upon reasonable notice) the Issuer (or any agent acting on its behalf) access to each Collateral Provider's premises or to premises where the relevant asset records are located, in order to inspect or audit such asset records (such right of inspection or audit including taking copies of all or any document or data).

### *Asset Monitoring and Asset Cover Test*

Each Home Loan Receivable that is an Eligible Asset shall be deemed validly granted as Collateral Security and shall qualify as "**Collateral Security Asset**" upon delivery by the Issuer Calculation Agent to the Issuer of a confirmation notice substantially in the form attached to the Collateral Security Agreement (each, a "**Confirmation Notice**") certifying that:

- (a) such Home Loan Receivable arises from a Home Loan which conforms with all the Home Loan Eligibility Criteria;
- (b) such Home Loan Receivable has been duly identified in compliance with the Identification Requirements; and
- (c) such Home Loan Receivable has been duly identified in the relevant Asset Report (as defined below).

### *Effective Date*

On or prior to the Effective Date:

- (a) the Home Loan Receivables to be granted by the Collateral Providers as Collateral Security on the Effective Date shall have been identified in accordance with the Identification Requirements;
- (b) such Home Loan Receivables shall be deemed Collateral Security Assets; and
- (c) each Collateral Provider which is a party to the Collateral Security Agreement shall have entered into, as borrower, with Crédit Agricole S.A., as lender, a credit facility agreement whereby Crédit Agricole S.A. undertakes to on lend to the Collateral Providers the proceeds of any Borrower Advance.

On each Selection Date:

- (a) the Home Loan Receivables selected by the Collateral Providers Agent to be granted by the Collateral Providers as Collateral Security on such Selection Date shall have been identified:
  - (i) in the Collateral Security Database and the relevant Collateral Security List in accordance with the Identification Requirements; and

- (ii) in the relevant Asset Report; and
- (b) such Home Loan Receivables shall qualify as "Collateral Security Assets".

With effect on each Selection Date and upon confirmation by the Issuer Calculation Agent that a Non Compliance with Asset Cover Test would not occur as a result thereof:

- (a) the Collateral Security Assets granted as Collateral Security on the Effective Date or, as the case may be, on the preceding Selection Date shall be automatically and entirely released without formality, which each Collateral Provider and the Issuer expressly accept in advance under the Collateral Security Agreement; and
- (b) the Collateral Security Assets identified as mentioned above shall be deemed automatically granted as Collateral Security under the Collateral Security Agreement, which each Collateral Provider and the Issuer hereby expressly accept in advance under the Collateral Security Agreement.

#### *Interim Selection Date*

##### Request for top-up and/or release

The Collateral Providers Agent, acting in the name and on behalf of the Collateral Providers, shall be at any time between two Selection Dates (each, an "**Interim Selection Date**") entitled to request that any Home Loan Receivable granted as Collateral Security be added and/or released from the scope of the Collateral Security. In particular, if the Issuer Calculation Agent confirms to the Borrower and the Issuer in any relevant Confirmation Notice or Asset Cover Test Calculation Notice that any Home Loan underlying a Home Loan Receivable granted as Collateral Security has become an Ineligible Home Loan at such date, the Collateral Providers Agent, acting in the name and on behalf of the relevant Collateral Providers, shall request that such Home Loan Receivable be released from the scope of the Collateral Security and substituted by a Home Loan Receivable arising from an eligible Home Loan. Any top-up and/or release on any Interim Selection Date shall be made subject to, and in accordance with the relevant terms of the Collateral Security Agreement.

The conditions to top-ups are as follows:

- (a) No addition of any Home Loan Receivable as Collateral Security Asset under the Collateral Security Agreement shall be effective until and unless all the following conditions precedent shall have been satisfied on or prior to the relevant Interim Selection Date:
  - (i) the relevant Home Loan Receivable shall have been identified in the Collateral Security Database and the relevant Collateral Security List in accordance with the Identification Requirements, and in the relevant Asset Report; and
  - (ii) such Home Loan Receivable shall qualify as "Collateral Security Asset" within the meaning of the Collateral Security Agreement; and
  - (iii) a Non Compliance with Asset Cover Test would not occur as a result of the addition of such Home Loan Receivable; for such purpose, the Issuer Calculation Agent shall recalculate the Asset Percentage (as defined below) that would be applicable following such addition.
- (b) No top-up shall be effected (or permitted to be effected) by the Collateral Providers Agent, acting in the name and on behalf of the Collateral Providers, otherwise than as contemplated by the Collateral Security Agreement.

The conditions to releases are as follows:

- (a) No release under the Collateral Security Agreement shall be effective until and unless all the following conditions precedent shall have been satisfied:
  - (i) on the proposed Interim Selection Date, the Collateral Providers Agent, acting in the name and on behalf of the Collateral Providers, shall have delivered to the Issuer (with a copy to the Issuer Calculation Agent and the Administrator) a request of release (the "**Release Request**") substantially in the form attached as a schedule to the Collateral Security Agreement and

identifying the Home Loan Receivables requested by the Collateral Providers Agent, acting in the name and on behalf of the Collateral Providers, to be released from the scope of the Collateral Security with effect as of the Release Date; and

- (ii) no later than the proposed Interim Selection Date, the Issuer Calculation Agent shall have controlled and certified in writing to the Issuer that the Home Loan Receivables identified in the Release Request have been properly identified and that the proposed release shall not result, on or after the proposed Release Date, in a Non Compliance with Asset Cover Test, by delivering to the Issuer, to the Administrator and to the Collateral Providers Agent (with a copy to the Rating Agencies and the Asset Monitor) of a release confirmation notice (each, a "**Release Confirmation Notice**") substantially in the form attached as a schedule to the Collateral Security Agreement; for such purpose, the Issuer Calculation Agent shall recalculate the Asset Percentage that would be applicable following such release.
- (b) No release under the Collateral Security Agreement shall be effected (or permitted to be effected) by the Collateral Providers Agent, acting in the name and on behalf of the Collateral Providers, otherwise than as contemplated by the terms therein.

For the purpose hereof, "**Release Date**" means the date falling no later than thirty (30) Business Days prior to the proposed date of release (whether voluntary or mandatory) of any Home Loan Receivable granted as Collateral Security, as set out in the relevant terms of the Collateral Security Agreement.

The Collateral Providers Agent, acting in the name and on behalf of the Collateral Providers, shall monitor the Collateral Security Assets so as to, at all times, comply with the Asset Cover Test and the Minimum Legal Overcollateralisation Ratio (as further described in "**Asset Monitoring**").

In particular, the Collateral Providers Agent, acting in the name and on behalf of the Collateral Providers, may from time to time add, substitute or release Collateral Security Assets (including Home Loan Receivables arising from Ineligible Home Loans) from the scope of the Collateral Security in accordance with the Collateral Security Agreement. However, any such addition, substitution and/or release shall be effective only subject to confirmation by the Issuer Calculation Agent that a Non Compliance with Asset Cover Test would not occur as a result of such addition, substitution and/or release. For such purpose, the Issuer Calculation Agent shall recalculate the Asset Percentage (as defined in "**Asset Monitoring – The Asset Cover Test**") that would be applicable following such addition, substitution and/or release each time any such addition, substitution or release is requested by the Collateral Providers Agent.

Upon non compliance with the Asset Cover Test on any Asset Cover Test Date, the Collateral Providers Agent, acting in the name and on behalf of the Collateral Providers, shall cure such non compliance on each Selection Date prior to the next following Asset Cover Test Date, by:

- (a) causing the Collateral Providers to grant additional eligible Home Loan Receivables as Collateral Security pursuant to the relevant terms of the Collateral Security Agreement; and/or
- (b) causing the Collateral Providers to release ineligible Collateral Security Assets from the Collateral Security pursuant to the relevant terms of the Collateral Security Agreement.

A failure to cure a non compliance with the Asset Cover Test which has occurred on any Asset Cover Test Date prior to the next following Asset Cover Test Date shall constitute a "**Breach of Asset Cover Test**" under the Collateral Security Agreement. Any Breach of Asset Cover Test constitutes the occurrence of a Borrower Event of Default.

#### *Asset Servicing*

The Collateral Providers shall perform the servicing of the Collateral Security Assets in accordance with applicable laws and the applicable Servicing Procedures, using the degree of skill, care and attention as for the servicing of their assets for their own account, without interfering with the Issuer's material rights under the Collateral Security Agreement.

The Collateral Providers Agent, acting in the name and on behalf of the Collateral Providers, shall provide each Finance Party (with a copy to the Rating Agencies and the Asset Monitor) with:

- (a) on a date comprised between the fifteenth (15<sup>th</sup>) Business Day and the last Business Day (both included) of each calendar month (the "**Asset Report Date**"), an asset report (the "**Asset Report**") up-to-date on the last day of the calendar month immediately preceding the month within which the Asset Report Date occurs;
- (b) on each Selection Date, an Asset Report up-to-date on the last day of the calendar month immediately preceding such Selection Date, but including only the relevant data and information with respect to the Collateral Security Assets to be granted as Collateral Security on such Selection Date;
- (c) promptly upon the request of any Finance Party while a Borrower Event of Default has occurred, an Asset Report up-to-date on the date which shall have been specified in such request; and
- (d) at any time and in order to control compliance under the Collateral Security Agreement or for any auditing purposes, such additional information as any Finance Party may reasonably require with reasonable prior notice (except upon the occurrence of a Borrower Event of Default in which case such notice is not required) in connection with any Asset Report or the Collateral Security Assets.

The Collateral Providers shall furthermore, in accordance with the Servicing Procedures, establish, maintain or cause to be maintained and furthermore administer at all times accurate, complete and up-to-date records with respect to the Collateral Security Assets.

For the purpose of satisfying itself as to whether the Collateral Security Assets remain Eligible Assets or control Asset Reports, each Finance Party (or any agent acting on its behalf) is granted the access to the Collateral Providers' premises, or to premises where the Asset Records (as defined below) are located, in order to inspect or audit such Asset Records (such right of inspection or audit including taking copies of all or any document or data).

If a Servicing Rating Trigger Event occurs, the Administrator will notify the Issuer in writing of the occurrence of such event and then within five (5) Business Days of such occurrence, the Issuer and the Collateral Providers 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 S&P, (ii) long-term senior unsecured, unsubordinated and unguaranteed debt obligations (if rated) are rated at least Baa2 by Moody's or (iii) long-term issuer default rating (IDR) is rated at least BBB- by Fitch), for the servicing of the Collateral Security Assets granted by the Collateral Providers which are affiliated to Crédit Agricole S.A., 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 Program Documents (including the Collateral Security Agreement) (if not remedied in accordance with the relevant provisions of the Borrower Facility Agreement) constitutes the occurrence of a Borrower Event of Default.

For such purposes, "**Servicing Rating Trigger Event**" means:

- (a) with respect to a Collateral Provider being a Caisse Régionale du Crédit Agricole Mutuel, as applicable, the event in which its (i) long-term senior unsecured, unsubordinated and unguaranteed debt obligations become rated below BBB by S&P, or (ii) long-term senior unsecured, unsubordinated and unguaranteed debt obligations become rated below Baa2 by Moody's or (iii) long-term issuer default rating (IDR) becomes rated below BBB- by Fitch; or
- (b) with respect to a Collateral Provider being another Crédit Agricole Entity, as applicable, the event in which its (i) long-term senior unsecured, unsubordinated and unguaranteed debt obligations become rated below BBB by S&P, or (ii) long-term senior unsecured, unsubordinated and unguaranteed debt obligations become rated below Baa2 by Moody's or (iii) long-term issuer default rating (IDR) becomes rated below BBB- by Fitch.

For the purpose hereof:

"**Asset Records**" means:

- (a) the computer and manual records, files, internal data, books and all other information (including information stored in information systems) related to the Collateral Security Assets, together with the



underlying contracts and other documents evidencing title of the relevant entity to such assets (including, with respect to Home Loans, the related Home Loan Security); and

- (b) the records, files, internal data, computer systems and all other information related to the Collection Accounts and the operation of the same.

"**Collection Accounts**" means any and all bank accounts opened in the name of a Collateral Provider to collect interest and principal paid under the Home Loan Receivables granted as Collateral Security, as specified from time to time to the Issuer Calculation Agent pursuant to the relevant terms of the Collateral Security Agreement.

#### *Representations, warranties and undertakings*

The Collateral Providers Agent and the Collateral Providers have made customary representations, warranties and undertakings in favour of the Issuer, such representations and warranties being given on the execution date of the Collateral Security Agreement and continuing until satisfaction in full of the Secured Liabilities.

#### *Enforcement*

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 as granted to a secured creditor in accordance with paragraph II, 3°) of Article L. 211-38 of the French Monetary and Financial Code (*Code monétaire et financier*). In particular, with immediate effect as from the service to the Borrower of a Borrower Enforcement Notice in respect of the Collateral Security Assets:

- (a) the Collateral Providers shall no longer be entitled to service the Collateral Security Assets and shall refrain from taking any action whatsoever in connection with the Collateral Security Assets or *vis à vis* the debtors, except upon the written prior instructions of each of the Issuer or the Administrator or any representative, agent or expert acting on the Issuer's or the Administrator's behalf;
- (b) 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, related Asset Records 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) 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; and
- (c) the Administrator acting on behalf of the Issuer or any representative, agent or expert acting on its behalf, shall:
  - take whatever action required in order to perfect, or any other action which it deems necessary for the purpose of perfecting, its rights of title, discretions, privileges, remedies and other rights with respect to the Collateral Security Assets and any related rights, privileges, guarantees and security interest ancillary or attached to the Collateral Security Assets; and/or
  - exercise all its rights, discretions, privileges and remedies under the Collateral Security Assets or any related documents; and/or
  - enforce all its rights, discretions, privileges and remedies under the Home Loan Security and the other guarantees and security interest ancillary or attached to the Collateral Security Assets; and/or
  - serve a notice to any or all of the debtors and all other relevant entities under the Collateral Security Assets, mentioning the new payment instructions to be observed by the same with respect to the payment of sums due under the Collateral Security Assets and/or the related Asset Contractual Documentation.

After transfer of title with respect to the Collateral Security Assets, 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).

For the purpose hereof:

**"Asset Contractual Documentation"** means, in relation to any Collateral Security Assets all originals or executive or true copies (*copies exécutoires*) of any contract, instrument or other document (such as riders, waivers and amendments) providing for the terms and conditions of, and/or evidencing title and benefit to, such Collateral Security Asset and any right, privilege, guarantee or security interest (*droit accessoire, privilège, garantie ou sûreté*) ancillary or as the case may be attached thereto (and, in particular, any and all relevant Home Loan Security).

#### *Conditions of enforcement*

Enforcement of the Collateral Security following delivery of the Borrower Enforcement Notice shall not require the Issuer observing or undertaking, in the exercise of its rights as a secured party under the Collateral Security Agreement, any formality whatsoever (including the necessity to obtain a court order or conduct an auction), any notification requirements (to the Borrower, the Collateral Providers or any other person) nor any other procedures (provided that, in order to direct payments due under the Collateral Security Assets to the Issuer, a notice shall be served by the Administrator to any or all the debtors and all other relevant entities under the Collateral Security Assets, mentioning the new payment instructions to be observed by the same with respect to the payment of sums due under the Collateral Security Assets and/or the related Asset Contractual Documentation).

No right of the Issuer to enforce its rights under the Collateral Security Agreement shall be in any manner affected or limited by any Insolvency Event with respect to the Collateral Providers and/or the Borrower.

#### *Collateral Providers Agent's, Collateral Providers' and Borrower's obligations upon enforcement*

With immediate effect as from the service to the Borrower of a Borrower Enforcement Notice and upon the instructions of the Issuer, the Administrator or any representative, agent or expert acting on its behalf (each, an **"Enforcing Party"**), the Collateral Providers Agent, the Collateral Providers and the Borrower shall:

- (a) execute any document, take whatever action and do all such things required in order to perfect, or any other action that the Enforcing Party deems necessary for the purpose of perfecting, the Issuer's rights of title, discretions, privileges, remedies and other rights in relation to the Collateral Security Assets and any related rights, privileges, guarantees and security interest ancillary or attached thereto;
- (b) deliver such Asset Records and related documents to the Enforcing Party to such place as the same may reasonably designate;
- (c) allow to the Enforcing Party reasonable access to its facilities, premises, computer and/or software systems; and
- (d) take all steps and do all things and cooperate in good faith to enable any entity which shall have been appointed as Substitute Administrator in replacement of the Administrator to take over its duties in such capacity.

#### *Application of proceeds*

Once the Issuer shall have been vested in all rights of title, discretions, benefits and other rights with respect to any Collateral Security Asset following enforcement of the Collateral Security, (i) any principal and interest payments, distributions, sale or liquidation proceeds and other sums (together, the **"Enforcement Proceeds"**) received by the Issuer thereunder shall be held by the Issuer as cash collateral (*gage-espèces*) for the satisfaction in full of the Secured Liabilities, being provided that for the purpose of this cash collateral, the Issuer shall be hereby entitled not to segregate the Enforcement Proceeds from its other assets and (ii) the Collateral Providers shall become subrogated, up to the amount of the lower of the Secured Liabilities or the Enforcement Proceeds, in the rights of the Issuer against the Borrower under the Borrower Facility Agreement.

Notwithstanding the foregoing, unless and until all the Secured Liabilities have been paid or satisfied in full, each Collateral Provider hereby expressly waives to exercise any action or recourse against the Borrower which are likely to interfere with the rights of the Lender, for so long as Secured Liabilities remain due under the Borrower Facility Agreement.

As from the day upon which all sums due under any and all of the Tranches and Series of Covered Bonds shall have been repaid in full and subject to the discharge in full of all the Secured Liabilities, the Collateral Providers Agent (acting in the name and on behalf of the Collateral Providers) shall have the right to claim against the Issuer for repayment (*créance de restitution*) of the portion of the Enforcement Proceeds received by the Issuer and not applied to the satisfaction of the Secured Liabilities. Such repayment by the Issuer to the Collateral Providers Agent (acting in the name and on behalf of the Collateral Providers) shall be made, subject to the applicable Priority Payment Order, as soon as reasonably practicable following the day upon which all sums due under any and all the Tranches and Series of Covered Bonds shall have been repaid in full.

#### *Limited recourse – Non-petition*

The Collateral Security Agreement includes "Limited recourse" and "Non-petition" provisions, as described in "**The Issuer - Issuer's Activities – Limited recourse**" and "**The Issuer - Issuer's Activities - Non-petition**".

#### *Amendments*

No amendment, modification, alteration or supplement shall be made to the Collateral Security Agreement 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 Collateral Security Agreement 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 the Collateral Security Agreement to any successor;
- (c) to add to the undertakings and other obligations of the Collateral Providers Agent and/or of the Collateral Providers under the Collateral Security Agreement; or
- (d) to comply with any mandatory requirements of applicable laws and regulations.

The Rating Agencies shall be informed in advance of any amendment, modification, alteration of or supplement to the Collateral Security Agreement.

#### *Governing Law – Jurisdiction*

The Collateral Security Agreement shall be governed by, and construed in accordance with, French law. The Borrower, the Collateral Provider and the Collateral Providers Agent have agreed for the benefit of the Issuer, the Administrator and the Issuer Calculation Agent to submit any dispute that may arise in connection with the Collateral Security Agreement to the jurisdiction of the competent court of Paris.

### **The Cash Collateral Agreement**

#### *Background*

The Cash Collateral Agreement refers to the agreement dated on or prior to the Program Date and made between (i) the Issuer in its capacity as "Lender", and (ii) Crédit Agricole S.A. in its capacity as "Cash Collateral Provider" (the "**Cash Collateral Provider**"), "Administrator" and "Issuer Calculation Agent" (the "**Cash Collateral Agreement**").

The Cash Collateral Agreement sets forth the terms and conditions upon which the Cash Collateral Provider shall fund certain amounts as cash collateral (*gage espèces*) (each, a "**Cash Collateral**") into the Cash Collateral Account, the Collection Loss Reserve Account and the Home Loan Guarantee Reserve Account.

#### *Creation and Perfection*

Any Cash Collateral shall be created upon credit of the corresponding sums into the Cash Collateral Account, the Collection Loss Reserve Account or the Home Loan Guarantee Reserve Account.

The perfection of each Cash Collateral shall not be conditional upon any formality. Each Cash Collateral shall entail the transfer of title in favour of the Issuer with respect to the relevant cash funded into the Cash Collateral Account, the Collection Loss Reserve Account and the Home Loan Guarantee Reserve Account.

The positive balance from time to time outstanding on the Cash Collateral Account, the Collection Loss Reserve Account and the Home Loan Guarantee Reserve Account shall at all times be kept and vested with the Issuer, form part of the Issuer's assets and be applied to, as applicable: (i) the repayment of the Secured Liabilities and/or (ii) the funding of any CAMCA Credit Support or any CAMCA Enhancement, and/or (iii) the payment of costs relating to the taking of judiciary mortgages securing any relevant Home Loan Receivable granted as Collateral Security pursuant to the Collateral Security Agreement.

Any such balance at any time standing to the credit of the Cash Collateral Account, the Collection Loss Reserve Account and the Home Loan Guarantee Reserve Account may be invested only in Permitted Investments whose maturity is earlier than the Final Maturity Date (or the Extended Final Maturity Date, as the case may be) of the relevant Series of Covered Bonds. For the purpose of each Cash Collateral to be created hereunder, the Issuer shall be hereby entitled not to segregate the funds credited to the Cash Collateral Account, the Collection Loss Reserve Account and the Home Loan Guarantee Reserve Account from its other assets.

#### *Pre-Maturity Test and Legal Liquidity Test*

See Section below entitled "**ASSET MONITORING - The Pre-Maturity Test and the Legal Liquidity Test**".

#### *Collection Loss Trigger Event*

Upon downgrading of the credit ratings of the Borrower below at least one (1) of the following ratings: A-1 (short term) (S&P), A (long term) (Fitch), F1 (short term) (Fitch), P-1 (Moody's) (each, a "**Collection Loss Trigger Event**") and within ten (10) Business Days from the occurrence of any Collection Loss Trigger Event, the Cash Collateral Provider shall be required to pay into the credit of a bank account to be opened by the Administrator in accordance with the Administrative Agreement within such period in the Issuer's name and in the books of the Issuer Accounts Bank (the "**Collection Loss Reserve Account**"), an amount calculated by the Collateral Providers Agent in accordance with the Collateral Security Agreement and equal to the aggregate amount of collections received by the Collateral Providers under the Home Loan Receivables granted as Collateral Security during the three and half (3.5) calendar months preceding the occurrence date of the Collection Loss Trigger Event, as the same shall be reported by the Collateral Providers Agent to the Issuer, the Administrator and the Issuer Calculation Agent (with a copy to the Rating Agencies) within the above mentioned ten (10) Business Day-period.

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**". A Breach of Collection Loss Reserve Funding Requirement constitutes the occurrence of a Borrower Event of Default.

#### *Home Loan Guarantee Trigger Events*

Upon downgrading of the credit ratings of the Borrower below at least one (1) of the following ratings: A-1 (short term) (S&P), A (long term) (Fitch), F1 (short term) (Fitch), A3 (long term) (Moody's) (each, a "**Level 1 Trigger Event**") and within thirty (30) calendar days from the occurrence of any Level 1 Trigger Event, the Cash Collateral Provider shall be required to pay and maintain into a dedicated bank account to be opened within such period by the Administrator in accordance with the Administrative Agreement in the Issuer's name and in the books of the Issuer Accounts Bank (the "**Home Loan Guarantee Reserve Account**") an amount equal to the higher of:

- (a) the aggregate amount of the registration costs of mortgages in respect of the Home Loans which, as of the date of the occurrence of the relevant Level 1 Trigger Event, are guaranteed by a Home Loan Guarantee granted by CAMCA, such amount to be communicated to the Rating Agencies before any implementation of such reserve; or
- (b) the outstanding principal amount of all the Home Loans which, as of the date of the occurrence of the relevant Level 1 Trigger Event, are guaranteed by a Home Loan Guarantee granted by CAMCA, as multiplied by the CAMCA Guaranteed Loan Percentage;

or any other amount, subject to prior AAA/Aaa Rating Affirmation by the Rating Agencies.

Such amount will be adjusted at each Selection Date according to the outstanding principal amount of all the Home Loans guaranteed by a Home Loan Guarantee granted by CAMCA.

Failure by the Cash Collateral Provider to fund the Home Loan Guarantee Reserve Account up to the required amount within the required period following the occurrence of a Level 1 Trigger Event shall constitute a **"Breach of Home Loan Guarantee Reserve Funding Requirement"**. A Breach of Home Loan Guarantee Reserve Funding Requirement constitutes the occurrence of a Borrower Event of Default.

For the purpose hereof, **"CAMCA Guaranteed Loan Percentage"** means five point five per cent. (5.5%) or any other new percentage figure, as determined by the Issuer Calculation Agent for all relevant Home Loan Receivables granted as Collateral Security and guaranteed by a Home Loan Guarantee granted by CAMCA following a Level 1 Trigger Event, provided that (i) such new percentage figure is subject to Rating Affirmation by Moody's and (ii) the Covered Bonds are still rated Aaa by Moody's if a lower percentage figure is proposed by the Issuer Calculation Agent.

Upon downgrading of the credit ratings of the Borrower below at least one (1) of the following ratings: BBB (long term) (S&P), BBB (long term) (Fitch), Baa2 (long term) (Moody's) (the **"Level 2 Trigger Event"**) and within sixty (60) days from the occurrence of any Level 2 Trigger Event:

- (a) the Administrator shall, subject to prior Rating Affirmation, ensure that the commitment of CAMCA under the Home Loan Guarantees granted by CAMCA and guaranteeing the repayment of Home Loan Receivables granted as Collateral Security is fully guaranteed, insured or reinsured or otherwise protected by an Eligible CAMCA Guarantor (the **"CAMCA Credit Support"**) and will use the sums credited to the Home Loan Guarantee Reserve Account for this purpose; or
- (b) the Administrator shall, subject to prior Rating Affirmation, ensure that any other credit support is provided in any form with respect to the Home Loan Receivables guaranteed by Home Loan Guarantees granted by CAMCA and granted as Collateral Security, including *inter alia* cash collateral, securities or any other form of collateral, on terms determined in accordance with the methodologies published by the Rating Agencies (the **"CAMCA Enhancement"**) and will use the sums credited to the Home Loan Guarantee Reserve Account for this purpose; or
- (c) the Administrator shall cause the Collateral Providers Agent, acting in the name and on behalf of the relevant Collateral Provider(s), to substitute the Home Loan Receivables granted as Collateral Security and guaranteed by a Home Loan Guarantee granted by CAMCA, by Home Loan Receivables that comply (or whose underlying Home Loan complies) with the Home Loan Eligibility Criteria and are secured by a Mortgage.

As from the date on which the commitment of CAMCA under the Home Loan Guarantees granted by CAMCA and guaranteeing the repayment of Home Loan Receivables granted as Collateral Security is fully guaranteed, insured or reinsured or otherwise protected by an Eligible CAMCA Guarantor, or a CAMCA Enhancement or a substitution contemplated in the Cash Collateral Agreement have been implemented, the sums credited to the Home Loan Guarantee Reserve Account and which remain unused shall be released from such account and repaid to the Cash Collateral Provider.

The Collateral Security Agreement provides that, upon the occurrence of a Level 2 Trigger Event, and within ninety (90) days from the occurrence of such Level 2 Trigger Event, and provided that neither a CAMCA Enhancement nor a CAMCA Credit Support has been implemented at such time under the form determined in accordance with the methodologies published by the Rating Agencies, any Home Loan Receivables (i) granted as Collateral Security and guaranteed by Home Loan Guarantees granted by CAMCA, and (ii) which is not

secured by a mortgage or similar legal privileges (*hypothèque* or *privilège de prêteur de deniers*) shall account for zero for the purpose of calculation of the Asset Cover Test on any relevant Asset Cover Test Date and, as applicable, shall account for zero for the purpose of calculation of the Amortisation Test on any relevant Amortisation Test Date. The Collateral Providers Agent, acting in the name and on behalf of the relevant Collateral Provider(s), may request that such Home Loan Receivables be released from the scope of the Collateral Security, provided that such release is not likely to cause any occurrence of a Breach of Asset Cover Test.

For the purpose hereof, "**Eligible CAMCA Guarantor**" means, with respect to any entity granting a CAMCA Credit Support or, as applicable, a guarantor of such entity, an entity or a guarantor of such entity which:

- (a) (i) is rated by Moody's and Fitch, and whose senior unsecured, unsubordinated and unguaranteed debt obligations is at least A3 (long term) (Moody's) and whose issuer default rating (IDR) is at least A- (long term) (Fitch) or (ii) has provided collateral for its obligations and complied with any relevant rating criteria set forth by the relevant Rating Agencies; and
- (b) is permitted under any applicable and relevant law to carry out the relevant transactions contemplated under the Cash Collateral Agreement.

#### *Remuneration*

The Issuer shall pay interest (each, an "**Interest Payment**") to the Cash Collateral Provider in respect of the principal amount of each of the Cash Collateral funded subject to, and in accordance with, the terms of the Cash Collateral Agreement. Each Interest Payment will accrue daily on each of such Cash Collateral at the Interest Rate. Each Interest Payment will be calculated for each Interest Period on each relevant Interest Payment Date for the Interest Period.

For the purposes hereof:

"**Interest Rate**" means the lesser of (i) EONIA flat, or (ii) the remuneration received by the Issuer in investing the cash standing to the credit of (as applicable) the Cash Collateral Account, the Collection Loss Reserve Account or the Home Loan Guarantee Reserve Account during the relevant Interest Period.

"**Business Day**" means a day on which the banks are open for business in Paris and in London (excluding in any event Saturday and Sunday).

"**Interest Payment Date**" means the last day of each Interest Period. If an Interest Payment Date falls on a day other than a Business Day, the Interest Payment Date shall be postponed on the next Business Day.

"**Interest Period**" means, with respect to each Cash Collateral, a period of three (3) calendar months. The first Interest Period with respect to each Cash Collateral will start from and including any date upon which such Cash Collateral is funded subject to, and in accordance with, the relevant terms hereof, and will end on but excluding the last day of the three-month period following such date. Each following Interest Period with respect to such Cash Collateral will be the period from, and including, the preceding Interest Payment Date to, but excluding, the next Interest Payment Date.

The Interest Payments due with respect to each Cash Collateral shall accrue on a day-to-day basis and shall be credited on each Interest Payment Date to (as applicable) the Cash Collateral Account, the Collection Loss Reserve Account and the Home Loan Guarantee Reserve Account. Each Interest Payment shall be compounded with the relevant Cash Collateral where the said Interest Payment has accrued for at least one year. Each Interest Payment shall be part of the Cash Collateral (*gage-espèces*) and, accordingly, be held by the Issuer and applied to, as applicable: (i) the repayment of the Secured Liabilities and/or (ii) the funding of any CAMCA Credit Support or any CAMCA Enhancement, and/or (iii) the payment of costs relating to the taking of judiciary mortgages securing any relevant Home Loan Receivable granted as Collateral Security pursuant to the Collateral Security Agreement.

#### *Representations, warranties and undertakings*

The Cash Collateral Provider has made customary representations and warranties and undertakings to the Issuer, the representations and warranties being given on the execution date of the Cash Collateral Agreement and continuing until satisfaction in full of the Secured Liabilities.

### *Enforcement*

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 (i) all sums standing to the credit of the Cash Collateral Account and (ii) all sums standing to the credit of the Collection Loss Reserve Account and the Home Loan Guarantee Reserve Account which have not been used prior to such date in accordance with the relevant provisions of the Cash Collateral Agreement to fund any CAMCA Credit Support or any CAMCA Enhancement, and/or the payment of costs relating to the taking of judiciary mortgages securing any relevant Home Loan Receivable granted as Collateral Security pursuant to the Collateral Security Agreement.

Any sum remaining to the credit of the Cash Collateral Account, the Collection Loss Reserve Account and the Home Loan Guarantee Reserve Account after satisfaction in full of the Secured Liabilities shall be promptly repaid to the Cash Collateral Provider.

The Cash Collateral Provider will benefit from the *Privilège* for the repayment of any amounts constituting any Cash Collateral. The Cash Collateral Provider will thus be qualified as a Privileged Creditor.

With immediate effect as from the service of a Borrower Enforcement Notice and upon the instructions of each of the Issuer, the Administrator or any of its representative, agent or expert acting on its behalf (each, an "**Enforcing Party**"), the Cash Collateral Provider shall:

- (a) execute any document, take whatever action and do all such things required in order to perfect, or any other action that the Enforcing Party deems necessary for the purpose of perfecting, the Issuer's rights hereunder; and
- (b) take all steps and do all things and cooperate in good faith to enable any entity which shall have been appointed as Substitute Administrator in replacement of the Administrator to take over its duties in such capacity.

### *Conditions of enforcement*

Enforcement requires no other formality whatsoever (including the necessity to obtain a court order or conduct an auction), any notification requirements (to the Borrower, the Cash Collateral Provider or any other person) nor any other procedures.

No right of the Issuer to enforce its rights under the Cash Collateral Agreement shall be in any manner affected or limited by any Insolvency Event with respect to the Cash Collateral Provider or the Borrower.

### *Release without discharge*

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**"):

- (a) while such Cash Collateral has been funded upon a Pre-Maturity Rating Downgrade Event, the Borrower regains the Pre-Maturity Rating Required Levels;
- (b) while such Cash Collateral has been funded upon a Legal Liquidity Rating Downgrade Event, the Borrower regains the Legal Liquidity Rating Required Levels; or
- (c) with respect to any Cash Collateral funded into the Home Loan Guarantee Reserve Account, in the event that the commitment of CAMCA under the Home Loan Guarantees granted by CAMCA and guaranteeing the repayment of Home Loan Receivables granted as Collateral Security is fully guaranteed, insured or reinsured or otherwise protected by an Eligible CAMCA Guarantor or a CAMCA Enhancement or a substitution contemplated in the Cash Collateral Agreement have been implemented; or

- (d) if, on a given date, (i) the amount of Cash Collateral standing to the credit of the Cash Collateral Account exceeds the applicable CCRFA or (ii) the amount of Cash Collateral standing to the credit of each of the Collection Loss Reserve Account or the Home Loan Guarantee Reserve Account exceeds the amount that must be funded in each such accounts pursuant to the relevant terms hereof (each, a "**Cash Collateral Excess**").

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 (i) the full amount thereof if the release is given following a Release Without Discharge Event mentioned in paragraphs (a), (b) or (c) above, or (ii) an amount equal to the Cash Collateral Excess if the release is given following a Release Without Discharge Event mentioned in paragraph (d) above. Any release and repayment made as mentioned above shall not be deemed a discharge of the Cash Collateral Provider with respect to its obligations to fund further Cash Collateral pursuant to the terms of the Cash Collateral Agreement.

#### *Final release and discharge*

The Issuer shall, at the request and cost of the Cash Collateral Provider, give final release with respect to all Cash Collateral, cancel the security created under the Cash Collateral Agreement and discharge the Cash Collateral Provider from all its obligations to fund any further Cash Collateral pursuant to the terms of the Cash Collateral Agreement upon the occurrence of any of the following events all sums due under any and all the Tranches and Series of Covered Bonds shall have been repaid in full and the Secured Liabilities have been entirely and definitively discharged in full (independently of any intermediate or partial discharges).

In connection with the final release and cancellation described above, the Issuer shall do all such acts and things, at the cost of the Cash Collateral Provider, as are reasonably requested by the Cash Collateral Provider in order to release and cancel the security created under the Cash Collateral Agreement and discharge the Cash Collateral Provider from all its obligations to fund any further Cash Collateral pursuant to the terms of the Cash Collateral Agreement.

#### *Limited recourse – Non-petition*

The Cash Collateral Agreement includes "Limited recourse" and "Non-petition" provisions, as described in "**The Issuer - Issuer's Activities – Limited recourse**" and "**The Issuer - Issuer's Activities - Non-petition**".

#### *Amendments*

No amendment, modification, alteration or supplement shall be made to the Cash Collateral Agreement without prior Rating Affirmation if the same materially and adversely affects the interest of the Issuer or the Bondholders.

For the avoidance of doubt, the Cash Collateral Agreement 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 the Cash Collateral Agreement;
- (c) to add to the undertakings and other obligations of the Cash Collateral Provider under the Cash Collateral Agreement; or
- (d) to comply with any mandatory requirements of applicable laws and regulations.

#### *Governing Law – Jurisdiction*

The Cash Collateral Agreement shall be governed by, and construed in accordance with, French law. The Cash Collateral Provider has agreed for the benefit of the Issuer, the Administrator and the Issuer Calculation Agent to submit any dispute that may arise in connection with the Cash Collateral Agreement to the jurisdiction of the competent court of Paris.



## ASSET MONITORING

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 Providers 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 monitor the Collateral Security Assets so as to ensure compliance with a minimum legal Overcollateralisation Ratio (the "**Minimum Legal Overcollateralisation Ratio**") and a maximum percentage of Legal Substitution Assets (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**").

### The Asset Cover Test

The following terms shall have the following definitions:

"**Asset Cover Test Date**" means:

- (a) in the event of a Selection Date, such Selection Date;
- (b) in the event of the issuance of a Series or a Tranche of Covered Bonds, such issuance date; or
- (c) otherwise, a day which must fall between the fifteenth (15<sup>th</sup>) Business Day and the last Business Day (both included) of each calendar month;

The first Asset Cover Test Date shall be the date of the first issue of Covered Bonds by the Issuer under the Program.

"**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.

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**" 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 (see "**The Collateral Security**" for a description of the Home Loans Eligibility Criteria) 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 (see "**The Collateral Security – The Collateral Security Agreement – Asset Servicing**" for a description of the Servicing Procedures).

"**Home Loan Outstanding Principal Amount**" means, with respect to each Relevant Home Loan, the amount of principal outstanding at the relevant Asset Cover Test Date under such Relevant Home Loan (in Euro or Euro equivalent with respect to Home Loans denominated in a Specified Currency).

"**Index**" means the index of increases of house prices issued by PERVAL (an entity run by the French notary publics) 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.

"**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 or by CAMCA provided that, upon the occurrence of a Level 2 Trigger Event, and within ninety (90) days from the occurrence of such Level 2 Trigger Event, and provided that neither a CAMCA Enhancement nor a CAMCA Credit Support has been implemented at such time under the form determined in accordance with the methodologies published by the Rating Agencies, any Home Loan Receivable (x) granted as Collateral Security and guaranteed by Home Loan Guarantees granted by CAMCA, and (y) which is not secured by a mortgage or similar legal privileges (*hypothèque* or *privilège de prêteur de deniers*) shall account for zero;
- (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 Agencies from time to time for each Relevant Home Loan not mentioned under (i) to (iii) above.

**"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 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 of all such Relevant Home Loans (as defined above) multiplied by the applicable Asset Percentage, whereby:

**"Asset Percentage"** means (i) ninety two point five per cent. (92.5%) or (ii) such percentage figure as is determined on a quarterly basis (subject to below) 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 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 S&P and 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 S&P and 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 S&P and Fitch, the Asset Percentage will be adjusted in accordance with the various methodologies published by S&P and Fitch provided that the Asset Percentage may not, at any time, exceed ninety two point five per cent. (92.5%).

If, on an Asset Cover Test Date, ninety five per cent. (95%) or more of the Home Loan Receivables granted as Collateral Security on such date are other Home Loan Receivables than the Home Loan Receivables granted as Collateral Security on the immediately preceding Asset Cover Test Date, the Asset Percentage shall as from such date be calculated by the Issuer Calculation Agent on a monthly basis.

**"B"** is equal to the aggregate amount of cash standing to the credit of the Cash Collateral Account, as reported by the Collateral Providers 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 Providers 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/Aa3 by Moody's, A1+/AA- by S&P and AA and F1 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 Aaa by Moody's, AAA by S&P and AAA 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/Aa3 by Moody's, A1+/AA- by S&P and AA- and F1+ by Fitch, (v) is eligible for an investment by a *société de financement à l'habitat*.

"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 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 published by the Rating Agencies.

"Y" is equal to (i) zero before any Issuer Hedging Agreement shall be entered into by the Issuer subject to, and in accordance with, the Hedging Strategy and (ii) otherwise, an amount equal to the payments due under the Issuer Hedging Agreement(s) (plus interest thereon) within the period of  $\alpha$  plus two (2) months preceding the relevant Asset Cover Test Date where  $\alpha$  means the period between two (2) interest payment dates (first day of such period included and last day of such period excluded) under the Issuer Hedging Agreement(s).

"Z" is equal to:  $WAM * \text{Covered Bond Outstanding Principal Amount} * \text{Carrying Cost}$ , whereby:

"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.

"Carrying Cost" means zero point five percent (0.5%) or any other greater percentage agreed between the Collateral Providers Agent and the Collateral Providers, subject to prior Rating Affirmation.

#### *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 Providers Agent (with a copy to the Rating Agencies, to the Asset Monitor and to 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 Providers 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 each Selection Date prior to the next following Asset Cover Test Date; and/or
- (ii) cause the Collateral Providers to release Collateral Security Assets from the Collateral Security pursuant to the relevant terms of the Collateral Security Agreement, on each Selection Date prior to the next following Asset Cover Test Date;

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

### *Breach of Asset Cover Test*

The failure by the Collateral Providers 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 Providers 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.

### **The Minimum Legal Overcollateralisation Ratio**

The Issuer, as a *société de financement de l'habitat*, must at all times maintain a cover ratio between its eligible assets (including so-called substitution assets (*valeurs de remplacement*)) and its liabilities benefiting from the *Privilège* (the "**Overcollateralisation Ratio**"). In accordance with the French SFH legal Framework on the date hereof, and in particular pursuant to Articles L. 515-20 and R. 515-7-2 of the French Monetary and Financial Code (*Code monétaire et financier*), the *sociétés de financement de l'habitat* (SFH) such as the Issuer must at all times maintain an Overcollateralisation Ratio equal to at least one hundred and two per cent. (102%) (the "**Minimum Legal Overcollateralisation Ratio**").

Regulation no. 99-10 dated 9 July 1999, as amended, issued by the *Comité de la Réglementation Bancaire et Financière* (Banking and Financial Regulation Committee) defines the way the Overcollateralisation Ratio is calculated.

In the case of the Issuer, the ratio's denominator (Article 8) is comprised of the Covered Bonds and the other resources benefiting from the *Privilège*, including any amount due under the agreement referred to in Article L. 515-22 of the French Monetary and Financial Code (*Code monétaire et financier*) or derivative instruments benefiting from the *Privilège*. The ratio's numerator (Article 9) is made up of the Issuer's assets (weighted to reflect their category) and, in accordance with Article R. 515-7-2 of the French Monetary and Financial Code (*Code monétaire et financier*), shall take into account the Home Loan Receivables granted as Collateral Security.

The Specific Controller ensures that the Minimum Legal Overcollateralisation Ratio is complied with.

To carry out its duties, the Specific Controller will be given access by the Issuer to any information that allows confirmation of compliance with the Minimum Legal Overcollateralisation Ratio (as described in the section "**The Issuer**").

The Issuer must publish the calculation of its actual Overcollateralisation Ratio twice a year, on each 30 June and 31 December.

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* (ACP) of the occurrence of a Breach of Minimum Legal Overcollateralisation Ratio. Upon such notification, the Issuer shall then notify the Borrower and the Collateral Providers 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*.

### **The Maximum Legal Substitution Assets Percentage**

Pursuant to Articles L. 515-17 and R. 515-7 of the French Monetary and Financial Code, the Legal Substitution Assets of the Issuer shall not exceed at any time a percentage equal to fifteen per cent. (15%) of the total amount of its liabilities which benefit from the *Privilège* (the "**Maximum Legal Substitution Assets Percentage**").

With respect to the Issuer and for the purpose of the calculation of the Maximum Legal Substitution Assets Percentage, the "**Legal Substitution Assets**" are comprised of such debt, securities, deposits and other investment products that are deemed eligible as the so-called substitution assets (*valeurs de remplacement*) within the meaning of Articles L. 515-17, R. 515-7 and R. 515-16 of the French Monetary and Financial Code (*Code monétaire et financier*) (including any Permitted Investment and any Cash Collateral made available to the Issuer by the Cash Collateral Provider in accordance with the Cash Collateral Agreement) and which are held by the Issuer from time to time.

The Specific Controller ensures that the Maximum Legal Substitution Assets Percentage is not exceeded by the Issuer.

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* (ACP) 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 Providers 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*.

### **The Pre-Maturity Test and the Legal Liquidity Test**

#### *Downgrading below the Pre-Maturity Rating Required Levels and/or the Liquidity 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 thirty (30) calendar days from the receipt of the relevant Cash Collateral Funding Notice. The Cash Collateral Account will only be partially or fully released in accordance with the provisions of the Cash Collateral Agreement as further described in the Section entitled the "Collateral Security - the Cash Collateral Agreement - Release without discharge".

The legal liquidity test of the Issuer (the "**Legal Liquidity Test**") shall be deemed complied with for so long as, in relation to all the Liabilities of the Issuer, (i) no Legal Liquidity Rating Downgrade Event has occurred, or (ii) if, to the contrary, a Legal Liquidity Rating Downgrade Event has occurred, the Cash Collateral Provider (x) has duly funded the Cash Collateral Account with the relevant Cash Collateral, up to the relevant CCRFA following the receipt of the relevant Cash Collateral Funding Notice, and (y) on each day following the initial funding of the Cash Collateral as mentioned above (each, a "**CCRFA Funding Date**"), the Cash Collateral Provider has maintained in the Cash Collateral Account an amount sufficient to ensure that the balance of the Cash Collateral Account shall be at least equal to the CCRFA, as determined pursuant to the Cash Collateral Agreement, computed as of such CCRFA Funding Date.

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, upon the occurrence of (i) the downgrading, during any Pre-Maturity Test Period (as defined below), of the then applicable ratings of the Borrower below at least one (1) of the Pre-Maturity Rating Required Levels (as defined below) (each, a "**Pre-Maturity Rating Downgrade Event**"), and (ii) the downgrading at any time of the then applicable ratings of the Borrower below (cumulatively) all three (3) Liquidity Rating Required Levels (as defined below) (each, a "**Legal Liquidity Rating Downgrade Event**"). The occurrence of a Pre-Maturity Rating Downgrade Event and/or a Legal Liquidity 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 as the "**Pre-Maturity Rating Required Levels**" for the purposes of this Agreement: A-1 (short-term) (S&P), F1 + (short-term) (Fitch) and P-1 (short-term) (Moody's).

The following credit ratings with respect to the Borrower are defined as the "**Liquidity Rating Required Levels**" for the purposes of this Agreement: A-1 (short-term) (S&P), F1 (short-term) (Fitch) and P-1 (short-term) (Moody's).

Upon the occurrence of a Pre-Maturity Rating Downgrade Event and/or a Legal Liquidity 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 (CCRFA)**") calculated by the Issuer Calculation Agent as being equal to:

- (a) in the event of a Pre-Maturity Rating Downgrade Event occurring while no Legal Liquidity Rating Downgrade Event has occurred and is continuing:  $\text{CCRFA} = \text{Pre-Maturity Covered Bond Principal Amount in relation to the relevant Series of Covered Bonds} + \text{Pre-Maturity Costs in relation to the relevant Series of Covered Bonds}$ ;
- (b) in the event of a Legal Liquidity Rating Downgrade Event occurring while no Pre-Maturity Rating Downgrade Event has occurred and is continuing:  $\text{CCRFA} = \text{Liabilities} - \text{Revenues}$ ; and
- (c) in the event of both a Pre-Maturity Rating Downgrade Event and a Legal Liquidity Rating Downgrade Event occurring at the same time, the greater of:
  - (i)  $\text{CCRFA} = \text{Pre-Maturity Covered Bond Principal Amount in relation to the relevant Series of Covered Bonds} + \text{Pre-Maturity Costs in relation to relevant Series of Covered Bonds}$ ; and
  - (ii)  $\text{CCRFA} = \text{Liabilities} - \text{Revenues}$ ;

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 on any Series of Covered Bonds within the relevant Pre-Maturity Test Period.

**"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), the Final Maturity Date (with respect to any Series of Covered Bonds which is not a Series of Soft Bullet Covered Bonds) or the Extended Final Maturity Date (with respect to any Series of Soft Bullet Covered Bonds) of which falls during the relevant Pre-Maturity Test Period.

**"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 and seventieth (270<sup>th</sup>) calendar day preceding the Final Maturity Date of that Series and ending on, and including, such Final Maturity Date and, with respect to any Series of Soft Bullet Covered Bonds, the period starting from, and including, the two hundred and seventieth (270<sup>th</sup>) calendar day preceding the Extended Final Maturity Date of that Series and ending on, and including, such Extended Final Maturity Date.

**"Liabilities"** means, on any given date, the liabilities that are due by the Issuer to all its creditors within the Legal Liquidity Cover Period starting on, and including, such date (including principal and interest due by the Issuer under the then outstanding Covered Bonds).

**"Revenues"** means, on any given date, all the sums that are due to the Issuer by all its debtors within the Legal Liquidity Cover Period starting on, and including, such date (excluding the sums due to the Issuer under the Borrower Facility Agreement, but including the sums due by the relevant debtors under the Collateral Security Assets and the net amount due to the Issuer under the Hedging Agreements).

**"Legal Liquidity Cover Period"** means a period of one hundred and eighty (180) calendar days as from each CCRFA Funding Date, the first applicable Legal Liquidity Cover Period beginning upon the occurrence of a Legal Liquidity Rating Downgrade Event.

**"Soft Bullet Covered Bonds"** means the Covered Bonds containing an Extended Final Maturity Date specified in the relevant Final Terms.

#### *Breach of Pre-Maturity Test and Breach of Legal Liquidity Test*

The failure by the Cash Collateral Provider to fund into the Cash Collateral Account the relevant amount within thirty (30) 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.

The failure by the Cash Collateral Provider to fund any required Cash Collateral following the receipt of a Cash Collateral Funding Notice or maintain the relevant amount in the Cash Collateral Account at any time during any Legal Liquidity Cover Period in accordance with the Cash Collateral Agreement constitutes a **"Breach of Liquidity Test"**. A Breach of Liquidity Test 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*.

#### **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 Terms and Conditions of the Covered Bonds.

For the purpose of the determination of the Amortisation Ratio, the following terms shall have the following definitions:

**"Amortisation Test Date"** means the day, as determined by the Administrator, comprised between the fifteenth (15<sup>th</sup>) Business Day and the last Business Day (both included) 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) of the Terms and Conditions of the Covered Bonds 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 (in Euro or Euro equivalent with respect to Home Loans denominated in a Specified Currency) multiplied by M, where for all the Relevant Transferred 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 and provided further that, upon the occurrence of a Level 2 Trigger Event, and within ninety (90) days from the occurrence of such Level 2 Trigger Event, and provided that neither a CAMCA Enhancement nor a CAMCA Credit Support has been implemented at such time under the form and to the extent determined in accordance with the methodologies published by the Rating Agencies, any Home Loan Receivable (x) granted as Collateral Security and guaranteed by Home Loan Guarantees granted by CAMCA, and (y) which is not secured by a mortgage or similar legal privileges (*hypothèque* or *privilège de prêteur de deniers*) shall account for zero;

"**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 "**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, each relevant Representative and the holders of the Australian law Covered Bonds (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.

### **The Calculation Services Agreement**

This section sets out the main material terms of the Calculation Services Agreement.

#### *Background*

The "**Calculation Services Agreement**" refers to the agreement dated on or prior to the Program Date and entered into between (i) Crédit Agricole Home Loan SFH, in its capacity as "Lender" and (ii) Crédit Agricole S.A., in its capacity as "Issuer Calculation Agent" (the "**Issuer Calculation Agent**").

#### *Purpose*

Under the Calculation Services Agreement, Crédit Agricole Home Loan SFH, as Issuer, appoints Crédit Agricole S.A. as its servicer for the purposes of any calculation and determinations to be made under the Program 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). The Issuer Calculation Agent will always act in the best and exclusive interest of Crédit Agricole Home Loan SFH.

#### *Duties of the Issuer Calculation Agent*

Pursuant to the Calculation Services Agreement, the Issuer Calculation Agent will *inter alia* undertake to do:

- (a) any and all calculation in relation to the Borrower Facility Agreement, including, but not limited to, any interest and principal amounts and the effective global rate (*taux effectif global*);
- (b) any and all calculation in relation to the Collateral Security Agreement, including, but not limited to, the Asset Cover Test (see "**Asset Monitoring**");

- (c) any and all calculation in relation to the Cash Collateral Agreement, including, but not limited to, the Pre-Maturity Test and the Legal Liquidity Test and make the other calculations provided for in the Cash Collateral Agreement with respect to the funding of the Collection Loss Reserve Account and the Home Loan Guarantee Reserve Account (see "**Asset Monitoring**");
- (d) any and all calculation in relation to the Amortisation Test (see "**Asset Monitoring**").

#### *Substitution and Agency*

The Issuer Calculation Agent may not assign its rights and obligations under the Calculation Services Agreement but will have the right to be assisted by, to appoint or to substitute for itself any third party in the performance of certain or all its tasks under the Calculation Services Agreement provided that:

- (a) the Issuer Calculation Agent remains liable to the Issuer for the proper performance of those tasks and, with respect to the Issuer only, the relevant third party has expressly waived any right to any contractual claim against the Issuer; and
- (b) the relevant third party has undertaken to comply with all obligations binding upon the Issuer Calculation Agent under the Calculation Services Agreement.

#### *Fees*

In consideration of the services provided by the Issuer Calculation Agent to the Issuer under the Calculation Services Agreement, the Issuer will pay to the Issuer Calculation Agent a servicing fee computed subject to, and in accordance with, the provisions of the Calculation Services Agreement.

Issuer Calculation Agent will not benefit from the *Privilège* for the payment of its fees or any other amounts that might be due to it by the Issuer under the Calculation Services Agreement.

#### *Representations, warranties and undertakings*

The Issuer Calculation Agent has made the customary representations and warranties and undertakings to the Issuer, the representations and warranties being given on the execution date of the Calculation Services Agreement and continuing until the Service Termination Date.

#### *Indemnities*

Pursuant to the Calculation Services Agreement, the Issuer Calculation Agent undertakes to hold harmless and fully and effectively indemnify the Issuer against all actions, proceedings, demands, damages, costs, expenses (including legal fees), claims, losses, prejudice or other liability, which the Issuer may sustain or incur as a consequence of the occurrence of any default by the Issuer Calculation Agent in its performance of any of its obligations under the Calculation Services Agreement.

#### *Resignation of the Issuer Calculation Agent*

The Issuer Calculation Agent will not resign from the duties and obligations imposed on it as Issuer Calculation Agent pursuant to the Calculation Services Agreement, except:

- (a) upon a determination that the performance of its duties under the Calculation Services Agreement will no longer be permissible under applicable law; and
- (b) in the case where the Issuer does not comply with any of its material obligations under the Calculation Services Agreement and fails to remedy the situation within one hundred and eighty days (180) from the receipt by the Issuer of a notice from the Issuer Calculation Agent.

#### *Issuer Calculation Agent's Defaults*

Issuer Calculation Agent's Defaults will occur upon the occurrence of the following events:

- (a) any material representation or warranty made by the Issuer Calculation Agent 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 Calculation Agent or (if sooner) the Issuer Calculation Agent 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 Calculation Agent fails to comply with any of its material obligations under the Calculation Services 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 Calculation Agent or (if sooner) the Issuer Calculation Agent 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 Calculation Agent; or
- (d) at any time it is or becomes unlawful for the Issuer Calculation Agent to perform or comply with any or all of its material obligations under the Calculation Services Agreement or any or all of its material obligations under the Calculation Services Agreement are not, or cease to be, legal, valid and binding.

If an Issuer Calculation Agent's Default has occurred, the Issuer Calculation Agent shall notify the Issuer of such occurrence promptly after becoming aware of it.

#### *Issuer Calculation Agent Rating Trigger Event*

If an Issuer Calculation Agent Rating Trigger Event occurs, the Issuer Calculation Agent will notify the Issuer in writing of the occurrence of the Issuer Calculation Agent Rating Trigger Event within five (5) Business Days from the date upon which it becomes aware of such event and this will constitute a termination event under the Calculation Services Agreement.

For such purposes, "**Issuer Calculation Agent Rating Trigger Event**" means the event in which:

- (i) the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of the Issuer Calculation Agent become rated below BBB by S&P; or
- (ii) the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of the Issuer Calculation Agent become rated below Baa2 by Moody's; or
- (iii) the long-term issuer default rating (IDR) of the Issuer Calculation Agent becomes rated below BBB by Fitch.

#### *Termination*

"**Issuer Calculation Agent Termination Events**" under the Calculation Services Agreement will include the following events:

- (a) the occurrence of any Issuer Calculation Agent's Default;
- (b) the occurrence of the Issuer Calculation Agent Rating Trigger Event; or
- (c) the occurrence of a Borrower Event of Default.

If an Issuer Calculation Agent Termination Event occurs, the Issuer shall terminate the appointment of the Issuer Calculation Agent under the Calculation Services Agreement by delivery of a written termination notice to the Issuer Calculation Agent (the "**Notice of Termination**"). Upon receipt by the Issuer Calculation Agent of the Notice of Termination, the appointment of the Issuer Calculation Agent under the Calculation Services Agreement will terminate with effect:

- (a) not earlier than twenty (20) Business Days as from the receipt by the Issuer Calculation Agent of the Notice of Termination, if such Notice of Termination is served due to the occurrence of an Issuer Calculation Agent Rating Trigger Event;

- (b) not earlier than twenty (20) Business Days as from the receipt by the Issuer Calculation Agent of the Notice of Termination or at any other date that the Issuer may have specified in the Notice of Termination, if such Notice of Termination is served due to any other reason,

and save for any continuing obligations of the Issuer Calculation Agent contained in the Calculation Services Agreement.

Upon the resignation of the Issuer Calculation Agent or termination of its appointment as Issuer Calculation Agent hereunder in accordance with the terms of the Calculation Services Agreement, the Issuer shall replace Crédit Agricole S.A., as Issuer Calculation Agent, by any legal entity (the "**Substitute Issuer Calculation Agent**"), the choice of which being subject to prior Rating Affirmation. Upon its appointment and unless otherwise agreed with the Issuer (but subject to prior Rating Affirmation), the Substitute Issuer Calculation Agent shall:

- (a) provide the Issuer with all necessary assistance and know-how, whether technical or other, as described under this Calculation Services Agreement;
- (b) together with the Issuer Calculation Agent, take all steps necessary to replace the Issuer Calculation Agent in all rights and obligations arisen from the Program Documents to which the Issuer Calculation Agent is a party and, for such purposes, become a party, as Issuer Calculation Agent, to any relevant Program Documents to which the Issuer Calculation Agent is a party;

Notwithstanding its resignation or the termination of its appointment in accordance with the terms of the Calculation Services Agreement and notwithstanding any other provision of the Calculation Services Agreement, the duties of the Calculation Agent under the Calculation Services Agreement shall continue and the Issuer Calculation Agent shall continue to be bound by all its obligations hereunder until the earlier of (i) its replacement as Issuer Calculation Agent and (ii) the termination of the Calculation Services Agreement in accordance with its terms (the "**Service Termination Date**").

#### *Term and Termination of the Calculation Services Agreement*

The Calculation Services Agreement shall remain in effect for an initial period of ten (10) years and shall be automatically renewed for additional ten-year periods unless a party thereto notifies to the others its intention to terminate the Calculation Services Agreement three (3) months prior to the end of the initial period or the additional periods, as the case may be, in which case the Calculation Services Agreement shall terminate at the end of such three-month period.

Without prejudice to the other terms of the Calculation Services Agreement, the Calculation Services Agreement shall terminate:

- (a) on its term as defined above;
- (b) if earlier than its term as defined above, if the Issuer and any Substitute Issuer Calculation Agent replacing (i) CASA as Issuer Calculation Agent or (ii) a previous Calculation Agent having replaced CASA as Issuer Calculation Agent agree in writing to cease to be bound by the Calculation Services Agreement and execute another agreement for the performance of the services contemplated by the Calculation Services Agreement; or
- (c) if earlier than its term defined above and upon failure to replace the Issuer Calculation Agent (i) the last day of the sixty (60) Business Days period starting on the date of resignation of the Issuer Calculation Agent, or (ii) the last day of the forty (40) Business Days period starting on the date a Notice of Termination is delivered to the Issuer Calculation Agent.

The termination of the Calculation Services Agreement in accordance with its terms shall trigger the termination of the appointment of CASA as Issuer Calculation Agent thereunder on the relevant termination date of the Calculation Services Agreement.

#### *Limited recourse – Non-petition*

The Calculation Services Agreement includes "Limited recourse" and "Non-petition" provisions, as described in "**The Issuer - Issuer's Activities – Limited recourse**" and "**The Issuer - Issuer's Activities - Non-petition**".

### *Amendments*

No amendment, modification, alteration or supplement shall be made to the Calculation Services Agreement 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 Calculation Services Agreement 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 the Calculation Services Agreement to any successor;
- (c) to add to the undertakings and other obligations of the Issuer Calculation Agent under the Calculation Services Agreement; or
- (d) to comply with any mandatory requirements of applicable laws and regulations.

### *Governing Law – Jurisdiction*

The Calculation Services Agreement shall be governed by, and construed in accordance with, French law. The Administrator and the Issuer Calculation Agent have agreed for the benefit of the Issuer to submit any dispute that may arise in connection with the Calculation Services Agreement to the jurisdiction of the competent court of Paris.

## **The Asset Monitor Agreement**

### *Background*

The "**Asset Monitor Agreement**" refers to the agreement dated on or prior to the Program Date and made between (i) the Issuer, (ii) Crédit Agricole S.A. as the "Issuer Calculation Agent" or, as the applicable, the "Administrator" and (iii) KPMG LLP as Asset Monitor (the "**Asset Monitor**").

Under the Asset Monitor Agreement, KPMG LLP 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.

### *Services of the Asset Monitor*

If the Asset Cover Test Date immediately preceding an anniversary of the Program Date falls prior to the occurrence of a Borrower Event of Default, and subject to receipt of the information to be provided to it by the Issuer Calculation Agent in relation to the calculations performed by the Issuer Calculation Agent regarding the relevant Asset Cover Test, the Asset Monitor will test the arithmetic accuracy of the calculations performed by the Issuer Calculation Agent in relation to the Asset Cover Test on the Asset Cover Test Date immediately preceding an anniversary of the Program Date, as applicable, with a view to reporting on the arithmetic accuracy or otherwise of such calculations.

On each Amortisation Test Date and subject to receipt of the information to be provided to it by the Issuer Calculation Agent in relation to the calculations performed by the Issuer Calculation Agent regarding the relevant Amortisation Test, the Asset Monitor will test the arithmetic accuracy of the calculations performed by the Issuer Calculation Agent in relation to the Amortisation Test on the relevant Amortisation Test Date, with a view to reporting on the arithmetic accuracy or otherwise of such calculations.

Upon the occurrence of a Calculation Monitoring Rating Trigger Event and for so long as such Calculation Monitoring Rating Trigger Event is continuing, or, if the Asset Monitor has been notified of the occurrence of a Non-Compliance with Asset Cover Test or of a Non-Compliance with Amortisation Test (see "**Asset Monitoring**"), and subject to receipt of the information to be provided to the Asset Monitor, the Asset Monitor

shall conduct the tests of the Issuer Calculation Agent's calculations referred to above, as applicable, in respect of every Asset Cover Test Date or Amortisation Test Date, as applicable.

For the purposes of this section, "**Calculation Monitoring Rating Trigger Event**" means the event in which:

- (i) the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of Crédit Agricole S.A. become rated below BBB by S&P; or
- (ii) the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of Crédit Agricole S.A. become rated below Baa2 by Moody's; or
- (iii) the long-term issuer default rating (IDR) of Crédit Agricole S.A. becomes rated below BBB by Fitch.

If the tests conducted by the Asset Monitor in accordance with the provisions above reveal arithmetic errors in the relevant calculations performed by the Issuer Calculation Agent such that:

- (a) the Asset Cover Test had been failed on the relevant Asset Cover Test Date (where the Issuer Calculation Agent had recorded it as being satisfied); or
- (b) the Amortisation Test had been failed on the relevant Amortisation Test Date (where the Issuer Calculation Agent had recorded it as being satisfied);

and subject to receipt of the information to be provided to the Asset Monitor, for a period of six (6) months thereafter, the Asset Monitor shall conduct the tests of the Issuer Calculation Agent's calculations referred to above, in respect of every Asset Cover Test Date or Amortisation Test Date, as applicable, occurring during such six (6) month period.

The Asset Monitor shall notify, on a confidential basis, the parties to the Asset Monitor Agreement (with copy to the Rating Agencies), in writing, of the relevant calculations performed by the Issuer Calculation Agent and of the results of its tests of the accuracy of the Issuer Calculation Agent's calculations. If the calculations performed by the Issuer Calculation Agent have not been performed correctly, the Asset Monitor will report the correct calculation of the Asset Cover Test or Amortisation Test, as applicable.

The Asset Monitor is entitled, in the absence of manifest error, to assume that all information provided to it is true and correct and is complete and not misleading and is not required to conduct an audit or other similar examination in respect of or otherwise take steps to verify the accuracy or completeness of such information.

### *Termination*

The Issuer may, at any time, terminate the appointment of the Asset Monitor hereunder upon providing the Asset Monitor with sixty (60) days' prior written notice, provided that such termination may not be effected unless and until a replacement has been found by the Issuer which agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in the Asset Monitor Agreement.

The Asset Monitor may, at any time, resign from its appointment under the Asset Monitor Agreement upon providing the Issuer (copied to the Rating Agencies) with sixty (60) days' prior written notice, provided that such resignation shall not be effected unless and until a replacement, which agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in the Asset Monitor Agreement, has been found by the Issuer.

### *Fees*

Under the terms of the Asset Monitor Agreement, the Issuer will pay to the Asset Monitor a fee for the tests to be performed by the Asset Monitor.

The Asset Monitor will not benefit from the *Privilège* for the payment of its fees or any other amounts that might be due to it by the Issuer under the Asset Monitor Agreement.

*Limited recourse – Non-petition*

The Asset Monitor Agreement includes "Limited recourse" and "Non-petition" provisions, as described in "**The Issuer - Issuer's Activities – Limited recourse**" and "**The Issuer - Issuer's Activities - Non-petition**".

*Amendment*

Except as further described under the Asset Monitor Agreement, any material amendment to the Asset Monitor Agreement is subject to the Rating Affirmation.

*Governing Law – Jurisdiction*

The Asset Monitor Agreement shall be governed by, and construed in accordance with, English law. Each party to the Asset Monitor Agreement (including the Asset Monitor) irrevocably submits to the exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to the Asset Monitor Agreement, and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts.



## CASH FLOW

### 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 Program 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 "**Cash Flow - Priority Payment Orders**"), in instruments which qualify as "Permitted Investments" (as defined in "**The Issuer – The Administrative Agreement**").

### 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 "**The Issuer – The Issuer Accounts Agreement**" 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(s) or the Share Capital Proceeds Account (including, as the case may be, proceeds from Legal Substitution Assets invested with such cash (if any));
  - (iii) any Cash Collateral (if any) standing to the credit of the Cash Collateral Account, the Collection Loss Reserve Account and the Home Loan Guarantee 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(s); and
  - (v) payment proceeds from the Issuer Hedging Agreement(s) and the Borrower Hedging Agreement (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(s);
  - (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(s);
  - (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(s);

- (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(s);
- (v) proceeds from the enforcement of any Home Loan Security (if any) and standing to the credit of the Issuer General Account(s);
- (vi) cash from Permitted Investments (if any) standing to the credit of the Issuer General Account(s);
- (vii) cash standing to the credit of the Cash Collateral Account, the Collection Loss Reserve Account and the Home Loan Guarantee Reserve Account;
- (viii) payment proceeds from the Issuer Hedging Agreement(s) and the Borrower Hedging Agreement (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(s).

### 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 Extended Final Maturity Date, as the case may be) 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(s)) 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(s). 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, under the Issuer Hedging Agreement(s) and the Borrower Hedging Agreement (other than Hedging Termination Costs) (together, the "**Hedging Costs**");
- (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 the Issuer Hedging Agreement(s) or the Borrower Hedging Agreement 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 (together, the "**Hedging Termination Costs**");
- (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 Clauses 8, 9 and 10 of the Administrative Agreement, 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. 515-22 of the French Monetary and Financial Code (*Code monétaire et financier*), as the case may be;

- (vi) **sixthly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer to the Cash Collateral Provider under the Cash Collateral Agreement;
- (vii) **seventhly**, only after and subject to the payment of any due and payable amounts due to the Issuer's creditors under item (i) to item (vi) hereabove (the "**Privileged Creditors**"), (a) the Issuer's liability, if any, to taxation, and (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 Agricole S.A. (with respect to any insurance premium, regulatory, professional and legal fees, costs and other expenses paid by Crédit Agricole S.A. on behalf of the Issuer and to be repaid by the Issuer to Crédit Agricole S.A. subject to, and in accordance with, the relevant terms of the *Convention d'externalisation et de prestations de services*), the Administrator, the Issuer Calculation Agent, the Asset Monitor, the Issuer Accounts Bank, the Paying Agent(s), the Permanent Dealers, the Dealers, the Fiscal Agent(s), the Calculation Agent(s), the Australian Registrar(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, the "**Senior Administrative and Tax Costs**"); and
- (viii) **eighthly**, 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 Loan.

#### *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 Extended Final Maturity Date, as the case may be) 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(s)) 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(s). 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 Issuer Hedging Agreement(s) (other than Hedging Termination Costs); 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**, 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 Hedging Termination Costs then due and payable by the Issuer, if any;
- (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 amounts then due and payable by the Issuer to (a) the Administrator under Clauses 8, 9 and 10 of the Administrative Agreement, 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. 515-22 of the French Monetary and Financial Code (*Code monétaire et financier*), as the case may be;
- (vi) **sixthly**, 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 to the Cash Collateral Provider under the Cash Collateral Agreement;

- (vii) **seventhly**, 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 Senior Administrative and Tax Costs then due and payable by the Issuer;
- (viii) **eighthly**, (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 (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 Loan).

*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(s)) 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(s). 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*, *pro rata* and in full of any and all sums then due and payable by the Issuer, if any, under the Issuer Hedging Agreement(s) (other than Hedging Termination Costs) and remaining unpaid at such date;
- (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 Interest Amounts then due and payable by the Issuer under the relevant series of Covered Bonds and remaining unpaid at such date;
- (iii) **thirdly**, after and subject to the full repayment of any and all sums referred to in (i) and (ii) above, in or towards payment or discharge *pari passu*, *pro rata* and in full of any and all principal amounts then due and payable by the Issuer under the relevant series of Covered Bonds and remaining unpaid at such date;
- (iv) **fourthly**, after and subject to the full repayment of any and all sums referred to in (i) to (iii) above, in or towards payment or discharge *pari passu*, *pro rata* and in full of any and all Hedging Termination Costs then due and payable by the Issuer and remaining unpaid at such date;
- (v) **fifthly**, after and subject to the full repayment of any and all sums referred to in (i) to (iv) above, in or towards payment or discharge *pari passu* and *pro rata* of any amounts then due and payable by the Issuer (and remaining unpaid at such date) to (a) the Administrator under Clauses 8, 9 and 10 of the Administrative Agreement, 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. 515-22 of the French Monetary and Financial Code (*Code monétaire et financier*), as the case may be;
- (vi) **sixthly**, after and subject to the full repayment of any and all sums referred to in (i) to (v) above, in or towards payment or discharge *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer to the Cash Collateral Provider under the Cash Collateral Agreement;
- (vii) **seventhly**, after and subject to the full repayment of any and all sums referred to in (i) to (vi) above, in or towards payment or discharge *pari passu* and *pro rata* of the Senior Administrative and Tax Costs; and

- (viii) **eighthly**, (a) after and subject to the full repayment of any and all sums referred to in (i) to (vii) 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 (b) after and subject to the full repayment of any and all sums referred to in (i) to (vii) 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 Loan).

## ORIGINATION OF THE HOME LOANS

Thirty-nine (39) *Caisses régionales de Crédit Agricole* (regional banks) grant predominantly housing loans through their branch networks. Even for new customers that might be brought in by brokers or other independent intermediaries (not a significant part of the Crédit Agricole's Group housing loans business), there will be a contact with a local branch salesperson, for the customer's current account to be opened and his loan to be discussed and analysed.

### Loan application analysis

Before a loan application is analysed, a preparation phase takes place that covers three steps:

- (a) In step one, all relevant information with regard to the applicant's personal situation (income, savings, assets, current debts, age and professional status) and to his project (precise location and detailed description if an acquisition or a construction) are gathered. In addition, should the applicant be eligible to a "*prêt réglementé*", he will be provided with the list of all documents necessary for the loan to be funded. The salesperson is responsible for carrying out those tasks.
- (b) In step two, the customer's payment history is verified, with the automatic sending out of a query to national risk databases (*Fichier central des incidents de paiements* and *Fichier central des chèques*). At this early stage of the process, the application will generally be turned down if the customer presents a difficult payment history. In any case, the application will not be eligible to a decentralized decision making (excluded from the delegation).
- (c) In step three, the customer funding plan is prepared, aimed at being appropriately suited to his needs and financial situation.

The analysis of the loan application itself is supported by an automated underwriting system (Score Habitat for *Caisses régionales*, Planetimmo for LCL). All the previously mentioned pieces of information regarding the applicant personal situation and the project's features will be fed into the system (personal situation, payment history, funding plan). As a result, the underwriting system will derive an automated risk opinion in the form of a firelight signal (green, orange or red).

The delegation framework is directly related to the underwriting system with green scored applications receiving the highest delegation level while red scored applications being either totally non delegated or only delegated for small amounts (and with additional tests to comply with). The salesperson (loan officer, branch manager) will get direct information from the underwriting system about whether or not the application might be approved at his level of responsibility. Non delegated files will be all reviewed at the head office level, by a team of specialised home loans analysts.

Regarding the collateral policy, the most important point is that Crédit Agricole Group housing loans origination is fundamentally customer driven, which means that no home loan should be granted based on the sole (or even dominant) appraisal of the collateral's strength. It is a strictly adhered to Crédit Agricole Group's principle that no loan is to be extended to an individual whose proven revenues and payment history are not strong enough to demonstrate his ability to repay the loan.

### Controls before funding of accepted applications

Before delivering the funding, a set of controls is performed:

- (a) Controls aimed at verifying that the approval process was professionally carried out (quality of the insurance subscription form, validity of all information entered into the system and used to derive the level of delegation).
- (b) Controls aimed at verifying that all required documents are present in the file, in particular regarding "*prêts réglementés*".

Once those controls are completed, a home loan offer is prepared and mailed to the customer. Upon the return of the offer, the validity of the acceptance by the borrower is checked (dates and signatures), before the final home loan contract is provided.

### **Servicing of home loans**

Each Caisse Régionale is responsible for servicing its own home loan portfolio and so is LCL.

Mortgage servicing comprises the administration of home loans from their inception to their final payment, which means dealing with:

- (a) the release of funds, which can be implemented either in full at the date of signature or in a gradual manner (for under construction housing especially);
- (b) the calculation and collection of home loans repayments;
- (c) the early repayments; and
- (d) the rescheduling, that can be either part of the original contract or part of the solution put in place to address a borrower's difficult situation.

### **Past due collection and foreclosure proceedings**

Branches are accountable for dealing with past due instalments that are comprised between one (1) day and a maximum of sixty (60) days. On average, past due are locally dealt with during the first forty-five (45) days following the initial past due. During this period of time, solutions are sought on a purely amicable basis.

Should it prove impossible to get a rapid and full repayment of all past due items from the borrower, an escalation process will take place. The relationship with the customer is therefore handed over to a collection officer, located in the head office (the same organization is in place in Caisses régionales and in LCL). The collection officer performs a thorough analysis of the borrower's situation and, if deemed viable, might conclude an amicable agreement (which may take the form of a rescheduling of past due items, and will have to be validated at the appropriate level).

If the borrower's personal situation appears too difficult for an amicable agreement to be reached, the process will escalate one step further and the full recovery of the unpaid loan will be engaged through foreclosure proceedings.

Individuals responsible for centralised collection and foreclosure proceedings are provided with a dedicated system that enables them to optimally organize and follow up the relevant course of action. Periodic reports are prepared allowing management to control that collection officers initiate the necessary procedure in a timely manner.

### **Internal control**

The quality of the individual analysis is reinforced by internal control that comprises both general and specific portfolio reviews:

- (a) General housing loans periodic portfolio reviews aimed at identifying significant risk areas. Based on the findings, experiences are drawn out in terms of new policies and procedures or additional checks and balances
- (b) Specific housing loans portfolio reviews based on in-house criterias, triggers or list and designed at following up more closely potentially sensitive files (for instance, when the customer Basel 2 rating has been significantly downgraded, even if no past due occurred)

## THE HEDGING STRATEGY

The present section describes the hedging strategy (the "**Hedging Strategy**") from time to time by the Issuer upon the occurrence of a Hedging Rating Trigger Event (as defined below) and/or any Borrower Event of Default (as defined under section "**The Borrower and the Borrower Facility Agreement**"), as applicable.

Pursuant to Articles L. 515-18 and L. 515-19 of the French Monetary and Financial Code (*Code monétaire et financier*), any amounts payable by the Issuer under the derivative transactions described below will benefit, after any applicable netting, from the *Privilège*. Any Hedging Provider(s) will thus be qualified as Privileged Creditor(s).

### **Hedging strategy before the occurrence of a Hedging Trigger Event and or any Borrower Event of Default**

The Covered Bonds issued under the Program may be Fixed Rate Covered Bonds, Floating Rate Covered Bonds, or Zero Coupon Covered Bonds. Each Series of Covered Bonds will be denominated in any Specified Currency (see "**Terms and Conditions of the Covered Bonds**").

The proceeds from the issuance of the Covered Bonds under the Program will be used by the Issuer to fund Borrower Advances to be made available to the Borrower under the Borrower Facility Agreement. The 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 Covered Bonds funding such Borrower Advance, as further described hereunder and in the relevant Final Terms of Borrower Advance (see "**The Borrower and the Borrower Facility Agreement**").

Therefore, the Issuer is not exposed to any risk of an interest rate or currency mismatch arising between the payments received on the Borrower Advances and the payments to be made under the Covered Bonds. As a consequence, in the absence of Hedging Rating Trigger Event (as defined below), the Issuer will have no obligation to hedge any interest rate or currency risk.

The determination of the currency and of the interest rate of each Series of Covered Bonds, as specified in each applicable Final Terms, shall be made by the Issuer regardless of the currencies in which the Collateral Security Assets are denominated and the interest rate conditions applicable, as the case may be, to such Collateral Security Assets (see "**The Collateral Security**").

Before the enforcement of the Collateral Security and in the absence of any Hedging Rating Trigger Event (as defined below), any interest rate or currency risk linked to the mismatch between the Collateral Security Assets and the Borrower Debt will be hedged according to the usual and current strategies and practices of Crédit Agricole S.A.

Upon enforcement of the Collateral Security following the enforcement of a Borrower Event of Default, and the transfer of the title to the Collateral Security Assets to the Issuer, the Issuer would need to have in place appropriate derivative transactions to hedge the currency and interest rate risks arising from such Collateral Security Assets.

### **Hedging Strategy upon the occurrence of a Hedging Rating Trigger Event**

In order to hedge any interest rate or currency risk arising from the mismatches between the terms and conditions of the Covered Bonds and the Collateral Security Assets, and therefore implement the Hedging Strategy of the Issuer described in the present section, the Issuer and the Borrower have agreed to execute the Amended Hedging Approved Form Letter. The Hedging Strategy provides for the conclusion of two (2) sets of hedging agreements (the "**Hedging Agreements**") and related hedging transactions (the "**Hedging Transactions**").

The first set of Hedging Agreements refers to the "Issuer Hedging Agreement(s)" (the "**Issuer Hedging Agreement(s)**") and related Hedging Transaction(s) (the "**Issuer Hedging Transaction(s)**") to be entered into by the Issuer with Eligible Hedging Provider(s) (as defined below) upon the occurrence of a Hedging Rating Trigger Event (as defined below), in order to hedge any currency and/or interest rate risk borne by the Issuer in connection with any Series of Covered Bonds and / or in respect of the Collateral Security Assets.

The second set of Hedging Agreements refers to the "Borrower Hedging Agreement" (the "**Borrower Hedging Agreement**") and related Hedging Transactions (the "**Borrower Hedging Transaction(s)**") to be entered into by the Issuer with the Borrower upon the occurrence of a Hedging Rating Trigger Event, and constitutes a back-to-



back agreement with the Issuer Hedging Agreement(s) and Issuer Hedging Transaction(s). It aims at transferring to the Borrower the economic effect of such Issuer Hedging Agreement(s) and Issuer Hedging Transaction(s), until a Borrower Event of Default is enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement.

Therefore, the Hedging Agreements shall hedge the amount of interest and principal payable by the Issuer under any relevant Series of Covered Bonds in the relevant Specified Currency against the interest rate and/or currency risk of the payments corresponding to the interest and principal in each relevant currency to be received by the Issuer under the Collateral Security Assets following the delivery of a Borrower Enforcement Notice.

The floating interest rate applicable to the Hedging Transactions will refer to EURIBOR (one (1) month) or, subject to prior Rating Affirmation, to any other index agreed by the Issuer (the "**Permitted Index**").

Upon the issuance of each Series of Covered Bonds and in accordance with the Calculation Services Agreement, the Issuer Calculation Agent shall communicate to the Issuer (with copy to the Borrower, the Administrator and the Rating Agencies) the margin (relative to EURIBOR (one (1) month) or the agreed Permitted Index) to be paid by the Issuer when hedging the interest and principal payable by it under such Series in the relevant Specified Currency, into variable rate flows denominated in Euros and indexed to EURIBOR (one (1) month) or the agreed Permitted Index (the "**Covered Bonds Hedging Margin**").

In accordance with the Calculation Services Agreement, at the end of each three (3) calendar months' period as from the Program Date and before the occurrence of a Hedging Rating Trigger Event, the Issuer Calculation Agent shall communicate to the Issuer (with copy to the Borrower, the Administrator and the Rating Agencies) the average margin (relative to EURIBOR (one (1) month) or the agreed Permitted Index) to be received by the Issuer when hedging the interest and principal payable under the Collateral Security Assets in each relevant currency, into variable rate flows denominated in Euros and indexed to EURIBOR (one (1) month) or the agreed Permitted Index (the "**Assets Hedging Margin**").

Upon the occurrence of a Hedging Rating Trigger Event, the Issuer (or the Administrator on its behalf) will enter into with Eligible Hedging Provider(s):

- (a) one or more Issuer Hedging Agreement(s) and related Issuer Hedging Transaction(s), the effective date of which being the occurrence of such Hedging Rating Trigger Event, in order to hedge any currency and/or interest rate risk it will bear in respect of the Collateral Security Assets and / or any Series of the Covered Bonds, substantially in the relevant Approved Form (or, when legally required, its equivalent under the FBF (*Fédération Bancaire Française*) standard form) as notified to the Rating Agencies. The Issuer Hedging Transaction(s) entered into under the Issuer Hedging Agreement(s) will hedge:
  - (i) the payments to be received under the Collateral Security Assets; and
  - (ii) the Issuer's obligations under each Series of Covered Bonds.
- (b) one or more Borrower Hedging Agreement(s) and related Borrower Hedging Transaction(s), the effective date of which being the occurrence of such Hedging Rating Trigger Event, substantially in the relevant Approved Form (or, when legally required, its equivalent under the FBF (*Fédération Bancaire Française*) standard form) as notified to the Rating Agencies, in order to transfer to the Borrower the economic effect of the Issuer Hedging Agreement(s) and related Issuer Hedging Transaction(s), until a Borrower Event of Default is enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement.

Under the Borrower Hedging Transaction(s), it is intended that the Issuer will receive amounts equal to its payment obligations under the Issuer Hedging Transaction(s) and will pay amounts equal to the amounts it receives under the Issuer Hedging Transaction(s).

The financial conditions of the Hedging Agreements shall be determined so that (a) the margin payable by the Issuer under the Issuer Hedging Agreement(s) related to a Series of Covered Bonds is no more than the Covered Bonds Hedging Margin calculated for such Series and (b) the margin received by the Issuer under the Issuer Hedging Agreement(s) related to the Collateral Security Assets is at least as much as the last communicated Assets Hedging Margin.

Depending on the market conditions prevailing at the time the Hedging Agreements are transacted, each Hedging Transaction may be "in the money" or "out of the money" from the Issuer's standpoint. As a result, the Issuer (i) will be required to pay to, or will receive from, the relevant Eligible Hedging Provider(s) under each Issuer Hedging Transaction a premium (*soulte*) (such premium will in particular take into account any sums to be paid (if any) given the prevailing market conditions to allow the Issuer Hedging Transaction(s) to be transacted at the relevant Covered Bonds Hedging Margin and the Assets Hedging Margin) and (ii) will receive from, or pay to, the Borrower a corresponding amount under the relevant Borrower Hedging Transaction(s). In accordance with the Calculation Services Agreement, the Issuer Calculation Agent shall calculate and communicate to the Issuer (with copy to the Borrower, the Administrator and the Rating Agencies) the amount of each such premium (*soulte*).

If notwithstanding the payment of the premiums (*soultés*) referred above, the Issuer still has to bear costs and expenses when it negotiates and/or enters into any Hedging Agreements and/or related Hedging Transactions to comply with any of the conditions referred to above, the Borrower has undertaken to pay any such costs and expenses.

In addition, the Issuer and the Borrower have undertaken that any costs and/or expenses to be paid in relation to any Hedging Agreements and/or related Hedging Transactions shall be paid, unless otherwise agreed, at a payment date under the applicable Hedging Transaction.

Upon the occurrence of a Hedging Rating Trigger Event, (i) any failure by the Issuer (or the Administrator on its behalf) to enter into (a) appropriate Issuer Hedging Agreement(s) and related Issuer Hedging Transaction(s) with Eligible Hedging Provider(s) or (b) Borrower Hedging Agreement(s) and related Borrower Hedging Transaction(s) with the Borrower, within thirty (30) calendar days from the date of occurrence of the relevant Hedging Rating Trigger Event constitutes the occurrence of an Issuer Event of Default (see "**Terms and Conditions of the Covered Bonds**") and a Borrower Event of Default (see "**The Borrower and the Borrower Facility Agreement – The Borrower Facility Agreement**") and (ii) any failure by the Borrower (a) to enter into appropriate Borrower Hedging Agreement(s) and related Borrower Hedging Transaction(s) with the Issuer, within thirty (30) calendar days from the date of occurrence of the relevant Hedging Rating Trigger Event or (b) to pay any costs and expenses referred to above constitutes the occurrence of a Borrower Event of Default.

On January 23, 2012, following the occurrence of a Hedging Rating Trigger Event, the Issuer and the Borrower executed the Issuer Hedging Agreement (as it may be amended from time to time), the Borrower Hedging Agreement (as it may be amended from time to time) and the related Hedging Transactions in accordance with the provisions of the above and for which a Rating Affirmation was made. As a result, the Issuer's obligations under the Hedging Strategy, as described above, and the Amended Hedging Approved Form Letter are fully satisfied and completed on the date of this Base Prospectus.

Each Hedging Agreement provides that all amounts to be paid by the Issuer under such Hedging Agreement will be paid according to the relevant Priority Payment Order, as described in Condition 15 of the Terms and Conditions.

In particular, upon the termination of a Hedging Agreement, the Issuer or the Borrower or any relevant Eligible Hedging Provider(s), as applicable, may be liable to pay any hedging termination costs to the other party in accordance with the provisions of the relevant Hedging Agreement. Such hedging termination costs, when to be paid by the Issuer and provided that the amount of such costs has not been reduced to zero (0) in accordance with the provisions of the relevant Hedging Agreement, shall be subordinated to payments under the Covered Bonds if resulting from an event of default in respect of which the relevant hedge counterparty of the Issuer is the defaulting party or from any termination event in respect of which the hedge counterparty of the Issuer is the affected party, as described in section "**Cash Flow – Priority Payment Orders**".

Pursuant to the terms of the Issuer Hedging Agreements, in the event that the relevant ratings of the Eligible Hedging Provider(s) (or its respective guarantor, as applicable) (the "**Hedging Provider**") is or are downgraded by a Rating Agency below the required ratings specified in the relevant Hedging Agreement then where applicable, the relevant Hedging Provider will be required to take certain remedial measures which may include one (1) or more of the following: (i) providing collateral for its obligations under the relevant Hedging Agreement and Hedging Transactions; (ii) arranging for its obligations under the relevant Hedging Agreement and Hedging Transactions to be transferred to a replacement hedging provider with the ratings determined in accordance with the methodologies published by the Rating Agencies (as specified in the relevant Hedging Agreement); (iii) procuring another entity with the relevant Rating Agency ratings specified in the relevant Hedging Agreement to become co-obligor in respect of its obligations under the relevant Hedging Agreement

and Hedging Transactions; and/or (iv) taking such other actions as the relevant Hedging Provider may determine and notify to the relevant Rating Agency.

Each Issuer Hedging Agreement may be terminated in accordance with certain termination events and events of default. An Issuer Event of Default will not constitute a termination event under any Issuer Hedging Agreement.

Each Borrower Hedging Agreement may be terminated in accordance with certain termination events and events of default. In particular, a Borrower Event of Default which is enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement constitutes the occurrence of a termination event under a Borrower Hedging Agreement but does not constitute the occurrence of a termination event under an Issuer Hedging Agreement.

Subject to prior Rating Affirmation, any other coverage mechanisms may also be put in place in lieu of the Hedging Agreements.

**Hedging Strategy upon the occurrence of a Borrower Event of Default**

Upon the occurrence of a Borrower Event of Default which is enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, and the subsequent transfer in favour of the Issuer of title to the Home Loan Receivables (and related Home Loans Security) following an enforcement of the Collateral Security:

- (a) the Issuer will maintain its rights and obligations under the existing Issuer Hedging Agreement; and
- (b) the Borrower Hedging Agreement will be immediately terminated.

For the purposes of this section:

**"Amended Hedging Approved Form Letter"** means the letter agreement dated on or about the Program Date (as amended and restated from time to time) entered into between Crédit Agricole Home Loan SFH and Crédit Agricole S.A. in order to implement the Hedging Strategy of the Issuer and pursuant to which the Issuer and the Borrower agree on the Approved Form of the Hedging Agreements.

**"Approved Form"** means a 1992 (Multicurrency - Cross Border) or 2002 ISDA Master Agreement (including its schedule), credit support document and confirmation governed thereby or, as the case may be, a 2001 or 2007 FBF Master Agreement relating to transactions on forward financial instruments (including its schedule), collateral annex and confirmation governed thereby, in a form agreed by the Issuer and the Borrower pursuant to the Amended Hedging Approved Form Letter or as otherwise agreed subject to prior Rating Affirmation.

**"Eligible Hedging Provider"** means a financial institution which meets the following conditions:

- such financial institution is permitted under any applicable and relevant law to enter into derivative contracts with French residents; and
- (i) the rating of its senior unsecured, unsubordinated and unguaranteed debt obligations is at least a Hedging Required Rating, or (ii) the rating of the senior unsecured, unsubordinated and unguaranteed debt obligations of its guarantor under the Issuer Hedging Agreement(s) is at least a Hedging Required Rating, or (iii) this financial institution has provided collateral for its obligations under the Issuer Hedging Agreement(s) and taken any remedial action as agreed with the relevant Rating Agencies.

**"Hedging Rating Trigger Event"** means the event in which:

- (i) the senior unsecured, unsubordinated and unguaranteed debt obligations of Crédit Agricole S.A. become rated below A-1 (short term) by S&P, or
- (ii) the senior unsecured, unsubordinated and unguaranteed debt obligations of Crédit Agricole S.A. become rated below P-1 (short term) by Moody's or

- (iii) the issuer default rating (IDR) of Crédit Agricole S.A. becomes rated below F1+ (short term) or AA- (long term) by Fitch.

**"Hedging Required Rating"** means, as regards any Eligible Hedging Provider or, as applicable, its guarantor under the Issuer Hedging Agreement(s) in relation to the hedging of currency risks, interest risks and other risks, the minimum rating required to satisfy the "Eligible Replacement" definition as set out under the Issuer Hedging Agreement(s).

## TAXATION

*For the avoidance of doubt, it is specified that the expression "Covered Bonds" will only include French law Covered Bonds and New York law Covered Bonds, in the following section*

*The following is a summary limited to certain tax considerations relating to the payments made in respect of the Covered Bonds that may be issued under the Program and specifically contains information on taxes on the income from the securities withheld at source. This summary is based on the laws in force in France as of the date of this Base Prospectus and as applied by the tax authorities, all of which are subject to changes or to different interpretation. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Covered Bonds. Each prospective holder or beneficial owner of Covered Bonds should consult its tax advisor as to the tax consequences of any investment in or ownership and disposal of the Covered Bonds in light of its particular circumstances.*

### EU Savings Directive

On 3 June 2003, the European Union adopted the Directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the "**Directive**"). The Directive requires Member States as from 1 July 2005 to provide to the tax authorities of other Member States details of payments of interest and other similar income within the meaning of the Directive made by a paying agent within its jurisdiction to (or under circumstances to the benefit of) an individual resident in another Member State, except that Luxembourg and Austria will instead impose a withholding system for a transitional period unless the beneficiary of interest payment elects for the exchange of information. At the date of this Base Prospectus, the rate of this withholding tax is thirty-five per cent. (35%).

If a payment in respect of the Covered Bonds were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Covered Bond as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a paying agent, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

For these purposes, the term "paying agent" is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

### France

- (a) Following the introduction of the French "*loi de finances rectificative pour 2009 n° 3*" (no. 2009-1674 dated 30 December 2009) (the "Law"), payments of interest and other revenues made by the Issuer with respect to the Covered Bonds issued on or after 1 March 2010 (other than Covered Bonds (described below) which are consolidated (*assimilables* for the purposes of French law) and form a single series with Covered Bonds issued prior to 1 March 2010 having the benefit of Article 131 *quater* of the French General Tax Code (*Code général des impôts*)) will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code (*Code général des impôts*) unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (*Code général des impôts*) (a "Non-Cooperative State"). If such payments under the Covered Bonds are made in a Non-Cooperative State, a seventy-five per cent. (75%) withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French General Tax Code (*Code général des impôts*).

Notwithstanding the foregoing, the Law provides that the seventy-five per cent. (75%) withholding tax will not apply in respect the issue of the Covered Bonds if the Issuer can prove that the principal purpose and effect of such issue of Covered Bonds were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "Exception"). Pursuant to official guidelines issued by the French tax authorities under the references BOI-INT-DG-20-50-20120912, no. 990, BOI-RPPM-RCM-30-10-20-50-20120912, no. 70, and BOI-ANX-000366-20120912, no. 90, an issue of bonds will

benefit from the Exception without the issuer having to provide any proof of the purpose and effect of such issue of the covered bonds if such covered bonds are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code (*Code monétaire et financier*), or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Furthermore, pursuant to Article 238 A of the French General Tax Code (*Code général des impôts*), interest and other revenues on such Covered Bonds are not deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 *et seq.* of the French General Tax Code (*Code général des impôts*), in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French General Tax Code (*Code général des impôts*), at a rate of thirty per cent. (30%) or seventy-five per cent. (75%).

However, neither the non-deductibility set out under Article 238 A of the French General Tax Code (*Code général des impôts*), nor the withholding tax set out under article 119 *bis* 2 of the same code will apply in respect of the Covered Bonds solely by reason of the relevant payments being made to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State if the Issuer can prove that it can benefit from the Exception and that the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount. Pursuant to the official guidelines issued by the French tax authorities under the references BOI-INT-DG-20-50-20120912, no. 550, BOI-ANXX-000364-20120912, no. 20 and BOI-ANXX-000366-20120912, no. 90, the issue of the Covered Bonds will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Covered Bonds if the Covered Bonds satisfy one of the three above-mentioned conditions.

- (b) Payments of interest and other revenues with respect to (i) Covered Bonds issued (or deemed issued) outside France as provided under Article 131 *quater* of the French General Tax Code (*Code général des impôts*), before 1 March 2010 and (ii) Covered Bonds which are consolidated (*assimilables* for the purpose of French law) and form a single series with such Covered Bonds, will continue to be exempt from the withholding tax set out under Article 125 A III of the French General Tax Code (*Code général des impôts*).

Covered Bonds issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting obligations under French law, or *titres de créances négociables* within the meaning of the official guidelines issued by the French tax authorities under the reference BOI-RPPM-RCM-30-10-30-30-20120912, or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French General Tax Code (*Code général des impôts*), in accordance with the official guidelines issued by the French tax authorities under the reference BOI-RPPM-RCM-30-10-30-30-20120912.

Furthermore, neither the non-deductibility set-out under Article 238 A of the French General Tax Code (*Code général des impôts*), nor the withholding tax set out under article 119 *bis* 2 of the same code will apply in respect of the Covered Bonds which are assimilated (*assimilés*) with Covered Bonds issued

before 1 March 2010 solely by reason of the relevant payments being made to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State if the Issuer can prove that the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount.

- (c) Pursuant to the 2013 Finance Law (*loi de finances pour 2013, n° 2012-1509 du 29 décembre 2012*) and subject to certain limited exceptions, interest and other revenues received under the Covered Bonds as from 1 January 2013 by individuals who are fiscally domiciled in France are subject to a twenty-four per cent. (24%) withholding tax, set out under Article 125 A I and III bis of the French General Tax Code (*Code général des impôts*). This withholding tax is an advance payment made in respect of the personal income tax of the individual receiving the interest or revenue, which is deductible from his personal income tax liability in respect of the year during which the withholding has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at an aggregate rate of fifteen point five per cent. (15.5%) on interest and similar revenues paid by the Issuer under the Covered Bonds, to individuals who are fiscally domiciled in France.

## CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

### CIRCULAR 230 DISCLOSURE

**To ensure compliance with Treasury Department Circular 230, each prospective investor (defined below) is hereby notified that:**

**(i) the following summary of U.S. federal income tax issues was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under the U.S. federal income tax laws; (ii) the summary was written to support the promotion or marketing (within the meaning of Circular 230) of the transactions or matters addressed thereby; and (iii) the taxpayer should seek advice from its own tax advisor based on the taxpayer's particular circumstances.**

The following describes certain material U.S. federal income tax ("USFIT") consequences to U.S. Holders (defined below) under current law of the purchase, ownership and disposition of New York law Covered Bonds only. Thus, this summary does not address the material USFIT consequences of every type of Covered Bond that may be issued under the Program, and the relevant Final Terms may contain additional or modified disclosure concerning the material USFIT consequences relevant to a specific issue of Covered Bonds as appropriate. This summary applies only to purchasers of New York law Covered Bonds that are U.S. Holders and that will hold such bonds as capital assets.

Materialised Covered Bonds are not being offered to U.S. Holders. A U.S. Holder that comes to hold a Materialised Covered Bond may be subject to limitations under USFIT laws, including the limitations provided in sections 165(j) and 1287(a) of the Code.

This discussion is based on the Code, as in effect on the date of this prospectus and on U.S. Treasury regulations in effect or, in some cases, proposed, as of the date of this prospectus, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the USFIT consequences described below.

The following discussion does not address all aspects of USFIT law and does not deal with all tax consequences that may be relevant to any particular investor or to persons in special tax situations such as:

- Certain financial institutions
- Insurance companies
- Dealers in securities
- U.S. expatriates or former long-term residents of the U.S. subject to sections 877 or 877A of the Code
- Traders that elect to mark to market
- Tax exempt entities
- Real estate investment trusts

- Regulated investment companies
- Persons liable for the alternative minimum tax
- Persons holding New York law Covered Bonds as part of a straddle, hedging, conversion, or integrated transaction
- Persons holding New York law Covered Bonds through partnership or other pass-through entities
- Persons whose "functional currency" is not the U.S. dollar

For the purposes of this summary, a "**U.S. Holder**" is a beneficial owner of Covered Bonds that is, for USFIT purposes: (i) an individual citizen or resident of the United States; (ii) a corporation (or an entity treated as a corporation for USFIT purposes) created or organized in or under the laws of the United States or any state thereof (including the District of Columbia); (iii) an estate the income of which is subject to USFIT regardless of its source; or (iv) a trust if (x) a court within the United States is able to exercise primary supervision over its administration and (y) one or more U.S. persons have the authority to control all of the substantial decisions of such trust. As provided in U.S. Treasury regulations, certain trusts in existence on 20 August 1996, and treated as United States persons prior to that date that maintain a valid election to continue to be treated as United States persons also are U.S. Holders.

If a partnership holds the Covered Bonds, the USFIT treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. A partnership or a partner of a partnership holding the Covered Bonds should consult its tax advisor regarding the tax considerations of investing in the Covered Bonds under its particular situation.

No rulings have been sought from the Internal Revenue Service ("**IRS**") regarding the matters discussed herein, and there can be no assurance that the IRS or a court will agree with the views expressed herein. This discussion is a general summary and does not cover all tax matters that may be important to a particular investor.

This summary addresses New York law Covered Bonds that will be treated as non-contingent debt for USFIT purposes. If, at the time of issuance, the Issuer believes that the Covered Bonds of a given series of New York law Covered Bonds may not be so treated, the tax treatment of such Covered Bonds will be discussed in the applicable Final Terms.

Covered Bonds may be issued with hard or soft bullet maturities as specified in the Final Terms of the relevant Series. A description of the USFIT considerations relevant to U.S. Holders of New York law Covered Bonds subject to soft bullet maturities will be provided in the applicable Final Terms.

**PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE USFIT RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL, NON-US, AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP, AND DISPOSITION OF NEW YORK LAW COVERED BONDS.**

### **Payments of Interest**

Payments of "qualified stated interest" (as defined below under the section entitled - "**Original Issue Discount**") on a Covered Bond (and including any tax withheld on such interest payment) will be taxable to a U.S. Holder as ordinary interest income at the time that such payments are accrued or are received (in accordance with the U.S. Holder's method of tax accounting). Such interest (along with any OID (defined below) on the Covered Bond) will constitute foreign source income for USFIT purposes and will generally constitute "passive category income" or "general category income" for USFIT foreign tax credit limitation purposes. *The rules relating to foreign tax credits are extremely complex and U.S. Holders should consult their own tax advisers with regard to the availability of a foreign tax credit and the application of the foreign tax credit rules to their particular situation.*

If such payments of interest are made in a currency other than U.S. dollars (a "**Foreign Currency Covered Bond**"), the amount of interest income realized by a U.S. Holder that uses the cash method of tax accounting will be the U.S. dollar value of the foreign currency payment based on the exchange rate in effect on the date of receipt, regardless of whether the payment in fact is converted into U.S. dollars on such date. A U.S. Holder that uses the accrual method of accounting for tax purposes will usually be required to determine its interest income by using one of the following methods. Under the first method, the U.S. Holder will accrue interest income on the Foreign Currency Covered Bond in the relevant foreign currency and translate the amount accrued into U.S.



dollars based on the average exchange rate in effect during the interest accrual period (or portion thereof within the U.S. Holder's taxable year). The average exchange rate for an accrual period (or partial period) is the simple average of the spot rates for each business day of such period or other average exchange rate for that period reasonably derived and consistently applied by the U.S. Holder. Under the second method, the U.S. Holder can make an election to translate the accrued interest on the Foreign Currency Covered Bond into U.S. dollars at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt if such date is within five business days of the last day of the accrual period. A U.S. Holder that makes such election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS.

A U.S. Holder that uses the accrual method of accounting for USFIT purposes will recognize foreign currency gain or loss, as the case may be, on the receipt of an interest payment made with respect to a Foreign Currency Covered Bond if the exchange rate in effect on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. Any such foreign currency gain or loss will be treated as U.S. source ordinary income or loss but generally will not be treated as an adjustment to interest income received on such Foreign Currency Covered Bond.

A U.S. Holder will have a tax basis in any foreign currency received on a Foreign Currency Covered Bond equal to the U.S. dollar value of such foreign currency, determined at the time of payment. Any gain or loss realized by a U.S. Holder on a sale or other disposition of the foreign currency (including its exchange for U.S. dollars or its use to purchase Foreign Currency Covered Bonds) will be ordinary income or loss, and any gain generally will be from sources within the United States for purposes of computing the foreign tax credit allowable under USFIT law.

### **Original Issue Discount**

If the Issuer issues Covered Bonds at a discount from their stated redemption price at maturity ("SRPM"), defined below, and such discount is equal to or more than the product of (i) one-fourth of one per cent. (0.25%) of the SRPM of the Covered Bonds and (ii) the number of full years to their maturity, the Covered Bonds will be "OID Bonds". The difference between the issue price and the SRPM of the Covered Bonds will be the original issue discount ("OID"). The issue price will be the first price at which a substantial amount of the Covered Bonds are sold to the public (i.e., excluding sales to underwriters, placement agents, wholesalers, or similar persons). The SRPM will include all payments under the Covered Bonds other than payments of qualified stated interest ("QSI", as defined below).

U.S. Holders of OID Bonds generally will be subject to the special tax accounting rules for obligations issued with OID provided under the Code and Treasury regulations (the "OID Rules"). U.S. Holders of such Covered Bonds should be aware that, as described in greater detail below, they generally must include OID in ordinary gross income for USFIT purposes as it accrues, in advance of the receipt of cash attributable to that income.

In general, each U.S. Holder of an OID Bond, whether such holder uses the cash or the accrual method of tax accounting, will be required to include in ordinary gross income the sum of the daily portions of OID on the OID Bond for all days during the taxable year that the U.S. Holder owns such Bond. The daily portions of OID on an OID Bond are determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. Accrual periods may be any length and may vary in length over the term of an OID Bond, provided that no accrual period is longer than one year and each scheduled payment of principal or interest occurs on either the final day or the first day of an accrual period. In the case of an initial holder, the amount of OID on an OID Bond allocable to each accrual period is determined by (a) multiplying the "adjusted issue price" (as defined below) of the OID Bond at the beginning of the accrual period by the "yield to maturity" of such Bond (appropriately adjusted to reflect the length of the accrual period) and (b) subtracting from that product the amount (if any) of QSI (as defined below) allocable to that accrual period. The yield to maturity is the discount rate that causes the present value of all payments on the OID Bond as of its original issue date to equal the issue price of such Bond. The adjusted issue price of an OID Bond at the beginning of any accrual period will generally be the sum of its issue price and all prior accruals of OID, reduced by the amount of all payments other than payments of QSI (if any) made with respect to such Bond in all prior accrual periods. The term QSI generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually during the entire term of an OID Bond at a single fixed rate of interest or, subject to certain conditions, based on one or more interest indices.

In the case of an OID Bond that is a Floating Rate Covered Bond, both the yield to maturity and QSI generally will be determined for these purposes as though the OID Bond will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to the interest payments on the Covered Bond on its date of issue or, in the case of certain Floating Rate Covered Bonds, the rate that reflects the yield that is reasonably expected for the Covered Bond. (Additional rules may apply if interest on a Floating Rate Covered Bond is based on more than one interest index.).

A U.S. Holder generally may make an irrevocable election to include in its income its entire return on an OID Bond (i.e., the excess of all remaining payments to be received on the Covered Bond, including payments of QSI, over the amount paid by such U.S. Holder for such Covered Bond) under the constant-yield method described above. If a Covered Bond was purchased at a premium or market discount, a U.S. Holder making such an election will also be deemed to have made the election (discussed below in Premium and Market Discount) to amortize premium or to accrue market discount in income currently on a constant-yield basis.

Where an OID Bond is also a Foreign Currency Covered Bond, a U.S. Holder should determine the U.S. dollar amount includible in income as OID for each accrual period by (a) calculating the amount of OID allocable to each accrual period in the foreign currency using the constant-yield method described above, and (b) translating the amount of the foreign currency so derived at the average exchange rate in effect during that accrual period (or portion thereof within a U.S. Holder's taxable year) or, at the U.S. Holder's election (as described above under Payments of Interest), at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt if such date is within five (5) business days of the last day of the accrual period. Because exchange rates may fluctuate, a U.S. Holder of an OID Bond that is also a Foreign Currency Covered Bond may recognize a different amount of OID income in each accrual period than would the holder of an otherwise similar OID Bond denominated in U.S. dollars.

All payments on an OID Bond (other than payments of QSI) will generally be viewed first as payments of previously accrued OID (to the extent thereof, with payments attributed first to the earliest-accrued OID), and then as payments of principal. Upon the receipt of an amount attributable to OID (whether in connection with a payment of an amount that is not QSI or the sale or retirement of the OID Bond), a U.S. Holder of a Foreign Currency Covered Bond will recognize ordinary income or loss measured by the difference between the amount received (translated into U.S. dollars at the exchange rate in effect on the date of receipt or on the date of disposition of the OID Bond, as the case may be) and the amount accrued (using the exchange rate applicable to such previous accrual).

A subsequent U.S. Holder of an OID Bond that purchases such Bond at a cost less than its remaining redemption amount (as defined below), or an initial U.S. Holder that purchases an OID Bond at a price other than such Bond's issue price, also generally will be required to include in gross income the daily portions of OID, calculated as described above. However, if the U.S. Holder acquires the OID Bond at a price greater than its adjusted issue price, such holder may reduce its periodic inclusions of OID income to reflect the premium paid over the adjusted issue price. The remaining redemption amount for an OID Bond is the total of all future payments to be made on such Bond other than payments of QSI.

Floating Rate Covered Bonds are expected to bear interest at a "qualified floating rate" and thus to be treated as variable rate debt instruments ("VRDIs") under the OID Rules. Accordingly, the stated interest on a Floating Rate Covered Bond generally will be treated as QSI, and such a Covered Bond will not have OID solely as a result of the fact that it provides for interest at a variable rate.

A Floating Rate Covered Bond will be treated as VRDI if (1) its issue price does not exceed the total non-contingent principal payments due by more than a prescribed *de minimis* amount, (2) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate this a qualified inverse floating rate, and (3) it does not provide for any principal payments that are contingent (other than as described in (1) above).

A "qualified floating rate" for this purpose is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the bond is denominated. Various limitations apply to rates set as multiples of a qualified floating rate, or rates structured with caps or floors. An "objective rate" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information. A rate will not qualify as an objective rate if it is based on information that is within the

control of or unique to the circumstances of the Issuer (or a related party) (e.g., Issuer's dividends, profits or stock value – although a rate based on the Issuer's credit quality is not disqualified). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. However, a Floating Rate Covered Bond will not be treated as bearing interest at an objective rate if it is reasonably expected that the average value of the rate during the first half of its term will be either significantly less than or greater than the average value of the rate during the final half of the term. A "qualified inverse floating rate" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. A description of the USFIT considerations relevant to U.S. Holders of New York Covered Bonds that are issued with OID and are treated as VRDIs will be provided in the applicable Final Terms. *Prospective purchasers are advised to consult their tax advisers with respect to determining the VRDI status of Floating Rate Covered Bonds.*

If a Floating Rate Covered Bond does not qualify as a VRDI, such Covered Bond will be subject to special rules (the "**Contingent Payment Rules**") that govern the USFIT treatment of debt obligations that provide for contingent payments ("**Contingent Debt**"). A description of the USFIT considerations relevant to U.S. Holders of any such Covered Bonds will be provided in the applicable Final Terms. *Prospective purchasers are advised to consult their tax advisers as to the proper accrual of income with respect to Floating Rate Covered Bonds.*

If certain of the Covered Bonds are subject to special redemption, repayment or interest rate reset features, as indicated in the applicable Final Terms, such Covered Bonds (particularly OID Bonds) may be subject to special rules that differ from the general rules discussed above. Purchasers of Covered Bonds with such features should carefully examine the applicable Final Terms and should consult their own tax advisors with respect to such Covered Bonds since the USFIT consequences with respect to such features, and especially with respect to OID, will depend, in part, on the particular terms of the purchased Covered Bonds.

### **Purchase, Sale and Retirement**

Upon the sale, exchange, retirement or other disposition of a Covered Bond, a U.S. Holder generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange, retirement or other disposition (less any accrued QSI, which will be taxable as such) and the U.S. Holder's tax basis in such Covered Bond. If a U.S. Holder receives a currency other than the U.S. dollar in respect of the sale, exchange or retirement of a Covered Bond, the amount realized will be the U.S. dollar value of the foreign currency received, calculated at the exchange rate in effect on the date the instrument is disposed of or retired. In the case of a Foreign Currency Covered Bond that is traded on an established securities market, a cash-basis U.S. Holder and, if it so elects, an accrual-basis U.S. Holder will determine the U.S. dollar value of the amount realized by translating such amount at the spot rate on the settlement date of the sale. This election available to accrual-basis U.S. Holders in respect of the purchase and sale of Foreign Currency Covered Bonds traded on an established securities market must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

A U.S. Holder's tax basis in a Covered Bond generally will equal the cost of such Covered Bond to such holder, increased by any amounts includible in income by the holder as OID, and market discount, and reduced by any amortized premium (each as described below) and any payments other than payments of QSI made on such Covered Bond.

In the case of a Foreign Currency Covered Bond, the cost to a U.S. Holder will be the U.S. dollar value of the foreign currency purchase price on the date of purchase. In the case of a Foreign Currency Covered Bond that is traded on an established securities market, a cash-basis U.S. Holder and, if it so elects, an accrual basis U.S. Holder will determine the U.S. dollar value of the cost of such Foreign Currency Covered Bond by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. If an accrual method taxpayer makes such an election, the election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS. The amount of any subsequent adjustments to a U.S. Holder's tax basis in a Foreign Currency Covered Bond in respect of OID, market discount and premium denominated in the foreign currency will be determined in the manner described under "**Original Issue Discount**" (above) and "**Premium and Market Discount**" (below). The conversion of U.S. dollars to the foreign currency and the immediate use of such currency to purchase a Foreign Currency Covered Bond generally will not result in taxable gain or loss for a U.S. Holder.

Except as discussed below with respect to market discount, Short-Term Bonds (as defined below) and foreign currency gain or loss, any gain or loss recognized by a U.S. Holder generally will be long-term capital gain or loss if the U.S. Holder has held the Covered Bond for more than one year at the time of disposition. Long-term

capital gains recognized by an individual holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income. The deductibility of capital losses is subject to limitations.

Gain or loss recognized by a U.S. Holder on the sale, exchange or retirement of a Foreign Currency Covered Bond generally will be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in exchange rates during the period in which the holder held such Foreign Currency Covered Bond. Such foreign currency gain or loss will not be treated as an adjustment to interest income received on the Foreign Currency Covered Bond.

## **Premium and Market Discount**

### *Premium*

A U.S. Holder of a Covered Bond that purchases a Covered Bond at a cost greater than its remaining redemption amount (as defined above) will be considered to have purchased the Covered Bond at a premium, and may elect to amortize such premium (as an offset to interest income), using a constant-yield method, over the remaining term of the Covered Bond. Such election, once made, generally applies to all bonds held or subsequently acquired by the U.S. Holder on or after the first taxable year to which the election applies and may not be revoked without the consent of the IRS. A U.S. Holder that elects to amortize such premium must reduce its tax basis in a Covered Bond by the amount of the premium amortized during its holding period. OID Bonds purchased at a premium will not be subject to the OID rules described above.

In the case of premium in respect of a Foreign Currency Covered Bond, a U.S. Holder should calculate the amortization of such premium in the foreign currency. Amortization deductions attributable to a period reduce interest payments in respect of that period and therefore are translated into U.S. dollars at the exchange rate used by the U.S. Holder for such interest payments. Exchange gain or loss will be realized with respect to amortized bond premium on such a Covered Bond based on the difference between the exchange rate on the date or dates such premium is recovered through interest payments on the Covered Bond and the exchange rate on the date on which the U.S. Holder acquired the Covered Bond.

With respect to a U.S. Holder that does not elect to amortize bond premium, the amount of bond premium will be included in the U.S. Holder's tax basis when the Covered Bond matures or is disposed of by the U.S. Holder. Therefore, a U.S. Holder that does not elect to amortize such premium and that holds the Covered Bond to maturity generally will be required to treat the premium as capital loss when the Covered Bond matures.

### *Market Discount*

If a U.S. Holder of a Covered Bond purchases a Covered Bond that is not a Short-Term Bond at a price that is lower than its remaining redemption amount or, in the case of an OID Bond, its revised issue price (as defined in Section 1278 (a)(4)), by at least one-fourth of one percent (0.25%) of its remaining redemption amount multiplied by the number of remaining whole years to maturity, the Covered Bond will be considered to have market discount in the hands of such U.S. Holder. In such case, gain realized by the U.S. Holder on the disposition of the Covered Bond generally will be treated as ordinary income to the extent of the market discount that accrued on the Covered Bond while it was held by such U.S. Holder. In addition, the U.S. Holder could be required to defer the deduction of a portion of the interest paid on any indebtedness incurred or maintained to purchase or carry the Covered Bond. In general terms, market discount on a Covered Bond will be treated as accruing rateably over the term of such Covered Bond or, at the election of the holder, under a constant yield method.

Market discount on a Foreign Currency Covered Bond will be accrued by a U.S. Holder in the foreign currency. The amount includible in income by a U.S. Holder in respect of such accrued market discount will be the U.S. dollar value of the amount accrued, generally calculated at the exchange rate in effect on the date that the Covered Bond is disposed of by the U.S. Holder.

A U.S. Holder may elect to include market discount in income on a current basis as it accrues (on either a rateable or constant-yield basis) in lieu of treating a portion of any gain realized on a sale of a Covered Bond as ordinary income. If a U.S. Holder elects to include market discount on a current basis, the interest deduction deferral rule described above will not apply. Any such election, if made, applies to all market discount bonds acquired by the taxpayer on or after the first day of the first taxable year to which such election applies and is revocable only with the consent of the IRS.

Any accrued market discount on a Foreign Currency Covered Bond that is currently includible in income will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year).

### **Short-Term Bonds**

The rules set forth above will also generally apply to Covered Bonds having maturities of not more than one year ("**Short-Term Bonds**"), but with certain modifications.

In general, an individual or other cash basis U.S. Holder of a Short-Term Bond is not required to accrue OID (as specially defined below for the purposes of this paragraph) for USFIT purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Bonds on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realized on the sale or retirement of the Short-Term Bond will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Covered Bonds will be required to defer deductions for interest on borrowings allocable to Short-Term Bonds in an amount not exceeding the deferred income until the deferred income is realized.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Bond are included in the Short-Term Covered Bond's SRPM. A U.S. Holder may elect to determine OID on a Short-Term Bond as if the Short-Term Bond had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Bond. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

The market discount rules generally will not apply to a Short-Term Bond.

### **Information Reporting and Backup Withholding**

In general, payments of interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Covered Bonds, payable to a U.S. Holder by a U.S. paying agent or other U.S. or U.S. related intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments and to accruals of OID if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its USFIT returns.

The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's USFIT liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS in the manner required.

Certain U.S. Holders (including, among others, corporations) are not subject to the information reporting or backup withholding rules described above. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

### **Reportable Transactions**

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Covered Bonds as a reportable transaction if the loss exceeds US\$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders. Accordingly, if a U.S. Holder realises a loss on any Covered Bond (or, possibly, aggregate losses from the Covered Bonds) satisfying the monetary thresholds discussed above, the U.S. Holder could be required to file an information return with the IRS, and failure to do so may subject the U.S. Holder to penalties. In addition, the Issuer and its advisers may also be required to disclose the transaction to the IRS, and to maintain a list of U.S. Holders, and to furnish this list and certain other information to the IRS upon written request. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules to the acquisition, holding or disposition of Covered Bonds.

## Medicare Tax

Certain U.S. Holders who are individuals, estates or trusts will be required to pay an additional three point eight per cent. (3.8%) tax on, among other things, interest and capital gains from the sale or other disposition of investments such as the Covered Bonds for taxable years beginning after December 31, 2012.

## Information Reporting with Respect to Foreign Financial Assets

Individuals who own "specified foreign financial assets" with an aggregate value in excess of \$50,000 may be required to file an information report with respect to such assets with their USFIT returns. "Specified foreign financial assets" include any financial accounts maintained by foreign financial institutions as well as any securities issued by non-U.S. persons, but only if they are not held in accounts maintained by financial institutions. U.S. Holders should consult their tax advisors regarding the effect, if any of this reporting requirement on their ownership and disposition of the Covered Bonds.

## FOREIGN ACCOUNT TAX COMPLIANCE ACT

**TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("**FATCA**") impose a new reporting regime and potentially a thirty per cent. (30%) withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a "**Recalcitrant Holder**"). The Issuer is an FFI for the purposes of FATCA.

The new withholding regime will be phased in beginning 1 January 2014 for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Covered Bonds characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "**grandfathering date**", which is the later of (a) 1 January 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Covered Bonds characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and France have announced an intention to enter into an IGA (a "**U.S.-France IGA**").

The Issuer expects to be treated as a Reporting FI pursuant to a U.S.-France IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes on the Covered Bonds. There can be no

assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes on the Covered Bonds. Accordingly, the Issuer and financial institutions through which payments on the Covered Bonds are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Covered Bond is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA Withholding were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Covered Bonds, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Covered Bonds, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

**FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Covered Bonds.**

## **CERTAIN ERISA CONSIDERATIONS**

### **CIRCULAR 230 DISCLOSURE**

**To ensure compliance with Treasury Department Circular 230, each U.S. Holder (defined below) is hereby notified that:**

**(i) the following summary of U.S. federal income tax issues was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under the U.S. federal income tax laws; (ii) the summary was written to support the promotion or marketing (within the meaning of Circular 230) of the transactions or matters addressed thereby; and (iii) the taxpayer should seek advice from its own tax advisor based on the taxpayer's particular circumstances.**

The following is a summary of material considerations arising under the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") and the Code, and the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code that may be relevant to a prospective purchaser of the Covered Bonds that is an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the provisions of part 4 of subtitle B of Title I of ERISA, or other plans and arrangements, including individual retirement accounts and annuities, and Keogh plans subject to section 4975 of the Code, and certain collective investment funds and insurance company general or separate accounts in which such plans, accounts, or arrangements are invested, or an entity whose underlying assets include plan assets of any such plan by reason of a plan's investment in such entity (collectively, "**Plans**"). The discussion does not purport to address all aspects of ERISA or Code Section 4975 or other laws or regulations that may be relevant to particular Plans or other employee benefit plans in light of their particular circumstances. Any further ERISA considerations with respect to Covered Bonds may be found in the relevant

## **Final Terms**

***Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt Prohibited Transactions (as defined below), prior to making an investment in the Covered Bonds, prospective investors that are Plans and other employee benefit plans subject to provisions under applicable federal, state, local, non-U.S. or other laws or regulations that are similar to the provisions of Section 406 of ERISA or Section 4975 of the Code ("Similar Laws") should consult with their legal advisors concerning the impact of ERISA, the Code and Similar Laws on such an investment with respect to their specific circumstances.***

This discussion is based on the current provisions of ERISA and the Code, existing and currently proposed regulations under ERISA and the Code, the legislative history of ERISA and the Code, existing administrative rulings of the United States Department of Labor ("**DOL**") and reported judicial decisions. No assurance can be given that legislative, judicial, or administrative changes will not affect the accuracy of any statements herein with respect to transactions entered into or contemplated prior to the effective date of such changes.

## General

Investments by Plans covered by ERISA are subject to general fiduciary requirements pursuant to ERISA, including the requirement of investment prudence and diversification, requirements respecting delegation of investment authority and the requirement that a Plan's investments be made in accordance with the Plan's governing documents. A fiduciary (as defined in Section 3(21)(A) of ERISA) of such a Plan who proposes to cause such a Plan to purchase Covered Bonds should determine whether, under the general fiduciary standards of ERISA or other applicable law, an investment in the Covered Bonds is appropriate for such Plan. In determining whether a particular investment is appropriate for such a Plan, fiduciaries of a Plan are required by DOL regulations to give appropriate consideration to (among other things) the role that the investment plays in the Plan's portfolio, taking into consideration (i) whether the investment is designed reasonably to further the Plan's purpose, (ii) an examination of the risk and return factors, (iii) the portfolio's composition with regard to diversification, (iv) the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the Plan and (v) the projected return of the total portfolio relative to the Plan's funding objectives. Before investing the assets of such a Plan in the Covered Bonds, a fiduciary should determine whether such an investment is consistent with the foregoing regulations and its fiduciary responsibilities, including, without limitation, any specific restrictions to which such fiduciary may be subject.

## Prohibited transaction rules

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions ("**Prohibited Transactions**") involving the assets of a Plan and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code) having certain relationships to such Plan, unless an exemption is available. For example, fiduciaries and service providers of Plans are "parties in interest" and "disqualified persons" of those Plans for purposes of the Prohibited Transaction rules. A party in interest or a disqualified person who engages in a Prohibited Transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code, and, unless an exemption applies, the transaction may have to be rescinded. Furthermore, a fiduciary that permits a Plan to engage in a transaction that the fiduciary knows or should know is a Prohibited Transaction may be liable to the Plan for any losses realized by the Plan or any profits realized by the fiduciary in the transaction. Consequently, a fiduciary considering a purchase of Covered Bonds on behalf of, or with the assets of, a Plan should consider whether such an investment might constitute or give rise to a Prohibited Transaction under ERISA or the Code.

If the Covered Bonds are acquired by a Plan with respect to which the Issuer, any of the Arrangers, any of the Dealers, any of their respective affiliates, or any other party to the Covered Bond transaction is a party in interest or a disqualified person, such acquisition could give rise to a Prohibited Transaction unless a specific exemption applies (subject, however, to the discussion below, with respect to any acquisition by a sponsor of, or investment advisor with respect to, such Plan). Certain exemptions from the Prohibited Transaction rules may apply depending on the type of Plan fiduciary making the decision to acquire the Covered Bonds and the circumstances under which the decision is made. Among these exemptions, each of which contains several conditions which must be satisfied before exemption applies, are the statutory exemption for certain transactions between Plans and non-fiduciary service providers as described in Section 408(b)(17) of ERISA and Code Section 4975(d)(20), and Prohibited Transaction Class Exemption ("**PTCE**") 96-23 (relating to transactions directed by an "in house" asset manager); PTCE 95-60 (relating to transactions involving insurance company general accounts); PTCE 91-38 (relating to investments by bank collective investment funds); PTCE 84-14 (amended effective 23 August 2005) (relating to transactions effected by qualified professional asset managers); and PTCE 90-1 (relating to investments involving insurance company pooled separate accounts). However, there is no assurance that any of these class or statutory exemptions or any other exemption will be available with respect to any particular transaction involving the Covered Bonds.

Sponsors of or investment advisers to Plans may receive certain benefits in connection with the sale to such Plans of instruments such as Covered Bonds. If the Issuer, the Arrangers, the Dealers or their respective affiliates had any such sponsorship of or investment authority over the assets of Plans purchasing Covered Bonds the purchase might be deemed to be a violation of the Prohibited Transaction rules of ERISA and/or Section 4975 of the Code for which no exemption may be available. Accordingly, the Covered Bonds may not be purchased using the assets of any Plan if any of the Issuer, the Arrangers, the Dealers or their respective affiliates has investment authority with respect to such assets.

Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while



generally not subject to the requirements of ERISA or Section 4975 of the Code, may be subject to Similar Laws.

### **Review by plan fiduciaries**

As a result of the foregoing, the Covered Bonds, and any interest therein, may not be purchased or held by any Plan, any employee benefit plan subject to Similar Laws, or any person investing assets of either unless the purchase, holding or disposition of the Covered Bonds would not constitute a nonexempt Prohibited Transaction under ERISA and/or the Code or a violation of any applicable Similar Law.

Each purchaser and subsequent transferee of any Covered Bond will be deemed by such purchase or acquisition of any such Covered Bond to have represented and warranted, on each day from the date on which the purchaser or transferee acquires such Covered Bond through and including the date on which the purchaser or transferee disposes of such Covered Bond, either that:

- (a) it is not, and is not acting on behalf of (and for so long as it holds any such Covered Bond or interest therein will not be, and will not be acting on behalf of) a Plan or an entity whose underlying assets include the assets of any Plan or a governmental, church or non-U.S. plan which is subject to any federal, state or local law of the United States that is substantially similar to the provisions of section 406 of ERISA or section 4975 of the Code, or
- (b) its purchase, holding and disposition of a Covered Bond or interest therein will not result in a prohibited transaction under section 406 of ERISA or section 4975 of the Code (or, in the case of a governmental, church or non-U.S. plan, any substantially similar federal, state or local law of the United States) for which an exemption is not available, (ii) none of the Issuer, the Arrangers, the Dealers or their affiliates is a sponsor of or a fiduciary (within the meaning of ERISA or any Similar Laws) with respect to the purchaser or transferee in connection with its purchase or holding of such Covered Bond, and (iii) no advice provided by the Issuer or any of its affiliates has formed a primary basis for any investment or other decision by or on behalf of the purchaser or holder in connection with the Covered Bonds.

Any further ERISA considerations with respect to Covered Bonds may be found in the relevant Final Terms.

*The sale of any Covered Bonds to a Plan is in no respect a representation by the Issuer, the Arrangers, the Dealers or any other party to the transactions that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan*

## TRANSFER RESTRICTIONS

### New York law Covered Bonds sold pursuant to Rule 144A

Each purchaser of New York law Covered Bonds within the United States pursuant to Rule 144A, by accepting delivery of this Base Prospectus, will be deemed to have represented, agreed and acknowledged that:

- (a) it is (a) qualified institutional buyer within the meaning of Rule 144A ("**QIB**"), (b) acquiring such Covered Bonds for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Covered Bonds has been advised, that the sale of such Covered Bonds to it is being made in reliance on Rule 144A;
- (b) it understands that such Covered Bonds have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States;
- (c) it understands that such Covered Bonds, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:

THIS COVERED BOND HAS 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 ACCORDINGLY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLE BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES;

- (d) it understands that the Issuer and the Dealers and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that, if any of the acknowledgements, representations, warranties and agreements deemed to have been made upon its purchase of such Covered Bonds is no longer accurate, it shall promptly notify the Issuer and the Dealers. If it is acquiring any Covered Bonds for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such investor account, and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account; and
- (e) it understands that registered Covered Bonds offered in reliance on Rule 144A will be represented by the Restricted Global Certificate. Before any interest in the Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Certificate, it will be required to provide a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.
- (f) (1) it is not, and is not acting on behalf of (and for so long as it holds any such Covered Bond or interest therein will not be, and will not be acting on behalf of) a Plan or an entity whose underlying assets include the assets of any Plan or a governmental, church or non-U.S. plan which is subject to any federal, state or local law of the United States that is substantially similar to the provisions of section 406 of ERISA or section 4975 of the Code, or  
  
(2) (i) its purchase, holding and disposition of a Covered Bond or interest therein will not result in a prohibited transaction under section 406 of ERISA or section 4975 of the Code (or, in the case of a governmental, church or non-U.S. plan, any substantially similar federal, state or local law of the United States) for which an exemption is not available, (ii) none of the Issuer, the Arrangers, the Dealers or their affiliates is a sponsor of or a fiduciary (within the meaning of ERISA or any Similar

Laws) with respect to the purchaser or transferee in connection with its purchase or holding of such Covered Bond, and (iii) no advice provided by the Issuer or any of its affiliates has formed a primary basis for any investment or other decision by or on behalf of the purchaser or holder in connection with the Covered Bonds.

**Prospective purchasers are hereby notified that sellers of such Covered Bonds may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.**

#### **Covered Bonds sold pursuant to Regulation S**

Each purchaser of New York law Covered Bonds or Dematerialised Covered Bonds outside the United States pursuant to Regulation S and each subsequent purchaser of such Covered Bonds in resales prior to the expiration of any distribution compliance period, by accepting delivery of this Base Prospectus and the Covered Bonds, will be deemed to have represented, agreed and acknowledged that:

- (a) it is, or at the time such Covered Bonds are purchased will be, the beneficial owner of such Covered Bonds and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate;
- (b) it understands that such Covered Bonds have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period it will not offer, sell, pledge or otherwise transfer such Covered Bonds except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States;
- (c) it understands that such Covered Bonds, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:

THIS COVERED BOND HAS 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, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT;

- (d) it understands that in the case of registered Covered Bonds only, such Covered Bonds offered in reliance on Regulation S will be represented by an Unrestricted Global Certificate. Prior to the expiration of the distribution compliance period, before any interest in the Unrestricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Restricted Global Certificate, it will be required to provide a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws; and
- (e) it understands that the Issuer and the Dealers and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that, if any of the acknowledgements, representations, warranties and agreements deemed to have been made upon its purchase of the Covered Bonds is no longer accurate, it shall promptly notify the Issuer and the Dealers.

## PLAN OF DISTRIBUTION

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

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 5 July 2013 between the Issuer, the Arrangers and the Permanent Dealers (the "**Dealer Agreement**"), the Covered Bonds will be offered by the Issuer to the Permanent Dealers. 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. 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 (2) 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 Arrangers for their expenses incurred in connection with the Program and the Dealers for their expenses incurred in connection with certain of their activities in connection with the Program.

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 in a supplement to this Base Prospectus.

Each Dealer shall, to the best of its knowledge, comply 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.

#### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") 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 that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Covered Bonds to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than one hundred (100) or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, one hundred and fifty (150), natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, 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 Article 3(2) of the Prospectus Directive,

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 Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Covered Bonds to the public**" in relation to any Covered Bonds in any Relevant Member State 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, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC of 4 November 2003 (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU of 24 November 2010.

With regard to any German law Covered Bond, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not made and will not make any offer of German law Covered Bonds to the public or otherwise in any relevant jurisdiction, except for offerings in compliance with all laws, regulations and directives applicable to the offering of the German law Covered Bonds in the relevant jurisdiction which may differ from the laws, regulations and directives applicable to the offering of securities in such jurisdiction.

## France

Each of the Dealers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Covered Bonds to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Covered Bonds and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, Articles L. 411-1, L. 411-2 and D. 411-1 of the French Monetary and Financial Code (*Code monétaire et financier*).

## United States of America

The Covered Bonds have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Materialised Covered Bonds in bearer form 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 U.S. Internal Revenue Code of 1986, as amended and regulations thereunder.

Each Dealer has represented and agreed that it has not offered, sold or delivered the Covered Bonds of any identifiable Tranche, (i) as part of their distribution at any time, or (ii) otherwise until forty (40) days after the completion of the distribution of such Tranche as determined, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Covered Bonds during this period (other than resales pursuant to Rule 144A) a confirmation or other notice setting forth the restrictions on offers and sales of the Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until forty (40) days after the commencement of the offering, 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 and, with respect to the New York law Covered Bonds only, for use in connection with their resale in 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. This Base Prospectus does not constitute an offer to any person in the United States, other than any qualified institutional buyer within the meaning of Rule 144A to whom an offer relating to the New York law Covered Bonds has been made directly by one of the Dealers or its U.S. broker-dealer affiliate. Distribution of this Base Prospectus by any non-U.S. person outside the United States or by any qualified institutional buyer in the United States to any U.S. person or to any other person within the United States is unauthorized and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer, is prohibited.

## Germany

No Base Prospectus nor any prospectus within the meaning of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) or the German Investment Product Act (*Vermögensanlagengesetz*) has been, or will be, published in Germany or filed with the German Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) with regard to any Covered Bonds.

Covered Bonds may not be offered, sold or delivered, and will not be offered, sold or delivered, directly or indirectly to the public in Germany, except in compliance with all applicable laws, in the case of German law Covered Bonds in particular the exemptions from the prospectus requirement under Section 2 of the German Investment Product Act and Section 3 and 4 of the German Securities Prospectus Act.

The Issuer assumes no responsibility and makes no representation regarding the suitability of Covered Bonds including, without limitation, German law Covered Bonds as an investment product for any investor. In particular, the Issuer assumes no responsibility for the eligibility of any Covered Bonds as investment for any Bondholder domiciled in Germany and subject to particular regulatory requirements with regard to its investments, including, without limitation, insurance companies, pension funds, credit institutions and investment funds. Unless explicitly stated otherwise in the Conditions and/or the terms and conditions of the German law Covered Bonds or the Final Terms, no reference therein to particular German law regulatory requirements implies or may be construed to imply any representation or warranty by the Issuer as to the suitability of the relevant Covered Bonds for the Bondholder.

## United Kingdom

Each Dealer has represented and agreed and each further Dealer appointed under the Program 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 it in 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 Financial Services and Markets Act 2000 (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.

## The Netherlands

Each Dealer appointed under this Program will be required to agree that it 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 Netherlands in reliance on Article 3(2) of the Prospectus Directive unless:

- (a) such offer is made exclusively to legal entities which are qualified investors (as defined in the Dutch Financial Services Act (*Wet op het financieel toezicht*, or "Wft") and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in the Netherlands; or
- (b) standard exemption logo and wording are disclosed as required by article 5:20(5) of the Wft; or
- (c) such offer is otherwise made in circumstances in which article 5:20(5) of the Wft is not applicable,

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 Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

## Italy

Each of the Issuer and the Dealers represents and agrees that no Base Prospectus has been, nor will be, published in the Republic of Italy in connection with the offering of Covered Bonds and such offering of Covered Bonds has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**Consob**") in the Republic of Italy pursuant to Legislative Decree no. 58 of 24 February 1998 as amended (the "**Financial Services Act**") and to Consob Regulation no. 11971 of 14 May 1999, as amended (the "**Issuers Regulation**") and, accordingly, no Covered Bond may be offered, sold or delivered, and will not be offered, sold or delivered, directly or indirectly, in the Republic of Italy in an offer to the public as defined under Article 1, paragraph 1, letter (t) of the Financial Services Act, nor may, or will, copies of this Base Prospectus or of any other document relating to the Covered Bonds be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined in Article 34-ter, paragraph 1, letter (b) of the Issuers Regulation; or
- (b) in other circumstances which are exempted from the rules on offers to the public pursuant to, and in compliance with, the conditions set out in Article 100 of the Financial Services Act and its implementing regulations, including Article 34-ter, first paragraph, of the Issuers Regulation.

Moreover, and subject to the foregoing, each of the Dealers and the Issuer represents and agrees that any offer, sale or delivery of Covered Bonds or distribution of copies of this Base Prospectus or any other document relating to the Covered Bonds in the Republic of Italy under (a) or (b) above must, and will, be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations and, in particular, will be made:

- (a) by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, the Issuer's regulation, the Consob Regulation no. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree no. 385 of 1 September 1993, as amended; and
- (b) in compliance with any other notification requirement and/or limitation which may be, from time to time, imposed by Consob, the Bank of Italy and/or any other Italian authority.

Any investor purchasing Covered Bonds in the offering is solely responsible for ensuring that any offer or resale of Covered Bonds it purchased in the offering occurs in compliance with applicable Italian laws and regulations. No person resident or located in the Republic of Italy other than the original addressees of this Base Prospectus may rely on this Base Prospectus, its content or any other document relating to the Covered Bonds.

## Japan

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended: the "**FIEL**") and each of the Dealers has 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 of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law 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 FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

## Singapore

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Covered Bonds may not be circulated or distributed, nor may the Covered Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person under Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Covered Bonds are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person under Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; (3) by operation of law; or (4) pursuant to Section 276(7) of the SFA.

## Hong Kong

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Covered Bonds other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Covered Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Covered Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.



## Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia ("Australian Corporations Act")) in relation to the Program or any Covered Bonds has been, or will be, lodged with ASIC. Each Dealer has represented and agreed that unless the relevant Final Terms (or any supplement to the Base Prospectus) otherwise provides, it:

- (a) has not made or invited, and will not make or invite, an offer of the Covered Bonds for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, the Base Prospectus or any other offering material or advertisement relating to any Covered Bonds in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternative currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Australian Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Australian Corporations Act;
- (iii) such action complies with:
  - (A) Banking (Exemption) Order No. 82 dated 23 September 1996 promulgated by the Assistant Treasurer of Australia as if it applied to the Issuer *mutatis mutandis* (and which requires all offers and transfers to be for a minimum principal amount of at least A\$500,000); and
  - (B) any other applicable laws, regulations or directives in Australia; and
- (iv) such action does not require any document to be lodged with the Australian Securities and Investments Commission or any other regulatory authority in Australia.

## FORM OF FINAL TERMS

*(This form of Final Terms will only apply to the French law Covered Bonds and the New York law Covered Bonds. The form of final terms applicable to the German law Covered Bonds is included in the Agency Agreement) and the form of final terms applicable to the Australian law Covered Bonds is included in the Australian Deed Poll)*

**Final Terms dated [ ]**

**[LOGO]**

### CRÉDIT AGRICOLE HOME LOAN SFH

Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]

under the €35,000,000,000 Covered Bond Program

Issue Price: [ ] per cent.

[Name(s) of Dealer(s)]

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Base Prospectus dated 5 July 2013 which received visa no. 13-329 from the *Autorité des marchés financiers* (the "**AMF**") on 5 July 2013 [and the supplement(s) to the Base Prospectus dated [ ] which received visa no. [ ] from the AMF on [ ]], which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended by the Directive 2010/73/EU of 24 November 2010 (the "**Prospectus Directive**").

This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [, the supplement to the Base Prospectus] and these Final Terms are available for viewing on the websites of the Issuer (www.credit-agricole.com) and of the AMF (www.amf-france.org), and during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained. [In addition l the Base Prospectus[, the supplement to the Base Prospectus] and these Final Terms 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 (the "**Conditions**") set forth in the base prospectus dated [●] [which received visa no. [●] from the *Autorité des marchés financiers* (the "**AMF**") on [●]] which are incorporated by reference in the Base Prospectus (as defined below). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the base prospectus dated 5 July 2013 which received visa no. 13-329 from the AMF on 5 July 2013 [and the supplements thereto which received visa no. [ ] from the AMF on [ ]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"), including the Conditions incorporated by reference in this Base Prospectus. Full information on the Issuer and the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and these Final Terms are available for viewing on the websites of the Issuer (www.credit-agricole.com) and of the AMF (www.amf-france.org), and during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained. [In addition<sup>2</sup>, the Base Prospectus and these Final Terms are available for viewing [on/at] [ ].]

*[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. | <b>Issuer:</b>  | Crédit Agricole Home Loan SFH   |
| 2. | (i) <b>Series Number:</b>   | [ ]   |
|    | (ii) <b>Tranche Number:</b>   | [ ]   |
|    | (iii) <b>Date on which the Covered Bonds will be assimilated (assimilables) and form a single series:</b> | [The Covered Bonds will be assimilated ( <i>assimilables</i> ) and form a single Series [ <i>identify earlier Tranches</i> ] on [the Issue Date/exchange of the Temporary Global Certificate for interests in the Definitive Materialised Notes, as referred in paragraph 24(iii) below, which is expected to |

<sup>1</sup> If the Covered Bonds are admitted to trading on a Regulated Market other than Euronext Paris.

<sup>2</sup> If the Covered Bonds are admitted to trading on a Regulated Market other than Euronext Paris.

occur on or about [●].] / [Not Applicable]

3. **Specified Currency or Currencies:** [ ]
4. **Aggregate Nominal Amount of Covered Bonds:** [ ]
  - (i) **Series:** [ ]
  - (ii) **Tranche:** [ ]
5. **Issue Price:** [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. **Specified Denominations:** [ ] (*one (1) denomination only for Dematerialised Covered Bonds*) (*Not less than €100,000 or its equivalent in other currency at the Issue Date when the Covered Bonds are admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under the Prospectus Directive*).<sup>3</sup>
7.
  - (i) **Issue Date:** [ ]
  - (ii) **Interest Commencement Date:** [Specify/Issue Date/Not Applicable]
8. **Final Maturity Date:** [Specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to the relevant month and year]
9. **Extended Final Maturity Date:** [[●]/Not Applicable]
10. **Interest Basis:** [[ ] per cent. Fixed Rate]
 

[[EURIBOR, EONIA, LIBOR, EUR CMS or any other reference rate] +/- [ ] per cent. Floating Rate]  
 [Zero Coupon]  
 (*further particulars specified below*)
11. **Redemption/Payment Basis:** [Redemption at par]  
 [Instalment]  
 (*further particulars specified below*)
12. **Change of Interest Basis:** [Specify details of any provision for convertibility of Covered Bonds into another interest basis]
13. **Put/Call Options:** [Put Option]  
 [Call Option]  
 [(*further particulars specified below*)]
14. **Date of Board approval for issuance of Covered Bonds obtained:** [ ]
15. **Method of distribution:** [Syndicated/Non-syndicated]

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<sup>3</sup> 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 year must have a minimum denomination of Sterling 100,000 (or its equivalent in other currencies).

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

<b>16.</b>	<b>Fixed Rate Covered Bond Provisions:</b>	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)		
(i)	Rate[(s)] of Interest:	[ ] per cent. per annum [payable [annually / semi-annually / quarterly / monthly] in arrear]		
(ii)	Interest Payment Date(s):	[ ] in each year [where applicable (adjusted pursuant to the [specify applicable Business Day Convention])]		
(iii)	Fixed Coupon Amount[(s)]:	[ ] per [ ] in Specified Denomination		
(iv)	Broken Amount(s):	[[•] payable on the Interest Payment Date falling [in / on] [•]]/ [Not Applicable]		
(v)	Day Count Fraction:	[30/360 / Actual/Actual (ICMA/ISDA) / include any other option from Condition 6(a)]		
(vi)	Determination Dates:	[ ] in each year (insert regular Interest Payment Dates, ignoring Issue Date or Final Maturity Date (or Extended Final Maturity Date, as the case may be) in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))		
<b>17.</b>	<b>Floating Rate Covered Bond Provisions:</b>	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)		
(i)	Interest Period(s):	[ ]		
(ii)	Specified Interest Payment Dates:	[ ]		
(iii)	First Interest Payment Date:	[ ]		
(iv)	Interest Period Date	[ ] / [Interest Payment Date]		
(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]		
(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, EONIA, LIBOR or EUR CMS or any other reference rate] and months [e.g. EURIBOR 3 months]) (additional information if necessary)
Relevant Time:	[ ]
Interest Determination Date(s):	[ ]
Primary Source:	[Specify relevant screen page or "Reference Banks"]
Reference Banks (if Primary Source is "Reference Banks"):	[Specify four]
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:	[ ]
- Designated Maturity	[ ]
- Reset Date	[ ]
(xi) Margin(s):	[+/-] [ ] per cent. per annum
(xii) Minimum Rate of Interest:	[Not Applicable/[ ] per cent. per annum]
(xiii) Maximum Rate of Interest:	[Not Applicable/[ ] per cent. per annum ]
(xiv) Day Count Fraction:	[ ]
<b>18. Zero Coupon Covered Bond Provisions</b>	[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:	[30/360 / Actual/Actual (ICMA/ISDA) / include any other option from Condition 6(a)]

## PROVISIONS RELATING TO REDEMPTION

<b>19. Call Option:</b>	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
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- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) of each Covered Bond: [ ] per Covered Bond of [ ] specified denomination
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [ ]
- (b) Maximum Redemption Amount: [ ]
- 20. Put Option:** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) of each Covered Bond: [ ] per Covered Bond of [ ] specified denomination
- 21. Final Redemption Amount of each Covered Bond** [[ ] per Covered Bond of [ ] specified denomination /Specified Denomination]
- 22. Early Redemption Amount:** [ ]
- Early Redemption Amount(s) of each Covered Bond payable on redemption for taxation reasons, illegality or on event of default: [Applicable/Not Applicable]

#### GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

- 23. Governing Law:** [New York law/French law] [French law for the *privilège* created by Article L. 515-19 of the French Monetary and Financial Code (*Code monétaire et financier*)]  
(Delete as applicable)
- 24. Form of Covered Bonds:** [New York law Covered Bonds: Covered Bonds registered in the name of a nominee for [DTC] [a common depository for Clearstream, Luxembourg and/or Euroclear].  
French law 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*)]  
[Not applicable for New York law Covered Bonds]
- (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)  
[Not applicable for New York law Covered Bonds]
- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate]

- exchangeable for Definitive Materialised Covered Bonds on [ ] (the "**Exchange Date**"), being forty (40) days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]  
[Not applicable for New York law Covered Bonds]
25. 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 and place of payment, and not interest period end dates, to which sub-paragraphs 15(ii), 16(iv) and 18(ix) relate]
26. Talons for future Coupons or Receipts to be attached to Definitive Materialised Covered Bonds (and dates on which such Talons mature):  
[Yes/No/Not Applicable. If yes, give details] (Only applicable to Materialised Covered Bonds)
27. Details relating to Instalment Covered Bonds: amount of each instalment, date on which each payment is to be made:  
[Not Applicable/give details]
28. Redenomination, renominatisation and reconventioning provisions:  
[Not Applicable/The provisions [in Condition 2(d)] [annexed to these Final Terms] apply]
29. Consolidation provisions:  
[Not Applicable/The provisions [in Condition 16(b)] [annexed to these Final Terms] apply]
30. Masse (Condition 12):  
[[Full Masse] / [Contractual Masse] shall apply]  
  
(Note that: (i) in respect of any Tranche of Covered Bonds issued outside France, Condition 12(b)(ii) (Contractual Masse) may be elected by the Issuer, and (ii) in respect of any Tranche of Covered Bonds issued inside France, Condition 12(b)(i) (Full Masse) shall apply. Insert, as the case may be, details of the Representative and alternative Representative and remuneration.).

## [PURPOSE OF FINAL TERMS]

These Final Terms comprise the final terms required to list and have admitted to trading on the [specify relevant regulated market] the Covered Bonds described herein pursuant to the Euro 35,000,000,000 Covered Bond Program of Crédit Agricole Home Loan SFH]

## RESPONSIBILITY

I accept responsibility for the information contained in these Final Terms. [(Relevant third party information)] has been extracted from (specify source).

I hereby confirm that such information has been accurately reproduced and that, so far as I am aware, and am able to ascertain from information published by (specify source), no facts have been omitted which would render the reproduced information inaccurate or misleading. ]4

Signed on behalf of CRÉDIT AGRICOLE HOME LOAN SFH:

<sup>4</sup> Include if third party information is provided.



By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing(s): [Euronext Paris/other (*specify*)/None]
- (ii) (a) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [*specify 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 [*specify relevant regulated market*] with effect from [ ].][Not Applicable]
- (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: [ ]
- (iv) Additional publication of Base Prospectus and Final Terms: [ ] (*See paragraph 10 of the section "General Information" of this Base Prospectus which provides that the Base Prospectus and Final Terms will be published on the websites of the AMF during a period of at least twelve (12) months from the date of the Base Prospectus and that the Final Terms related to Covered Bonds listed on any Regulated Market will be published on the website of the AMF. Please provide for additional methods of publication in respect of an admission to trading on a regulated market other than Euronext Paris.*)

### 2. RATINGS

Ratings: The Covered Bonds to be issued are expected to be rated on or before the Issue Date:

[Standard & Poor's Ratings Services: [ ]]

[Moody's Investors Service Ltd.: [ ]]

[Fitch Ratings: [ ]]

[[Other]: [ ]]

[Each of Standard & Poor's Ratings Services, Moody's Investors Service Ltd. and Fitch Ratings is established in the European Union, registered under Regulation (EU) No 1060/2009, 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 (www.esma.europa.eu) in accordance with

CRA Regulation.]/

[[*Insert credit rating agency*] is established in the European Union and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.]/

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"), but is endorsed by [*insert credit rating agency*] which is established in the European Union, registered under the CRA Regulation and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website ([www.esma.europa.eu](http://www.esma.europa.eu)) in accordance with CRA Regulation.]/

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EU) No 1060/2009, as amended.]/

*(The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Program generally or, where the issue has been specifically rated, that rating.)*

### 3. **SPECIFIC CONTROLLER**

The specific controller (*contrôleur spécifique*) shall deliver to the Issuer (i) for each quarter a certificate relating to the borrowing programme for the relevant quarter and, (ii) in case of issue of Covered Bonds equals or exceeds Euro 500,000,000 or its equivalent in any other currency, a certificate relating to such an issue.

### 4. **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 following statement:*

[Save for any fees payable to the [Managers/Dealers] in connection with the Issue of the Covered Bonds, so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the issue. The [Managers/Dealers] 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.]

*[(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 16 of the Prospectus Directive.)]*

### 5. **[FIXED RATE COVERED BONDS ONLY – YIELD]**

Indication of yield: [ ].

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

## 6. [HISTORIC INTEREST RATES - FLOATING RATE COVERED BONDS ONLY]

Details of historic [EURIBOR, LIBOR, EONIA, EUR CMS or any other reference rate] rates can be obtained from [Reuters/other].]

## 7. OPERATIONAL INFORMATION

Intended to be held in a manner which would allow  
Eurosystem eligibility

[Yes]/[No]/[Not Applicable].

[Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper, that is, held under the New Safekeeping Structure (NSS),] and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]

ISIN Code:

[ ]

Common Code:

[ ]

[CUSIP]

[ ]

Depositories:

(i) Euroclear France to act as Central Depository

[Yes/No]

(ii) Common Depository for Euroclear Bank and  
Clearstream Banking, *société anonyme*

[Yes/No]

(iii) Common Depository for DTC

[Yes/No]

Any clearing system(s) other than Euroclear Bank  
S.A./N.V. and Clearstream Banking, *société anonyme*  
and the relevant identification number(s):

[Not Applicable/give name(s) and  
number(s) and address(es)]

Delivery:

Delivery [against/free of] payment

Names and addresses of initial Paying Agent:

(if French law Covered Bonds)  
CACEIS Corporate Trust  
1-3, place Valhubert  
75013 Paris  
France

(if New York law Covered Bonds)  
Citibank N.A., London Branch  
14<sup>th</sup> Floor, Citigroup Centre,  
Canada Square  
Canary Wharf  
London E14 5LB

United Kingdom

Names and addresses of additional Paying Agent(s)  
(if any):

[ ]

## 8. DISTRIBUTION

(i) If syndicated, names of Managers: [Not Applicable/*give names*]

(ii) Date of [subscription agreement]: [ ]

(iii) Stabilising Manager(s) (if any): [Not Applicable/*give name*]

(iv) If non-syndicated, name of Dealers: [Not Applicable/*give name*]

(v) U.S. selling restrictions: [The Issuer is Category 1 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.]

[TEFRA C/ TEFRA D/ TEFRA not Applicable]

## GENERAL INFORMATION

- (1) Application has been made for the AMF to approve this document as a base prospectus and this Base Prospectus has received visa no. 13-329 on 5 July 2013. Application will be made in certain circumstances to list and admit the French law Covered Bonds and the New York law Covered Bonds on Euronext Paris and application may be made for the listing and admission to trading of the French law Covered Bonds and the New York law Covered Bonds on any other Regulated Market in a Member State of the EEA.
- (2) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the update of the Program. Any issuance of Covered Bonds under the Program, 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 other member of the board of directors, to the managing director (*directeur général*), or with the latter's agreement to any of the deputy managing director (*directeur général délégué*), or to any other person. For this purpose, the board of directors (*conseil d'administration*) of the Issuer has delegated on 18 December 2012, 20 March 2013 and 21 May 2013 to, *inter alia*, Mrs Nadine Fedon, managing director (*directeur général*) of the Issuer, the power to issue obligations under the Program up to a maximum aggregate amount of € 6,500,000,000 (or its equivalent in other currency) for one year, which authority will, unless previously cancelled, expire on 31 December 2013.
- (3) Save as disclosed in this Base Prospectus, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2012.
- (4) 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.
- (5) Save as disclosed in this Base Prospectus, 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 the 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.
- (6) Application may be made for Covered Bonds to be accepted for clearance through Euroclear France (66, rue de la Victoire, 75009 Paris, France) and/or Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgique) and Clearstream, Luxembourg (42, avenue JF Kennedy, 1855 Luxembourg, Luxembourg). 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.
- (7) Mazars, Tour Exaltis, 61, rue Henri Regnault, 92400 Courbevoie, France (an entity regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux comptes*) have been appointed as *Commissaire aux comptes* to the Issuer as from 11 July 2007. Ernst & Young et Autres, 1/2 place des Saisons, 92400 Courbevoie - Paris - La Défense 1, France (an entity regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux comptes*) have been appointed as *Commissaire aux comptes* to the Issuer as from 7 November 2007.
- (8) The Issuer does not intend to provide post-issuance transaction information regarding the Covered Bonds and the performance of the underlying collateral, except if required by any applicable laws and regulations.
- (9) The Issuer does not produce consolidated financial statements.
- (10) This Base Prospectus and any supplements thereto will be published on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)). The Final Terms related to Covered Bonds admitted to trading on any Regulated Market of the EEA in accordance with the Prospectus Directive will be published, so long as such Covered Bonds are admitted to trading on any Regulated Market, on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

In addition, should the Covered Bonds be listed on a Regulated Market of the EEA other than Euronext Paris in accordance with the Prospectus Directive, 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 listed.

- (11) So long as Covered Bonds are capable of being issued under the Program, 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 at the specified office of the Paying Agent(s) or, in the case of the Australian law Covered Bonds, the Australian Registrar (the "**Australian Registrar**"):
- (a) the *statuts* of the Issuer;
  - (b) the audited non-consolidated financial statements of the Issuer and audit reports thereon in respect of the financial years ended on 31 December 2010, 31 December 2011 and 31 December 2012;
  - (c) the Agency Agreement (which includes the form of the *Lettre Comptable*, forms of the Temporary Global Certificates, the Definitive Materialised Covered Bonds, the Coupons, the Receipts and the Talons, the form of the Terms and Conditions of the German law Covered Bonds and the form of Assignment of the German law Covered Bonds);
  - (d) the Australian Deed Poll (which includes the Terms and Conditions of the Australian law Covered Bonds);
  - (e) the Australian Agency Agreement;
  - (f) Final Terms for Covered Bonds that are listed and traded on Euronext Paris or any other Regulated Market in the EEA;
  - (g) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus;
  - (h) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request, any part of which is included or referred to in this Base Prospectus.

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## ANNEX A - CERTAIN RISK FACTORS CONCERNING CRÉDIT AGRICOLE S.A.

### Risks relating to Crédit Agricole S.A. and its Operations

*Crédit Agricole S.A. is subject to several categories of risks inherent in banking activities.*

There are four main categories of risks inherent in the activities of Crédit Agricole S.A., which are summarized below. The risk factors that follow elaborate on or give specific examples of these different types of risks (including the impact of the recent financial crisis), and describe certain additional risks faced by Crédit Agricole S.A.

- *Credit Risk.* Credit risk is the risk of financial loss relating to the failure of a counterparty to honor its contractual obligations. The counterparty may be a bank, a financial institution, an industrial or commercial enterprise, a government and its various entities, an investment fund, or a natural person. Credit risk arises in lending activities and also in various other activities where Crédit Agricole S.A. is exposed to the risk of counterparty default, such as its trading, capital markets, derivatives and settlement activities. Credit risk also arises in connection with Crédit Agricole S.A. factoring businesses, although the risk relates to the credit of the counterparty's customers, rather than the counterparty itself.
- *Market and Liquidity Risk.* Market risk is the risk to earnings that arises primarily from adverse movements of market parameters. These parameters include, but are not limited to, foreign exchange rates, bond prices and interest rates, securities and commodities prices, derivatives prices, credit spreads on financial instruments and prices of other assets such as real estate. Liquidity is also, but not only, an important component of market risk. In instances of little or no liquidity, a market instrument or transferable asset may not be negotiable at its estimated value (as was the case for some categories of assets in the recent disrupted market environment). A lack of liquidity can arise due to diminished access to capital markets, withdrawal of deposits by customers, unforeseen cash or capital requirements or legal restrictions.
- *Market risk arises in trading portfolios and in non-trading portfolios.* In non-trading portfolios, it encompasses:
  - the risk associated with asset and liability management, which is the risk to earnings arising from asset and liability mismatches in the banking book or in the insurance business. This risk is driven primarily by interest rate risk;
  - the risk associated with investment activities, which is directly connected to changes in the value of invested assets within securities portfolios, which can be recorded either in the income statement or directly in shareholders' equity; and
  - the risk associated with certain other activities, such as real estate, which is indirectly affected by changes in the value of negotiable assets.
- *Operational Risk.* Operational risk is the risk of losses due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. Internal processes include, but are not limited to, human resources and information systems, risk management and internal controls (including fraud prevention). External events include floods, fires, windstorms, earthquakes or terrorist attacks.
- *Insurance Risk.* Insurance risk is the risk to earnings due to mismatches between expected and actual claims. Depending on the insurance product, this risk is influenced by macroeconomic changes, changes in customer behavior, changes in public health, pandemics, accidents and catastrophic events (such as earthquakes, windstorms, industrial disasters, or acts of terrorism or war).

*Recent economic and financial conditions in Europe have had and may continue to have an impact on the Crédit Agricole S.A. Group and the markets in which it operates.*

European markets have recently experienced significant disruptions as a result of concerns regarding the ability of certain countries in the euro-zone to refinance their debt obligations, limited economic growth and political uncertainty in certain countries. These disruptions have caused volatility in the exchange rate of the euro against

other major currencies, affected the levels of stock market indices and created uncertainty regarding the near-term economic prospects of countries in the European Union as well as the quality of debt obligations of sovereign debtors in the European Union. There has also been an indirect impact on financial markets and economies, in Europe and worldwide.

The business of Crédit Agricole S.A. has been affected by these conditions. Crédit Agricole S.A. has recorded significant impairment charges in respect of sovereign bonds, loan portfolios and equity investments, as well as increased cost of risk, in the most significantly affected countries, including Greece and Italy. Crédit Agricole S.A. has also recorded goodwill impairment and restructuring charges in respect of its corporate and investment banking subsidiary, in respect of its consumer finance subsidiaries both in France and Italy, and in respect of its Italian retail banking subsidiary. As a result of these charges, the Crédit Agricole S.A. Group recorded a significant net loss in 2012.

In addition to these direct impacts, Crédit Agricole S.A. has been indirectly affected by the spread of the euro-zone crisis, which has affected most countries in the euro-zone, including its home market of France. The credit ratings of French sovereign obligations were downgraded by two ratings agencies in 2011 and 2012, resulting mechanically in a downgrading of the credit ratings by the same agencies of French commercial banks senior debt issues, including Crédit Agricole S.A.. More recently, anti-austerity sentiment has led to political uncertainty in certain European countries, particularly in Italy, where Crédit Agricole S.A. has significant banking activities.

In addition, the perception of the impact of the European crisis on French banks made certain market participants, such as U.S. money market funds, less willing to extend financing to French banks than they were in the past, temporarily reducing the access of French banks, including Crédit Agricole S.A., to liquidity, particularly in U.S. dollars. This situation was particularly severe in 2011, and has eased somewhat in recent months, but there can be no assurance that the adverse market environment will not return.

If economic or market conditions in France, Italy or elsewhere in Europe were to deteriorate further, particularly in the context of an exacerbation of the sovereign debt crisis (such as a sovereign default or the perception that a sovereign might withdraw from the euro), the markets in which Crédit Agricole S.A. operates could be more significantly disrupted, and its business, results of operations and financial condition could be adversely affected.

***The global financial crisis, including disruptions in global credit markets, has had an adverse impact on the Crédit Agricole Group's earnings and financial condition, and may continue to have an adverse impact in the future.***

The Crédit Agricole Group's activities, earnings and financial condition were affected by the significant and unprecedented disruptions in the financial markets, in particular in the primary and secondary debt markets, that occurred from 2007 to 2009, and that continue to weigh on financial markets globally. If adverse market conditions continue or worsen, the Crédit Agricole Group's results of operations could be adversely influenced.

During the global financial crisis, reflecting concern about the stability of the financial markets generally and the strength of counterparties, many market lenders and institutional investors reduced or ceased providing funding to borrowers, including to other financial institutions. This market turmoil and the tightening of credit led to an increased level of commercial and consumer delinquencies, a lack of consumer confidence, increased market volatility, steep declines in stock market indices and a widespread reduction of business activity generally. Conditions in the debt markets included reduced liquidity and increased credit risk premiums, which significantly increased the cost of market debt funding. The significant disruption of the secondary debt market exacerbated these conditions and reduced the availability of financing for new loan production.

The disruptions to the financial markets included the disappearance of trading markets for many complex assets, particularly those based on subprime mortgage loans mostly originated in the US. The resulting uncertainty regarding asset values led to substantial write-downs on the books of global financial institutions, including the Crédit Agricole Group. Other asset categories were also impacted as institutions sold them to meet liquidity needs. Adverse conditions spread to the economy generally as the lack of liquidity in financial markets increased the cost and diminished availability of financing for businesses. A significant renewal of these market disruptions could have an adverse impact on the Crédit Agricole Group's results of operations and financial condition.

***Legislative action and regulatory measures in response to the global financial crisis may materially impact the Crédit Agricole Group and the financial and economic environment in which it operates.***

Legislation and regulations have recently been enacted or proposed with a view to introducing a number of changes, some permanent, in the global financial environment. While the objective of these new measures is to avoid a recurrence of the financial crisis, the impact of the new measures could be to change substantially the environment in which the Crédit Agricole Group and other financial institutions operate.

The new measures that have been or may be adopted include more stringent capital and liquidity requirements, taxes on financial transactions, limits or taxes on employee compensation over specified levels, limits on the types of activities that commercial banks can undertake (particularly proprietary trading and investment and ownership in private equity funds and hedge funds) or new ring-fencing requirements relating to certain activities, restrictions on certain types of financial activities or products such as derivatives, and the creation of new and strengthened regulatory bodies. Some of the new measures are proposals that are under discussion and that are subject to revision and interpretation, and need adapting to each country's framework by national regulators.

As a result of some of these measures, the Crédit Agricole Group may have to reduce the size of certain of its activities in order to allow it to comply with the new requirements. This has led (and will continue to lead) to reduced net banking income and profits in the relevant activities, the reduction or sale of certain operations and asset portfolios, and asset impairment charges.

Moreover, the general political environment has evolved unfavorably for banks and the financial industry, resulting in additional pressure on the part of legislative and regulatory bodies to adopt more stringent regulatory measures, despite the fact that these measures can have adverse consequences on lending and other financial activities, and on the economy. Because of the continuing uncertainty regarding the new legislative and regulatory measures, it is not possible to predict what impact they will have on the Crédit Agricole Group.

***European legislative and regulatory initiatives regarding compensation may have a significant impact on the Crédit Agricole Group's corporate and investment banking activities.***

Legislative and regulatory initiatives that are currently under consideration in Europe could significantly change the structure and amount of compensation paid to certain employees, particularly in the corporate and investment banking segment. These initiatives would, if adopted in their current form, prohibit the payment of cash bonuses that exceed the fixed compensation of these employees (or two times the compensation of these employees, subject to shareholder approval), as well as placing limits on share-based bonuses. The potential impact of these initiatives is difficult to predict. They could lead to a significant increase in fixed compensation demanded by qualified employees, in which case the Crédit Agricole Group's cost base would become less flexible, potentially resulting in lower net income during market downturns compared to the net income that would be realized with a more variable compensation structure. In addition, these initiatives may make it more difficult to attract qualified employees in the corporate and investment banking segment.

***Crédit Agricole S.A., along with its corporate and investment banking subsidiary, must maintain high credit ratings, or their business and profitability could be adversely affected.***

Credit ratings are important to the liquidity of Crédit Agricole S.A. and the liquidity of its affiliates that are active in financial markets (principally the corporate and investment banking subsidiary, Crédit Agricole CIB). A downgrade in credit ratings could adversely affect the liquidity and competitive position of Crédit Agricole S.A. or Crédit Agricole CIB, increase borrowing costs, limit access to the capital markets or trigger obligations in the Crédit Agricole Group's covered bond program or under certain bilateral provisions in some trading and collateralized financing contracts. The credit ratings of Crédit Agricole S.A. were downgraded in 2010, 2011 and 2012 and there can be no assurance that further downgrades will not occur.

The cost for Crédit Agricole S.A. of obtaining from market investors long-term unsecured funding, and that of Crédit Agricole CIB, is directly related to their credit spreads (the amount in excess of the interest rate of government securities of the same maturity that is paid to debt investors), which in turn depend in large part on their credit ratings. Increases in credit spreads can significantly increase Crédit Agricole S.A.'s or Crédit Agricole CIB's cost of funding. Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perceptions of creditworthiness. In addition, credit spreads may be influenced by movements in the cost to purchasers of credit default swaps referenced to Crédit Agricole S.A.'s or Crédit Agricole CIB's debt obligations, which are

influenced both by the credit quality of those obligations, and by a number of market factors that are beyond the control of Crédit Agricole S.A. and Crédit Agricole CIB.

***Crédit Agricole S.A. may not be able to achieve the objectives of its adjustment plan and similar strategic initiatives.***

In 2011, Crédit Agricole S.A. announced an adjustment plan designed to adapt to the new market environment through a structural reduction in its liquidity requirements, the diversification of its financing sources, a reinforcement of its capital base and the rationalization of its portfolio of activities, particularly in its Corporate and Investment Banking and Specialized Financial Services segments. Crédit Agricole S.A. has also announced other strategic initiatives including plans to improve operating efficiency further through cost reduction plans and other efforts.

Crédit Agricole S.A. has announced a three-year €650 million cost-cutting programme starting at the beginning of 2013. The ability to achieve the objectives of this plan also depends, to a large extent, upon the general economic context and outlook for the French economy and the economy of any country where the Crédit Agricole Group has a significant presence, in particular Italy.

***The risk management policies, procedures and methods of Crédit Agricole S.A. may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.***

Crédit Agricole S.A. has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, its risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risk, including risks that it fails to identify or anticipate.

Some of its qualitative tools and metrics for managing risk are based upon its use of observed historical market behavior. It applies statistical and other tools to these observations to assess its risk exposures. These tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors it did not anticipate or correctly evaluate in its statistical models. This would limit its ability to manage its risks and affect its results.

***Crédit Agricole S.A. is exposed to the credit risk of other parties.***

As a credit institution, Crédit Agricole S.A. is exposed to the creditworthiness of its customers and counterparties. A credit risk occurs when a counterparty is unable to honor its obligations and when the book value of these obligations in the bank's records is positive. The counterparty may be a bank, a financial institution, an industrial or commercial enterprise, a government and its various entities, an investment fund, or a natural person. The level of asset impairment charges recorded by Crédit Agricole S.A. may turn out to be inadequate to cover losses, and Crédit Agricole S.A. may have to record significant additional charges for possible bad and doubtful debts in future periods.

***Adverse market or economic conditions may cause a decrease in the net banking income of Crédit Agricole S.A.***

The businesses of Crédit Agricole S.A. are materially affected by conditions in the financial markets and economic conditions generally in France, Europe and in the other locations around the world where Crédit Agricole S.A. operates. Adverse changes in market or economic conditions could create a challenging operating environment for financial institutions in the future. In particular, continued volatility in commodity prices, fluctuations in interest rates, security prices, exchange rates, the specific yield premium on a bond issue, precious metals prices, inter-market correlations and unforeseen geopolitical events could lead to deterioration in the market environment and reduce the net banking income of Crédit Agricole S.A.

***Due to the scope of its activities, Crédit Agricole S.A. may be vulnerable to specific political, macroeconomic and financial environments or circumstances.***

Crédit Agricole S.A. is subject to country risk, meaning the risk that economic, financial, political or social conditions in a foreign country, especially countries in which it operates, will affect its financial interests. Crédit Agricole S.A. monitors country risk and takes it into account in the fair value adjustments and cost of risk recorded in its financial statements. However, a significant change in political or macroeconomic environments

may require it to record additional charges or to incur losses beyond the amounts previously written down in its financial statements.

***Crédit Agricole S.A. faces intense competition.***

Crédit Agricole S.A. faces intense competition in all financial services markets and for the products and services it offers. The European financial services markets are relatively mature, and the demand for financial services products is, to some extent, related to overall economic development. Competition in this environment is based on many factors, including the products and services offered, pricing, distribution systems, customer service, brand recognition, perceived financial strength and the willingness to use capital to serve client needs. Consolidation has created a number of firms that, like Crédit Agricole S.A., have the ability to offer a wide range of products, from insurance, loans and deposit taking to brokerage, investment banking and asset management services.

***Crédit Agricole S.A. may generate lower revenues from brokerage and other commission- and fee-based businesses during market downturns.***

The recent market downturn led to a decline in the volume of transactions that Crédit Agricole S.A. executed for its clients and, therefore, to a decline in its net banking income from this activity. In addition, because the fees that it charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, the market downturn reduced the value of its clients' portfolios and increased the amount of withdrawals, reducing the revenues it received from its asset management and private banking businesses. Future downturns could have similar effects on its results of operations and financial position.

Even in the absence of a market downturn, below-market performance by its mutual funds and life insurance products may result in increased withdrawals and reduced inflows, which would reduce the revenues it receives from its asset management and insurance businesses.

***The soundness and conduct of other financial institutions and market participants could adversely affect Crédit Agricole S.A.***

The Crédit Agricole Group's ability to engage in funding, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial services institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults by, or even rumors or questions about, one or more financial services institutions, or the loss of confidence in the financial services industry generally, may lead to market-wide liquidity problems and could lead to further losses or defaults. The Crédit Agricole Group has exposure to many counterparties in the financial industry, directly and indirectly, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients with which it regularly executes transactions. Many of these transactions expose the Crédit Agricole Group to credit risk in the event of default. In addition, the Crédit Agricole Group's credit risk may be exacerbated when the collateral held by it cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to it.

***Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.***

In some of the businesses of Crédit Agricole S.A., protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if Crédit Agricole S.A. cannot close out deteriorating positions in a timely way. This may especially be the case for assets Crédit Agricole S.A. holds for which there are not very liquid markets to begin with. Assets that are not traded on stock exchanges or other public trading markets, such as derivatives contracts between banks, may have values that Crédit Agricole S.A. calculates using models other than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses that Crédit Agricole S.A. did not anticipate.

***Significant interest rate changes could adversely affect the net banking income or profitability of Crédit Agricole S.A.***

The amount of net interest income earned by Crédit Agricole S.A. during any given period significantly affects its overall net banking income and profitability for that period. Interest rates are highly sensitive to many factors beyond the control of Crédit Agricole S.A. Changes in market interest rates could affect the interest rates



charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in the net interest income of Crédit Agricole S.A. from its lending activities. In addition, increases in the interest rates at which short-term funding is available and maturity mismatches may adversely affect the profitability of Crédit Agricole S.A.

***A substantial increase in new asset impairment charges or a shortfall in the level of previously recorded asset impairment charges in respect of the loan and receivables portfolio of Crédit Agricole S.A. could adversely affect its results of operations and financial condition.***

In connection with its lending activities, Crédit Agricole S.A. periodically impairs assets, whenever necessary, to reflect actual or potential losses in respect of its loan and receivables portfolio. Corresponding charges are recorded in its profit and loss account under “cost of risk”. The overall level of such asset impairment charges of Crédit Agricole S.A. is based upon its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans, or scenario-based statistical methods applicable collectively to all relevant assets. Although Crédit Agricole S.A. uses its best efforts to establish an appropriate level of asset impairment charges, its lending businesses may have to increase their charges for loan losses in the future as a result of increases in non-performing assets or for other reasons, such as deteriorating market conditions of the type that occurred in 2008 and 2009 or factors affecting particular countries, such as Italy. Any significant increase in charges for loan losses or a significant change in Crédit Agricole S.A.’s estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the charges recorded with respect thereto, could have an adverse effect on the results of operations and financial condition of Crédit Agricole S.A.

***Adjustments to the carrying value of the securities and derivatives portfolios and the own debt of Crédit Agricole S.A. could have an impact on its net income and shareholders’ equity.***

The carrying value of the securities and derivatives portfolios and certain other assets of Crédit Agricole S.A., as well as its own debt, in its balance sheet is adjusted as of each financial statement date. Most of the adjustments are made on the basis of changes in fair value of the assets or its debt during an accounting period, with the changes recorded either in the income statement or directly in shareholders’ equity. Changes that are recorded in the income statement, to the extent not offset by opposite changes in the value of other assets, affect its net banking income and, as a result, its net income. All fair value adjustments affect shareholders’ equity and, as a result, its capital adequacy ratios. The fact that fair value adjustments are recorded in one accounting period does not mean that further adjustments will not be needed in subsequent periods.

***The hedging strategies of Crédit Agricole S.A. may not prevent losses.***

If any of the variety of instruments and strategies that Crédit Agricole S.A. uses to hedge its exposure to various types of risk in its businesses is not effective, it may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if Crédit Agricole S.A. holds a long position in an asset, it may hedge that position by taking a short position in an asset where the short position has historically moved in a direction that would offset a change in the value of the long position. However, Crédit Agricole S.A. may only be partially hedged, or these strategies may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also affect the hedging strategies of Crédit Agricole S.A.. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in the reported earnings of Crédit Agricole S.A.

***The ability of Crédit Agricole S.A. to attract and retain qualified employees is critical to the success of its business and failure to do so may materially affect its performance.***

The employees of Crédit Agricole S.A. are its most important resource and, in many areas of the financial services industry, competition for qualified personnel is intense. The results of Crédit Agricole S.A. depend on its ability to attract new employees and to retain and motivate its existing employees. The ability of Crédit Agricole S.A. to attract and retain qualified employees could potentially be impaired by enacted or proposed legislative and regulatory restrictions on employee compensation in the financial services industry. Changes in the business environment may cause Crédit Agricole S.A. to move employees from one business to another or to reduce the number of employees in certain of its businesses. This may cause temporary disruptions as employees adapt to new roles and may reduce the ability of Crédit Agricole S.A. to take advantage of improvements in the business environment. In addition, current and future laws (including laws relating to immigration and outsourcing) may restrict the ability of Crédit Agricole S.A. to move responsibilities or personnel from one

jurisdiction to another. This may impact its ability to take advantage of business opportunities or potential efficiencies.

***Future events may be different from those reflected in the management assumptions and estimates used in the preparation of the financial statements of Crédit Agricole S.A., which may cause unexpected losses in the future.***

Pursuant to IFRS rules and interpretations in effect as of the date of this Base Prospectus, Crédit Agricole S.A. is required to use certain estimates in preparing its financial statements, including accounting estimates to determine loan loss impairment charges, reserves related to future litigation, and the fair value of certain assets and liabilities, among other items. Should Crédit Agricole S.A.'s determined values for such items prove substantially inaccurate, or if the methods by which such values were determined are revised in future IFRS rules or interpretations, Crédit Agricole S.A. may experience unexpected losses.

***An interruption in or breach of the information systems of Crédit Agricole S.A. may result in lost business and other losses.***

As with most other banks, Crédit Agricole S.A. relies heavily on communications and information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in its customer relationship management, general ledger, deposit, servicing and/or loan organization systems. If, for example, its information systems failed, even for a short period of time, it would be unable to serve in a timely manner some customers' needs and could thus lose their business. Likewise, a temporary shutdown of its information systems, even though it has back-up recovery systems and contingency plans, could result in considerable costs that are required for information retrieval and verification. Crédit Agricole S.A. cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions could have a material adverse effect on its financial condition and results of operations.

***The international scope of the Crédit Agricole S.A. Group's operations exposes it to risks.***

The international scope of the Crédit Agricole S.A. Group's operations exposes it to risks inherent in foreign operations, including the need to comply with multiple and often complex laws and regulations applicable to activities in each of the countries involved, such as local banking laws and regulations, internal control and disclosure requirements, data privacy restrictions, European, U.S. and local anti-money laundering and anti-corruption laws and regulations, sanctions and other rules and requirements. Violations of these laws and regulations could harm the reputation of the Crédit Agricole S.A. Group, result in civil or criminal penalties, or otherwise have a material adverse effect on its business. Although the Crédit Agricole S.A. Group has implemented compliance programs designed to minimize the risk of violation of these laws and regulations, there can be no assurance that all employees, contractors, or agents of the Crédit Agricole S.A. Group will follow the group's policies or that such programs will be adequate to prevent all violations. Crédit Agricole S.A. does not have direct or indirect majority voting control in certain entities with international operations, and in those cases its ability to require compliance with policies and procedures of the Crédit Agricole S.A. Group may be even more limited.

***Crédit Agricole S.A. and the Crédit Agricole Group are subject to extensive supervisory and regulatory regimes, which may change.***

A variety of regulatory and supervisory regimes apply to Crédit Agricole S.A. and its subsidiaries in each of the countries in which Crédit Agricole S.A. operates. The ability of Crédit Agricole S.A. to expand its business or to pursue certain existing activities may be limited by regulatory constraints. In addition, non-compliance with such regimes could lead to various sanctions ranging from fines to withdrawal of authorization to operate. The Crédit Agricole Group's activities and earnings can also be affected by the policies or actions from various regulatory authorities in France or in other countries where Crédit Agricole S.A. operate. The nature and impact of such changes are not predictable and are beyond the control of Crédit Agricole S.A.

## **Risks relating to the Organizational Structure of Crédit Agricole S.A.**

*Although Crédit Agricole S.A. depends upon the Regional Banks for a significant portion of its net income and has significant powers over the Regional Banks in its capacity as central body of the Crédit Agricole Network, as defined in the French Monetary and Financial Code, it does not have voting control over the decisions of the Regional Banks.*

A significant portion of the net income of Crédit Agricole S.A. is derived from the Regional Banks (which are consolidated under the equity method in its financial statements on the basis of its approximately 25% equity interests, except in the case of the Caisse Régionale of Corsica (which is wholly owned by Crédit Agricole S.A. and fully consolidated). The Regional Banks are also a significant distribution network for the products and services offered by other business segments, primarily insurance, asset management and specialized financing. Crédit Agricole S.A. does not have control over decisions that require the consent of shareholders of the Regional Banks. Crédit Agricole S.A. and the Regional Banks have important incentives for cooperation and coordination (which have been demonstrated through the functioning of the Crédit Agricole Group over many years) and have established a guarantee mechanism that supports, directly or indirectly, the credit of the entire Crédit Agricole Group. Crédit Agricole S.A. has significant control rights in its capacity as central body of the Crédit Agricole Network. Nevertheless, the legal relationship between Crédit Agricole S.A. and the Regional Banks is different in nature from a relationship of voting control and ownership.

*If the Guarantee Fund proves insufficient to restore the liquidity and solvency of any Regional Bank that may encounter future financial difficulty, Crédit Agricole S.A. may be required to contribute additional funds under its guarantee.*

As the Central Body of the Crédit Agricole network, as defined in the Code monétaire et financier, which comprises the Regional Banks, the Local Banks (Caisses Locales) and their consolidated subsidiaries which have the status of credit institutions, and also, since December 2011, Crédit Agricole CIB, and as the holding company of the Group's major subsidiaries, Crédit Agricole S.A. represents its affiliated credit institutions before regulatory authorities and is committed to ensuring that each and all of the Regional Banks, the Local Credit Cooperatives and such consolidated subsidiaries maintain adequate liquidity and solvency. As a result of this role as a Central Body, Crédit Agricole S.A. is empowered under applicable laws and regulations to exercise administrative, technical and financial supervision over the organization and management of these institutions.

To assist Crédit Agricole S.A. in assuming its central body duties and commitments and to ensure mutual support within the Crédit Agricole network, a fund has been established for liquidity and solvency banking risks (the Guarantee Fund). The Guarantee Fund has been 75 per cent funded by Crédit Agricole S.A. and 25 per cent funded by the Regional Banks, in an aggregate amount of 939 million euros as at 31 December 2012. Although Crédit Agricole S.A. is not aware of circumstances likely to require recourse to the Guarantee Fund, there can be no assurance that it will never be necessary to call upon the capital of the Guarantee Fund or that, in the event of its full depletion, Crédit Agricole S.A. will not be required to make up the shortfall.

*The Regional Banks hold a majority interest in Crédit Agricole S.A. and may have interests that are different from those of Crédit Agricole S.A..*

By virtue of their controlling interest in Crédit Agricole S.A. through SAS Rue de la Boétie, the Regional Banks have the power to control the outcome of all votes at ordinary meetings of the shareholders of Crédit Agricole S.A., including votes on decisions such as the appointment or approval of members of its board of directors and the distribution of dividends. The Regional Banks may have interests that are different from those of Crédit Agricole S.A. and the other holders of the securities of Crédit Agricole S.A.

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