

**Crédit Mutuel Home Loan SFH**

(société de financement de l'habitat duly licensed as a French specialised credit institution)

**€50,000,000,000 International Covered Bond Programme  
for the issue of obligations de financement de l'habitat and other covered bonds**

Under the International Covered Bond Programme (the "**International Programme**") described in this base prospectus (the "**Base Prospectus**"), Crédit Mutuel Home Loan SFH (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue *obligations de financement de l'habitat* within the meaning of article L.513-30-I of the French Monetary and Financial Code (*Code monétaire et financier*) to be governed by French law and other covered bonds to be governed either by the law of New South Wales, Australia or by German law, as specified in the relevant Final Terms (as defined below) (respectively, the "**French Law Covered Bonds**", the "**Australian Law Covered Bonds**" or the "**German Law Covered Bonds**" and together, the "**International Covered Bonds**"), all benefiting from the statutory priority right of payment (*privilège*) created by article L.513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), as more fully described herein. The aggregate nominal amount of International Covered Bonds outstanding under the International Programme will not at any time exceed €50,000,000,000 (or its equivalent in any other currency at the date of determination of the financial conditions of the issue of such International Covered Bonds).

This Base Prospectus has been approved by the Autorité des marchés financiers (the "**AMF**") in its capacity as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**"). The AMF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the French Law Covered Bonds that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the French Law Covered Bonds. Such approval is only applicable for French Law Covered Bonds to be admitted to trading on a Regulated Market in the EEA and/or offered to the public in France pursuant to a non-exempt offer in accordance with the Prospectus Regulation; is not relevant for Australian Law Covered Bonds and German Law Covered Bonds, as Australian Law Covered Bonds and German Law Covered Bonds will not be admitted to trading nor listed on any market or stock exchange.

Application may be made to Euronext Paris for French Law Covered Bonds issued under the International Programme for the period of twelve (12) months after the date of the approval granted by the AMF on this Base Prospectus to be admitted to trading on Euronext Paris, which is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended ("**MiFID II**"), appearing on the list of regulated markets issued by the European Securities and Markets Authority (each a "**Regulated Market**"). French Law Covered Bonds may also be unlisted or admitted to trading on any other market, including any other Regulated Market in any member state of the European Economic Area ("**EEA**") and/or offered to the public in France pursuant to a non-exempt offer in accordance with the Prospectus Regulation. The relevant final terms (the "**Final Terms**") in respect of the issue of any French Law Covered Bonds will specify whether or not such French Law Covered Bonds will be listed and/or admitted to trading on any market (and, if so, the relevant market) and/or offered to the public in France pursuant to a non-exempt offer.

This Base Prospectus shall be valid for the admission to trading of French Law Covered Bonds on a Regulated Market and/or the offering of French Law Covered Bonds to the public in France pursuant to a non-exempt offer in accordance with the Prospectus Regulation until 21 April 2022, provided that it is completed by any supplement, pursuant to Article 23 of the Prospectus Regulation, following the occurrence of a significant new factor, material mistake or material inaccuracy relating to the information contained (or incorporated by reference) in this Base Prospectus which may affect the assessment of an investment in the French Law Covered Bonds. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The Australian Law Covered Bonds and German Law Covered Bonds will not be admitted to trading and/or listed on any market or stock exchange and nor will they be offered to the public in any jurisdiction pursuant to a non-exempt offer. A form of Final Terms with respect to Australian Law Covered Bonds is contained in the Australian deed poll dated the date of this Base Prospectus (the "**Deed Poll**") and a form of Final Terms with respect to German Law Covered Bonds is contained in the amended and restated agency agreement dated the date of this Base Prospectus (the "**Agency Agreement**").

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 article 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 section "*Terms and Conditions of the French Law Covered Bonds - Form, Denomination and Title*") including Euroclear Bank SA/NV ("**Euroclear**") and the depository bank for Clearstream Banking, S.A. ("**Clearstream**"), or (ii) in registered form (*au nominatif*) and, in such latter case, at the option of the relevant French Law Bondholder (as defined in section "*Terms and Conditions of the French Law Covered Bonds - Form, Denomination and Title*"), 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 French Law Bondholder.

Materialised Covered Bonds will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global Certificate**") will initially be issued in relation to Materialised Covered Bonds. Such Temporary Global Certificate will subsequently be exchanged for definitive Materialised Covered Bonds with, where applicable, coupons for interest or talons attached, on or after a date expected to be on or about the fortieth (40<sup>th</sup>) calendar day after the issue date of the French Law Covered Bonds (subject to postponement as described in section "*Temporary Global Certificate 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 (as defined in section "*Terms and Conditions of the French Law Covered Bonds*") intended to be cleared through Euroclear and/or Clearstream, be deposited on the issue date with a common depository for Euroclear and Clearstream, and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer(s) (as defined below).

International Covered Bonds issued under the International Programme are expected on issue to be rated AAA by Fitch Ratings Ireland Limited, Aaa by Moody's France SAS and AAA by S&P Global Ratings Europe Limited (together the "**Rating Agencies**"). As of the date of this Base Prospectus, each of the Rating Agencies is established in the European Union, registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") and included in the list published on the European Securities and Markets Authority's website ([www.esma.europa.eu](http://www.esma.europa.eu)) in accordance with the CRA Regulation. Ratings issued by the Rating Agencies may be endorsed by a credit rating agency established in the United Kingdom and registered under the CRA Regulation as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**" and the "**UK CRA Regulation**") or certified under the UK CRA Regulation. 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 without notice.

This Base Prospectus, any supplement thereto that may be published from time to time and, so long as any French Law Covered Bonds are admitted to trading on any Regulated Market in the EEA and/or offered to the public in France pursuant to a non-exempt offer in accordance with the Prospectus Regulation, the Final Terms relating to such French Law Covered Bonds will be available on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of the Issuer ([www.creditmutuel-homeloansfh.eu](http://www.creditmutuel-homeloansfh.eu)).

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

<p>The approval no. 21-115 granted by the AMF on 21 April 2021 to this Base Prospectus is only applicable for French Law Covered Bonds to be admitted to trading on a Regulated Market in the EEA and/or offered to the public in France pursuant to a non-exempt offer in accordance with the Prospectus Regulation, and is not relevant, in any case, for Australian Law Covered Bonds and German Law Covered Bonds, as Australian Law Covered Bonds and German Law Covered Bonds will not be admitted to trading nor listed on any market or stock exchange.</p>
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ARRANGER  
**BNP PARIBAS**  
PERMANENT DEALERS  
**Banque Fédérative du Crédit Mutuel** **BNP PARIBAS**

This Base Prospectus (together with any supplements thereto that may be published from time to time) constitutes a base prospectus for the purposes of Article 8 of the Prospectus Regulation and contains or incorporates by reference all relevant information concerning the Issuer which is necessary to enable investors to make an informed assessment of the assets and liabilities, profits and losses, financial position and prospects of the Issuer, as well as the rights attaching to the French Law Covered Bonds (but not the Australian Law Covered Bonds nor the German Law Covered Bonds) to be issued under the International Programme, the reason for the issuance of any French Law Covered Bonds and its impact on the Issuer. The terms and conditions applicable to each Tranche (as defined in section "*General Description of the International Programme*") of French Law Covered Bonds not contained herein (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) (as defined in section "*General Description of the International Programme*") 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 (see section "*Documents incorporated by Reference*" below), with any supplement thereto that may be published from time to time as well as, in relation to any Tranche of International Covered Bonds, with the relevant Final Terms.

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

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 International Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, the Dealers or the Australian Registrar (each as defined in section "*General Description of the International Programme*"). 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 International Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and the offering or sale of International Covered Bonds in certain jurisdictions may be restricted by law. The Issuer, the Arranger, the Dealers or the Australian Registrar do not represent that this Base Prospectus may be lawfully distributed, or that any International Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger, the Dealers or the Australian Registrar which is intended to permit a public offering of any International Covered Bonds or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no International 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 International Covered Bonds may come are required by the Issuer, the Arranger, the Dealers and the Australian Registrar to inform themselves of, and to observe any such restrictions on the distribution of this Base Prospectus and the offering and sale of International Covered Bonds. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of International Covered Bonds in the United States of America, Australia, Japan, Switzerland, the European Economic Area (the "EEA") (including France, Italy, The Netherlands and Germany) and the United Kingdom (the "UK") (see section "*Subscription and Sale*" below).

The International Covered Bonds have not been and will not be registered under the United States 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 of America, subject to certain exceptions, and may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. Persons as defined in Regulation S under the Securities Act ("Regulation S"). The International Covered Bonds may include Materialised Covered Bonds in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the International Covered Bonds may not be offered or sold or, in the case of Materialised Covered Bonds in bearer form, delivered within the United States or, in the case of certain Materialised Covered Bonds in bearer form, to, or for the account or benefit of, United States persons as defined in the U.S. Internal Revenue Code of 1986, as amended. The International Covered Bonds are being offered and

sold outside the United States of America to non-U.S. Persons in reliance on Regulation S.

Neither this Base Prospectus nor any other disclosure document in relation to the International Covered Bonds has been, or will be, lodged with the Australian Securities and Investments Commission. No action has been taken which would permit an offering of the International Covered Bonds in circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia.

The Issuer is neither a bank nor an authorised deposit-taking institution which is authorised under the Banking Act 1959 of Australia ("Australian Banking Act") and nor is it supervised by the Australian Prudential Regulation Authority. The International Covered Bonds will not be the obligations of the Australian Government and, in particular, the International Covered Bonds will not be guaranteed by the Commonwealth of Australia. An investment in International Covered Bonds will not be covered by the depositor protection provisions in section 13A of the Australian Banking Act and will not be covered by the Australian Government's bank deposit guarantee (also commonly referred to as the Financial Claims Scheme).

For a description of these and certain further restrictions on offers, sales and transfers of International Covered Bonds and on distribution of this Base Prospectus, see section "*Subscription and Sale*".

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

The Arranger, the Dealers and the Australian Registrar have not separately verified the information contained or incorporated by reference in this Base Prospectus. Neither the Arranger nor any of the Dealers nor the Australian Registrar 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 International Programme (including any information incorporated by reference herein) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger, the Dealers or the Australian Registrar that any recipient of this Base Prospectus or any other financial statements should purchase the International Covered Bonds. Each prospective investor of International Covered Bonds should determine for itself the relevance of the information contained or incorporated by reference in this Base Prospectus and its purchase of International Covered Bonds should be based upon such investigation as it deems necessary. Neither the Arranger nor any of the Dealers nor the Australian Registrar undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or prospective investor in the International Covered Bonds of any information that may come to the attention of the Arranger, the Dealers or the Australian Registrar. Any websites referred to in the Base Prospectus are for information purposes only and do not form part of the Base Prospectus.

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

- (a) be (or be advised by) financial institutions or other professional investors who have sufficient knowledge and experience to make a meaningful evaluation of the International Covered Bonds, the merits and risks of investing in the relevant International Covered Bonds and 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 International Covered Bonds and the impact the relevant International 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 International Covered Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the relevant International Covered Bonds and be familiar with the behaviour of any relevant rates 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;
- (f) consult its legal advisers to determine whether and to what extent (i) International Covered Bonds are legal investments for it, (ii) International Covered Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any International Covered Bonds. Financial institutions should consult their legal advisors or the appropriate

regulators to determine the appropriate treatment of International Covered Bonds under any applicable risk-based capital or similar rules. Neither the Issuer, the Permanent Dealers nor any of their respective affiliates has or assumes responsibility for (i) the lawfulness of the acquisition of the International Covered Bonds by a prospective investor, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different) or (ii) compliance by that prospective investor with any law, regulation or regulatory policy applicable to it; and

- (g) be aware, in terms of any legislation or regulatory regime applicable to such investor, of the applicable restrictions on its ability to invest in International Covered Bonds generally and in any particular type of International Covered Bonds.

Any prospective investor in the International Covered Bonds should be able to bear the economic risk of an investment in the International Covered Bonds for an indefinite period of time.

A number of member states of the European Union are currently negotiating to introduce a financial transactions tax ("FTT") in the scope of which transactions in the International Covered Bonds may fall. If the proposed directive is adopted and implemented in local legislation, Bondholders may be exposed to increased transaction costs with respect to financial transactions carried out with respect to the International Covered Bonds and the liquidity of the market for the International Covered Bonds may be diminished. Prospective investors should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing, purchasing, holding and disposing the International Covered Bonds.

The United States has enacted rules, commonly referred to as FATCA, that generally impose a new reporting and withholding regime with respect to U.S. source payments (including dividends and interest), gross proceeds from the disposition of property that can produce U.S. source interest and dividends and certain payments made by entities that are classified as financial institutions under FATCA. The United States and France entered into an intergovernmental agreement to implement FATCA (the "French IGA"). Under the French IGA, as currently drafted, it is not expected that the Issuer or the foreign financial institutions (such as clearing systems or other financial intermediaries between the International Bondholders and the Issuer) located within the French IGA jurisdiction shall be required to withholding on payments made within the scope of FATCA. However, significant aspects of whether or how FATCA will apply remain unclear, and no assurance can be given that withholding in accordance with FATCA will not become relevant with respect to payments made by the Issuer in the future. Prospective investors should consult their own tax advisors regarding FATCA.

**PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – If the Final Terms in respect of any Tranche of International Covered Bonds include a legend entitled "Prohibition of Sales to EEA Retail Investors", the International Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU of the European Parliament and of the Council of 20 January 2016 on insurance distribution, as amended (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, in such case, no key information document required by Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products, as amended (the "PRIIPs Regulation") for offering or selling the International Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the International Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

Regulation as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the International Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the International Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**MiFID II PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms in respect of any Tranche of International Covered Bonds will include a legend entitled "MiFID II Product Governance" which will outline the determination of the type of clients in the context of the target market assessment, taking into account the five (5) categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority on 5 February 2018 in respect of the International Covered Bonds and which channels for distribution of the International Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the International Covered Bonds (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the International Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

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

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

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "euro" or "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, references to "£", "GBP", "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 Dollar" are to the lawful currency of Australia.

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## GENERAL DESCRIPTION OF THE INTERNATIONAL PROGRAMME

*This section "General Description of the International Programme" does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of International Covered Bonds (the "**Conditions**"), the relevant Final Terms. The International Covered Bonds will be issued on such terms as shall be agreed between the Issuer and the relevant Dealer(s) and the French Law Covered Bonds will be subject to the Conditions set out in this Base Prospectus as completed by the relevant Final Terms.*

*This section "General Description of the International Programme" constitutes a general description of the programme for the purposes of Article 25.1(b) of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019. It does not, and is not intended to, constitute a summary of this Base Prospectus within the meaning of Article 7 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**"), or any implementing regulation thereof.*

*Words and expressions defined in the section "Terms and Conditions of the French Law Covered Bonds" shall have the same meanings when used below. Unless otherwise specified, the expression "International Covered Bonds" refers to the French Law Covered Bonds, the Australian Law Covered Bonds and the German Law Covered Bonds to the extent permitted by the terms and conditions applicable to the relevant International Covered Bonds.*

### I. THE INTERNATIONAL PROGRAMME AND THE INTERNATIONAL COVERED BONDS

**Issuer:** Crédit Mutuel Home Loan SFH, a limited liability company (*société anonyme*) incorporated under French law and a *société de financement de l'habitat* duly licensed as a French specialised credit institution (*établissement de crédit spécialisé*) by the French Banking Authority (*Autorité de contrôle prudentiel et de résolution*) and the European Central Bank on 6 June 2011.

**Arranger:** BNP Paribas.

**Dealers:** BNP Paribas and Banque Fédérative du Crédit Mutuel.

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

**Description:** Euro Medium Term Note Programme (the "**Programme**") for the issue of French law *obligations de financement de l'habitat* within the meaning of Article L.513-30-I of the French Monetary and Financial Code, and other covered bonds to be governed either by the law of New South Wales, Australia or by German law (respectively, the "**French Law Covered Bonds**", the "**Australian Law Covered Bonds**" and the "**German Law Covered Bonds**" and together the "**International Covered Bonds**"). Under the International Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time, issue International Covered Bonds the principal and interest of which benefit from the statutory priority right of payment (*privilège*) (the "**Privilège**") created by Article L.513-11 of the French Monetary and Financial Code (for further description, see section "*Main features of the legislation and regulations relating to sociétés de financement de l'habitat*").

**Programme Limit:** Up to €50,000,000,000 (or its equivalent in any other currency at the date of determination of the financial conditions of the issue of such International Covered Bonds) aggregate nominal amount of International Covered Bonds outstanding at any one time, or such other amount as may be agreed from time to time between the Issuer and the Permanent Dealers.

**Fiscal Agent, Principal Paying Agent and Paris Paying Agent in respect of the French Law Covered Bonds:**

BNP Paribas Securities Services.

**Method of Issue:**

The International Covered Bonds may be distributed on a syndicated or non-syndicated basis.

**Series and Tranches:**

The International Covered Bonds will be issued in series (each a "**Series**") having one (1) or more issue date(s). The International Covered Bonds of each Series will be interchangeable with all other International Covered Bonds of that Series.

Each Series of International Covered Bonds may be issued in tranches (each a "**Tranche**") on the same or different issue date(s) and on terms identical to the terms of other Tranches of the same Series, save in respect of the issue date, issue price, first payment of interest and aggregate nominal amount of the Tranche. The specific terms of each Tranche of International Covered Bonds 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**").

**Maturities:**

Subject to compliance with all relevant laws, regulations and directives, the International Covered Bonds may have any maturity as specified in the relevant Final Terms.

An extended final maturity date may be specified in the relevant Final Terms of a Series of International Covered Bonds in accordance with the Conditions, each such International Covered Bonds being referred to as International Covered Bonds with soft bullet maturity (the "**Soft Bullet International Covered Bonds**").

**Currencies**

Subject to compliance with all relevant laws, regulations and directives, International Covered Bonds may be issued in Euro, Sterling, U.S. Dollar, Yen, Swiss Francs, Australian Dollar and in any other currency agreed between the Issuer and the relevant Dealer(s), as set out in the relevant Final Terms.

**Denomination(s):**

The International Covered Bonds shall be issued in the Specified Denomination(s) set out in the relevant Final Terms.

Unless permitted by then current laws and regulations, the International Covered Bonds (including International Covered Bonds denominated in Sterling) which have a maturity of less than one (1) year and in respect of which the issue proceeds are to be accepted in the United Kingdom or whose issue otherwise constitutes a contravention of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000, as amended, must have a minimum redemption amount of at least £100,000 (or its equivalent in any other currency at the date of determination of the financial conditions of the issue of such International Covered Bonds).

Dematerialised Covered Bonds of a particular Series shall be issued in one (1) denomination only.

**Status of the International Covered Bonds:**

The French Law Covered Bonds (including, where applicable, any related Coupons and Receipts) will constitute direct, unconditional, unsubordinated and, in accordance with Condition 5, privileged obligations of the Issuer and will rank pari passu without any preference among themselves and equally and rateably with all other present or future bonds (including Covered Bonds of all other Series) and other resources raised by the Issuer benefiting from the Privilège created by article L.513-11 of the French Monetary and Financial Code (Code monétaire et financier) as described in Condition 5.

**Negative Pledge:**

None.

**Events of Default:**

The terms of the International Covered Bonds will contain so called Issuer

Events of Default as set out in Condition 11.

- Redemption Amount:** The Final Terms issued in respect of each Tranche will specify the Final Redemption Amount payable.
- Final Redemption:** Unless previously redeemed or purchased and cancelled or its maturity is extended as provided below pursuant to any Issuer's or Bondholders' option in accordance with the Conditions, each International Covered Bond shall be finally redeemed on the final maturity date specified in the relevant Final Terms (the "**Final Maturity Date**") at its final redemption amount (the "**Final Redemption Amount**") (which, unless otherwise provided, is its nominal amount) or, in the case of International Covered Bonds referred to in paragraph "Redemption by Instalments" below, its final instalment amount.
- An extended final maturity date (the "**Extended Maturity Date**") may be specified in the relevant Final Terms with respect to the Soft Bullet International Covered Bonds in accordance with the Conditions.
- Redemption by Instalments:** The Final Terms issued in respect of each Tranche that are redeemable in two (2) or more instalments will set out the Instalment Dates on which, and the Instalment Amounts in which, such International Covered Bonds may be redeemed.
- Optional Redemption:** The Final Terms issued in respect of each Tranche will state whether such International Covered Bonds may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or at the option of the Bondholders, and if so the terms applicable to such redemption among the options described in the Conditions.
- Early Redemption:** Except as provided in paragraphs "Events of Default" and "Optional Redemption" above, the International Covered Bonds may only be redeemed prior to their stated maturity by the Issuer for taxation reasons or in case of illegality.
- Withholding tax:** All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the French Law 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.
- Each prospective holder or beneficial owner of International Covered Bonds should consult its tax adviser as to the tax consequences of any investment in, or ownership and disposition of, the International Covered Bonds.
- Gross-up obligation:** If French law should require that payments of principal or interest in respect of any International Covered Bond or any Receipt or Coupon relating thereto, be subject to withholding or deduction in respect of any present or future taxes or duties whatsoever, the Issuer will not be required to pay additional amounts in respect of any such withholding or deduction, subject to certain exceptions as described in Condition 10(b).
- Interest Periods and Rates of Interest:** The length of the interest periods for the International Covered Bonds, the applicable rate of interest and/or its method of calculation may differ from time to time or be constant for any Series. The International Covered Bonds may have a maximum rate of interest, a minimum rate of interest or both. The use of interest accrual periods permits the International Covered Bonds to bear interest at different rates of interest in the same interest period. International Covered Bonds may bear interest at different rates of interest until their extended final maturity date. All such information will be set out in the relevant Final Terms.

**Fixed Rate Covered Bonds:**

Fixed interest will be payable in arrear 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 FBF Definitions, or
- (b) 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 ISDA Definitions, or
- (c) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service (including, without limitation, EURIBOR or LIBOR),

in each case plus or minus any applicable margin, if any, and calculated and payable as indicated in the relevant Final Terms.

Floating Rate Covered Bonds may also have a maximum rate of interest, a minimum rate of interest or both.

Unless a higher minimum rate of interest is specified in the relevant Final Terms, the minimum rate of interest (*i.e.* relevant rate plus margin) of the International Covered Bonds shall be deemed to be zero.

**Fixed/Floating Rate Covered Bonds, Fixed/Fixed Rate Covered Bonds, Floating/Floating Rate Covered Bonds:**

Fixed/Floating Rate Covered Bonds may be converted from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate and Fixed/Fixed Rate Covered Bonds and Floating/Floating Rate Covered Bonds may be converted from a Fixed Rate to a different Fixed Rate or from a Floating Rate to a different Floating Rate, all on the date set out in the relevant Final Terms either by the election of the Issuer or automatically.

**Zero Coupon Covered Bonds**

Zero Coupon Covered Bonds will not bear interest (except, as the case may be, as provided in Condition 7(e) in respect of any overdue principal of such Zero Coupon Covered Bonds).

**Form of French Law Covered Bonds:**

French Law Covered Bonds may be issued in either dematerialised form ("**Dematerialised Covered Bonds**") or in 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 Bondholder, 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 (*au porteur*) 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.

**Representation of holders of French Law Covered Bonds:**

Holders of French Law Covered Bonds will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the "**Masse**"), which will be governed by the

provisions of Article L.228-46 *et seq.* of the French Commercial Code (*Code de commerce*) as amended or supplemented by Condition 13.

The *Masse* will be a separate legal entity and will act in part through a Representative and in part through Collective Decisions of the relevant Bondholders.

**Limited recourse, Non petition**

As further described in Condition 15, the recourse of holders of International Covered Bonds against the Issuer will be limited to the funds that are available to the Issuer at any relevant date and they will not be able to commence or to join any proceedings for the insolvency of the Issuer prior to the date which is eighteen (18) months and one (1) day after the earlier of (i) the Final Maturity Date (or, as the case may be, with respect to Soft Bullet Covered Bonds, the Extended Final Maturity Date) of the last Series issued by the Issuer under the International Programme or the U.S. Programme, or (ii) the date of payment of any sums outstanding and owing under the latest outstanding covered bond issued thereunder.

**Governing Law:**

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

The German Law Covered Bonds will be governed by, and construed in accordance with, German law.

The Australian Law Covered Bonds will be governed by, and construed in accordance with, the laws in force in New South Wales, Australia.

However, all International Covered Bonds will be governed by French law with respect to the *Privilège* created by Article L.513-11 of the French Monetary and Financial Code (*Code monétaire et financier*).

**Clearing Systems:**

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

**Initial Delivery of Dematerialised Covered Bonds:**

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

**Initial Delivery of Materialised Covered Bonds:**

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

**Issue Price:**

International Covered Bonds may be issued at their nominal amount or at a discount or premium to their nominal amount, as specified in the relevant Final Terms. The price and amount of the International Covered Bonds to be issued under the International Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

**Non-exempt offer:**

French Law Covered Bonds may be offered to the public in France pursuant to a non-exempt offer, if the relevant Final Terms provide it and in accordance with applicable laws and regulations.

**Approval, listing and Admission to Trading of the French Law Covered Bonds:**

Application has been made to the Autorité des marchés financiers (the "AMF") for approval of this Base Prospectus, in its capacity as competent authority in France pursuant to Article 212-2 of its *Règlement Général* which

implements the Prospectus Regulation.

Application may be made to Euronext Paris for the French Law Covered Bonds issued under the International Programme for the period of twelve (12) months after the date of the approval of this Base Prospectus by the AMF to be admitted to trading on Euronext Paris, which is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014 on markets in financial instruments, as amended ("**MiFID II**"), appearing on the list of regulated markets issued by the European Securities and Markets Authority (a "**Regulated Market**"). French Law Covered Bonds may also be unlisted or listed and/or 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 in respect of the issue of any French Law Covered Bonds will specify whether or not such French Law Covered Bonds will be listed and/or admitted to trading on any market (and, if so, the relevant market).

**Use of Proceeds:**

The net proceeds of the issue of International Covered Bonds will be used to fund Borrower Advances under the Borrower Facility to be made available by the Issuer to BFCM, in accordance with the provisions of article L.513-29-I-1° of the French Monetary and Financial Code (*Code monétaire et financier*).

**Rating:**

International Covered Bonds issued under the International Programme are expected on issue to be rated AAA by Fitch Ratings Ireland Limited, Aaa by Moody's France SAS and AAA by S&P Global Ratings Europe Limited (together the "**Rating Agencies**"). As of the date of this Base Prospectus, each of the Rating Agencies is established in the European Union, registered under Regulation (EC) no. 1060/2009 of the European Parliament and of the Council dated 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") and included in the list published on the European Securities and Markets Authority's website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Ratings issued by the Rating Agencies may be endorsed by a credit rating agency established in the United Kingdom and registered under the CRA Regulation as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**" and the "**UK CRA Regulation**") or certified under the UK CRA Regulation.

The credit rating of the International Covered Bonds will be specified in the relevant Final Terms.

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

Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act 2001 of Australia ("**Australian Corporations Act**") and is also person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Australian Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Base Prospectus and anyone who receives this Base Prospectus must not distribute it to any person who is not entitled to receive it.

**Selling Restrictions:**

There are restrictions on the offer and sale of International Covered Bonds and the distribution of offering materials in various jurisdictions (see section "*Subscription and Sale*").

The Issuer is Category 2 for the purposes of Regulation S under the United States Securities Act of 1933, as amended ("**Regulation S**").

Materialised Covered Bonds will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) and any successor regulation issued under the

Hiring Incentives to Restore Employment Act of 2010 (the "**Hire Act**") (the "**TEFRA D Rules**") unless (i) the relevant Final Terms state that such Materialised Covered Bonds are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) and any successor regulation issued under the Hire Act (the "**TEFRA C Rules**") or (ii) such Materialised Covered Bonds are issued other than in compliance with the TEFRA D Rules or the TEFRA C Rules but in circumstances in which the International 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.

TEFRA rules are not applicable to Dematerialised Covered Bonds which are in bearer form for U.S. tax purposes.

## II. THE BORROWER FACILITY AGREEMENT AND THE COLLATERAL SECURITY

### **The Borrower Facility Agreement:**

The proceeds from the issuance of the International Covered Bonds under the International Programme will be used by Crédit Mutuel Home Loan SFH, as lender (in such capacity, the "**Lender**") to fund advances (each a "**Borrower Advance**") which shall be made available to BFCM, as borrower (in such capacity, the "**Borrower**") under a multicurrency term facility agreement (the "**Borrower Facility**").

The Borrower Facility shall be made available to the Borrower in an aggregate maximum amount equal to €50,000,000,000 for the purpose of financing the general financial needs of the Borrower.

Save in respect of any Borrower Advance financed by Soft Bullet Covered Bonds, which Final Terms of Borrower Advance (as defined in section "*The Borrower and the Borrower Facility Agreement – The Borrower Facility Agreement*") shall not provide for an extended maturity date, 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 International Covered Bonds, it being provided that, as a principle, the interest to be paid by the Borrower under a Borrower Advance shall be the financing costs of the Lender under the International Covered Bonds funding such Borrower Advance, increased by a margin (the "**Issuer Margin**"). Any amounts repaid or prepaid under any Borrower Advance may be re-borrowed.

Upon the occurrence of a Borrower Event of Default (as defined in section "*The Borrower and the Borrower Facility Agreement – The Borrower Facility Agreement*"), the Administrator shall, by written notice (such notice to constitute a *mise en demeure*) to the Borrower (with a copy to the Rating Agencies and to the Collateral Security Agent), (i) declare that no more Borrower Advances shall be made under the Borrower Facility, (ii) declare that the Borrower Facility shall be cancelled, and (iii) declare that the Borrower Advances shall immediately become due and payable and enforce its rights under the Collateral Security Agreement and the Cash Collateral Agreement (a "**Borrower Enforcement Notice**").

(See section "*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 upon which the Collateral Providers shall transfer to the Lender the full ownership of Eligible Assets as collateral security (*remis en pleine propriété à titre de garantie*) (the "**Collateral Security**") for the benefit of the Lender in order to secure the payments, as they become due and payable, of all and any amounts owed by the Borrower under the Borrower Facility Agreement, whether in principal, interest, as fees, as indemnities or as guarantees and whether present or future (the "**Secured Liabilities**").

For the purposes of the Collateral Security Agreement, an Eligible Asset means any Home Loan Receivable that complies with the Home Loan Eligibility Criteria (as further described in "*The Collateral Security Agreement*"). In particular, Home Loan Receivables shall comply with the criteria defined in article L.513-29 II of the French Monetary and Financial Code (*Code monétaire et financier*).

The Collateral Security shall be created in accordance with article L.211-36 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*).

The Collateral Providers shall perform the servicing of the Collateral Security Assets (as defined in section "*The Collateral Security Agreement*") in accordance with applicable laws and its customary servicing procedures (the "**Servicing Procedures**"), using the degree of skill, care and attention as for servicing of its assets for its 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 BFCM 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 Security Agent**").

(See section "*The Collateral Security – The Collateral Security Agreement*").

#### **The Cash Collateral Agreement:**

The Cash Collateral Agreement sets forth the terms and conditions upon which BFCM, as Cash Collateral Provider, shall fund certain amounts as cash collateral (*gage espèces*) (each a "**Cash Collateral**") into a Cash Collateral Account so as to secure the payments, as they become due and payable, of all and any amounts owed by the Borrower under the Borrower Facility Agreement, whether in principal, interest, as fees, as indemnities or as guarantees and whether present or future (the "**Secured Liabilities**").

The Cash Collateral Provider shall be requested to fund the Cash Collateral Account with the relevant Cash Collateral and up to the required amount (i) upon non compliance by the Borrower of certain pre-maturity ratings levels following the occurrence date of such non compliance and during a certain pre-maturity test period (as further described in "*Asset Monitoring – The Pre-Maturity Test*") and/or (ii) so to enable the Issuer to comply with the regulatory liquidity test provided for under articles L.513-8 and R.513-7 of the French Monetary and Financial Code (*Code monétaire et financier*) (as further described in "*Asset Monitoring – The Regulatory Liquidity Test*").

Failure by the Cash Collateral Provider to fund the Cash Collateral Account with the relevant Cash Collateral and up to the required amount within the required period and on any relevant test date shall constitute a Breach of Pre-Maturity Test or a Breach of Regulatory Liquidity Test under the Cash Collateral Agreement. This breach shall in turn result in the occurrence of a Borrower Event of Default under the Borrower Facility Agreement.

(See section "*The Collateral Security – The Cash Collateral Agreement*").

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

Such Asset Cover Test shall be performed without prejudice to compliance by the Issuer with cover test provided by laws and regulations applicable to *sociétés de financement de l'habitat* (in particular the cover test provided for under articles L.513-12 and R.513-8 of the French Monetary and Financial

Code (*Code monétaire et financier*) (see section "*Main features of the legislation and regulations relating to sociétés de financement de l'habitat*").

For so long as International 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 less than one (1). A non compliance with the Asset Cover Test will not constitute an Issuer Event of Default or a Borrower Event of Default. However, it will prevent the Issuer from issuing any further International Covered Bonds as long as it remains unremedied.

The failure by the Collateral Security 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 section "*Asset Monitoring – The Asset Cover Test*") shall constitute a Breach of Asset Cover Test within the meaning of the Collateral Security Agreement.

A Breach of Asset Cover Test will result in a Borrower Event of Default within the meaning of, and subject to, the relevant terms of the Borrower Facility Agreement. A Breach of Asset Cover Test will not constitute an Issuer Event of Default but will prevent the Issuer from issuing any further International Covered Bonds.

(See section "*Asset Monitoring – The Asset Cover Test*").

**Regulatory Cover Ratio:**

The Issuer must at all times maintain a cover ratio between its assets and its liabilities benefiting from the *Privilège*. In particular, pursuant to articles L.513-12 and R.513-8 of the French Monetary and Financial Code (*Code monétaire et financier*) (as modified by decree No. 2014-526 of 23 May 2014 with respect to prudential regime of *sociétés de crédit foncier* and *sociétés de financement de l'habitat*), the Issuer must at all time maintain a ratio of at least one hundred and five per cent. (105%) as between its assets and the total amount of its liabilities benefiting from the *Privilège* (the "**Regulatory Cover Test**").

(See section "*Main features of the legislation and regulations relating to sociétés de financement de l'habitat*").

**Pre-Maturity Test:**

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 shall fund the Cash Collateral Account up to an amount sufficient so as to ensure compliance with a pre-maturity test (the "**Pre-Maturity Test**").

For each Series of International Covered Bonds and for so long as International Covered Bonds of such Series remain outstanding, during the period starting from, and including, the one hundred and eightieth (180<sup>th</sup>) Business Day preceding the Final Maturity Date (or, as the case may be, with respect to Soft Bullet Covered Bonds, the Extended Final Maturity Date) of such Series of International Covered Bonds and ending on, and excluding, such Final Maturity Date (or, as the case may be, with respect to Soft Bullet Covered Bonds, the Extended Final Maturity Date), and upon the downgrading of the Borrower below any of the Pre-Maturity Ratings Required Levels (see section "*Asset Monitoring – The Pre-Maturity Test*"), the 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.

The failure by the Cash Collateral Provider to fund into the Cash Collateral Account the relevant amount shall constitute a Breach of Pre-Maturity Test within the meaning of the Cash Collateral Agreement.

A Breach of Pre-Maturity Test will result in a Borrower Event of Default within the meaning of, and subject to, the relevant terms of the Borrower Facility Agreement. A Breach of Pre-Maturity Test will not constitute an Issuer Event of Default.

(See section "*Asset Monitoring – The Pre-Maturity Test*").

**Regulatory Liquidity Test:**

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 shall fund the Cash Collateral Account up to an amount sufficient so as to ensure compliance with a regulatory liquidity test (the "**Regulatory Liquidity Test**").

At any time, 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 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.

The failure by the Cash Collateral Provider to fund into the Cash Collateral Account the relevant amount shall constitute a Breach of Regulatory Liquidity Test within the meaning of the Cash Collateral Agreement.

A Breach of Regulatory Liquidity Test will result in a Borrower Event of Default within the meaning of, and subject to, the relevant terms of the Borrower Facility Agreement. A Breach of Regulatory Liquidity Test will not constitute an Issuer Event of Default.

(see section "*Asset Monitoring – The Regulatory Liquidity Test*").

**Amortisation Test:**

For so long as International 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 shall ensure compliance with an amortisation test (the "**Amortisation Test**").

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

A non-compliance with the Amortisation Test will constitute an Issuer Event of Default.

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

**IV. GENERAL INFORMATION****General Information:**

This Base Prospectus, any supplement thereto that may be published from time to time and, so long as any French Law Covered Bonds are listed and/or admitted to trading on any Regulated Market in the EEA and/or offered to the public in France pursuant to a non-exempt offer in accordance with the Prospectus Regulation, the Final Terms relating to such French Law Covered Bonds will be published on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of the Issuer ([www.creditmutuel-homeloansfh.eu](http://www.creditmutuel-homeloansfh.eu)). In addition, if the French Law Covered Bonds are listed and/or admitted to trading on a Regulated Market of the EEA other than Euronext Paris, the relevant Final Terms will provide whether this Base Prospectus and the relevant Final Terms will be published on the websites of (i) the relevant Regulated Market and/or (ii) the relevant competent authority.

So long as any of the International Covered Bonds are outstanding, copies of this Base Prospectus and various other documents will also be available for inspection and obtainable upon request and free of charge, during usual business hours on any weekday, at the registered office of the Issuer (6, avenue de Provence, 75452 Paris Cedex 9, France).

## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the French Law Covered Bonds issued under the International Programme.*

*The Issuer believes that the factors described below represent the principal risks inherent to investing in French Law Covered Bonds issued under the International Programme. All of these factors are contingencies which may or may not occur. In each category below the Issuer sets out first the most material risks, in its assessment, taking into account the expected magnitude of their negative impact and the probability of their occurrence.*

*Prospective investors should be aware that the risks described below are not the only risks the Issuer faces. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and form their own opinions as to potential risks 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 French Law Covered Bonds and consult their own financial or legal advisers about risks associated with investment in a particular Series of French Law Covered Bonds and the suitability of investing in the French Law Covered Bonds in light of their particular circumstances.*

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

*The following risk factors identified by the Issuer have been ranked, in each section, with the highest likelihood of occurrence and with the highest negative impact coming first. The likelihood of the occurrence is graded on a four-level scale ("very unlikely", "unlikely", "likely" and "very likely") while the magnitude of the negative impact is graded on a three-level scale ("low", "moderate" and "significant").*

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

	Likelihood	Negative impact
<b>I. RISKS RELATED TO THE ISSUER AND THE FUNCTIONING OF THE INTERNATIONAL PROGRAMME</b>		
<b>A. THE ISSUER IS EXPOSED TO CREDIT AND STRUCTURAL RISKS</b>		
Insolvency and examinership laws in France could limit the ability of the French Law Bondholders to enforce their rights under the French Law Covered Bonds	unlikely	significant
The Issuer has sole liability under the French Law Covered Bonds and has limited resources	very unlikely	significant
The Issuer is exposed to performance risk on third-parties service providers, including BFCM	very unlikely	significant
<b>B. THE ISSUER IS EXPOSED TO LIQUIDITY, INTEREST AND CURRENCY RISKS</b>		
Liquidity risk	very unlikely	significant
Exposition to interest and currency risks	unlikely	low
<b>C. RISKS RELATED TO THE COVID-19 PANDEMIC</b>		
Risks related to the Covid-19 pandemic	unlikely	low
<b>II. RISKS RELATED TO THE BORROWER AND THE COLLATERAL SECURITY</b>		
<b>A. RISKS RELATED TO THE BORROWER</b>		
Impact of changes in BFCM's financial condition or credit ratings	unlikely	significant
Borrower's ability to pay under the Borrower Debt	very unlikely	significant
<b>B. RISKS RELATED TO THE COLLATERAL SECURITY</b>		
The Home Loans may be subject to prepayment	likely	moderate

The Collateral Providers may change their lending criteria	unlikely	significant
Ability of the Issuer to make payments when due may be affected by the sale or refinancing of Home Loans and related Home Loan Security following enforcement of the Collateral Security	very unlikely	significant
The Issuer is exposed to the credit risk of the Home Loan Guarantee providers	likely	low
Delay in the ability of the Issuer to obtain effective direct payment from the underlying debtors under the Home Loans	very unlikely	significant
Debtors' ability to pay under the Home Loans may affect the Issuer	unlikely	low
The value of the Collateral Security prior to or following enforcement thereof may not be maintained	very unlikely	moderate
The value of Permitted Investments fluctuates and may decrease	very unlikely	moderate
Risk of decrease of the value of the properties securing the Home Loans	very unlikely	moderate
<b>III. RISKS RELATED TO FRENCH LAW COVERED BONDS AND THE MARKETS</b>		
<b>A. RISKS RELATED TO THE FRENCH LAW COVERED BONDS</b>		
Modification of the Terms and Conditions and other decisions may be taken by a majority of holders of the French Law Covered Bonds of a single Series through Collective Decisions	likely	low
EU Recovery and Resolution Directive	very unlikely	low
<b>B. RISKS RELATED TO THE MARKET</b>		
An active trading market for the French Law Covered Bonds may not develop	likely	significant
Exchange rate risks and exchange controls	unlikely	significant
<b>IV. RISKS RELATED TO THE STRUCTURE OF A PARTICULAR ISSUE OF FRENCH LAW COVERED BONDS</b>		
<b>A. RISKS RELATED TO THE REDEMPTION OF THE FRENCH LAW COVERED BONDS</b>		
Soft Bullet Covered Bonds may be redeemed after their initial maturity date	very likely	significant
Optional redemption by the Issuer	very likely	low
<b>B. RISKS RELATED TO THE INTERESTS PAYABLE IN RESPECT OF THE FRENCH LAW COVERED BONDS</b>		
Fixed Rate Covered Bonds	very likely	significant
Floating Rate Covered Bonds	very likely	low
Fixed/Floating Rate Covered Bonds, Fixed/Fixed Rate Covered Bonds and Floating/Floating Rate Covered Bonds	unlikely	significant
Zero Coupon Covered Bonds	likely	low
Reform and regulation of Benchmarks	unlikely	low
The discontinuance of the Relevant Rate or occurrence of a Benchmark Event could have a material adverse effect on the value of and return on	unlikely	low

any French Law Covered Bond linked to or referencing such Benchmarks		
<b>C. OTHER RISKS RELATED TO THE FRENCH LAW COVERED BONDS</b>		
French Law Covered Bonds issued at a substantial discount or premium	very likely	low
Ratings of the French Law Covered Bonds and Rating Affirmation	very unlikely	significant

## **I. RISKS RELATED TO THE ISSUER AND THE FUNCTIONING OF THE INTERNATIONAL PROGRAMME**

### **A. THE ISSUER IS EXPOSED TO CREDIT AND STRUCTURAL RISKS**

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

The Issuer is subject to French laws and proceedings affecting creditors generally, including article 1343-5 of the French Civil Code (*Code civil*), conciliation proceedings (*procédure de conciliation*), safeguard proceedings (*procédure de sauvegarde*), accelerated safeguard proceedings (*procédure de sauvegarde accélérée*), financial accelerated safeguard proceedings (*procédure de sauvegarde financière accélérée*) and judicial reorganisation or liquidation proceedings (*procédures de redressement judiciaire ou de liquidation judiciaire*).

As a regulated credit institution (*établissement de crédit*), the Issuer is also subject to the specific provisions of articles L.613-26 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) that specify the conditions for opening an insolvency proceeding against a credit institution (*établissement de crédit*) (prior information and opinion of the French banking authority (*Autorité de contrôle prudentiel et de résolution*)), include specific concepts of cash flow insolvency (*cessation des paiements*) and set out specific rules for the liquidation of a credit institution (*établissement de crédit*). More specifically, pursuant to article L.613-31-16 of the French Monetary and Financial Code (*Code monétaire et financier*), the French banking authority (*Autorité de contrôle prudentiel et de résolution*) may suspend temporarily the right to invoke the acceleration, the termination and the set-off rights provided for in article L.211-36-1 of the French Monetary and Financial Code (*Code monétaire et financier*) under any agreement entered into with the Issuer.

The above-mentioned insolvency rules apply equally to each party to the Programme Documents that is regulated as a credit institution in France.

In general, French insolvency rules favour the continuation of a business and the employment conservation over the payment of creditors.

However, the Issuer, as a *société de financement de l'habitat*, benefits from certain exceptions to these insolvency rules (such as (i) rules precluding the extension of insolvency proceedings in respect of the *société de financement de l'habitat's* parent company to the *société de financement de l'habitat*, (ii) rules providing that in the event of safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation proceedings (*procédure de redressement judiciaire*) or judicial liquidation proceedings (*procédure de liquidation judiciaire*) of a *société de financement de l'habitat* all claims benefiting from the *Privilège*, including interest thereon, must be paid on their due dates and in preference to all other claims, whether or not secured or statutorily preferred, (iii) rules excluding the ability of an administrative receiver to render certain transactions entered into during the hardening period (*période suspecte*) null and void when such transactions were entered into by a *société de financement de l'habitat*, provided that such transactions are made in accordance with its exclusive legal purpose and without fraud and (iv) that in the event of the opening of any safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation proceedings (*procédure de redressement judiciaire*) or judicial liquidation proceedings (*procédure de liquidation judiciaire*) against the credit institution which is acting as manager and servicer of the assets and liabilities of the *société de financement de l'habitat*, the recovery, management and servicing contract may be immediately terminated by the *société de financement de l'habitat* notwithstanding any legal provisions to the contrary), as further described under paragraph "Insolvency remoteness" of section "Main features of the legislation and regulations relating to sociétés de financement de l'habitat". While these exceptions may protect French Law Covered Bonds from some of the risks inherent in French insolvency law, they may not be sufficient to provide complete protection.

In the case of insolvency proceedings in respect of the Issuer, the ability of French Law Bondholders to enforce their rights under the French Law Covered Bonds would be limited and the value of the French Law Covered Bonds would be adversely affected. In both cases, this will result in the French Law Bondholders losing all or a substantial part of their investment in the French Law Covered Bonds.

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is unlikely and that the impact of such risk could be significant.

#### **2. The Issuer has sole liability under the French Law Covered Bonds and has limited resources**

The Issuer is the only entity with the obligation to pay principal and interest in respect of the French Law Covered Bonds. The French Law Covered Bonds are not and will not be the obligation or responsibility of any other entity, including (but not limited to) BFCM (in any capacity but in particular in its capacity as Borrower, Administrator, Issuer Calculation Agent, Collateral Security Agent or Cash Collateral Provider), the Collateral Providers, the Dealers, the Representative, the Fiscal Agent, the Australian Registrar, the German Fiscal Agent, the German

Registrar, the Paying Agents, the Asset Monitors, any counterparty to any Hedging Agreement(s) or to any equivalent hedging mechanism entered into by the Issuer (if any) or any company in the same group of companies as any of them, or the shareholders or directors or agents of any company in the same group of companies as any of them.

The Issuer's ability to meet its obligations under the French Law Covered Bonds will firstly and mainly depend on the ability of the Borrower to meet its payment obligations towards the Issuer under the Borrower Facility Agreement.

Upon the occurrence of a Borrower Event of Default and enforcement of the Collateral Security transferred by the Collateral Providers, the Issuer's ability to meet its obligations under all the French Law Covered Bonds will thereafter depend on the proceeds from the Collateral Security transferred by way of security (*remis en pleine propriété à titre de garantie*) by the Collateral Providers, *i.e.* the Home Loan Receivables and their related Home Loan Security or the sale proceeds thereof, which totalled 35,001,024,384 euros and consisted of 395,457 loans as of 31 December 2020, as well as under any Cash Collateral Agreement before the occurrence of the Borrower Event of Default.

If such amounts are not sufficient for the Issuer to meet its obligations under the French Law Covered Bonds, the Issuer would have no further source of funds available other than any recourse the Issuer has against the Borrower in respect of the remaining unpaid amounts under the Borrower Facility Agreement, which would only be an unsecured claim.

Should the recourse of the Issuer against the Borrower under the Borrower Facility Agreement (which is unsecured) and against the Collateral Security Assets under the Collateral Security Agreement prove to be insufficient to support payments under the French Law Covered Bonds until their maturity, this may have a significant negative impact on the Issuer's ability to perform its payment obligations under the French Law Covered Bonds. In addition, the French Law Bondholders will have no direct recourse against the Collateral Security Assets and the Borrower. As a result, they could lose all or a substantial part of their investment in the French Law Covered Bonds.

In view of the above, it is the Issuer's assessment that the likelihood of such risk happening is very unlikely and that the impact of such risk could be significant.

### **3. The Issuer is exposed to performance risk on third-parties service providers, including BFCM**

The Issuer does not have its own means or employees. Therefore, it has entered into agreements with BFCM and other third parties, which have agreed to perform services for the Issuer. These services include, but are not limited to, the appointment of BFCM as Administrator, Issuer Calculation Agent, Collateral Providers Agent, Cash Collateral Provider, Issuer Account Bank and Collateral Provider under the Programme Documents.

In the event that the Administrator, the Issuer Calculation Agent or any other relevant party providing services to the Issuer under the Programme Documents fails to perform its obligations under the relevant agreement(s) to which it is a party, the ability of the Issuer to make payments under the French Law Covered Bonds may be affected. As a consequence, the situation of the French Law Bondholders may be adversely and materially affected and they could lose all or a substantial part of their investment in the French Law Covered Bonds.

Under the relevant Programme Documents, the Issuer may in certain circumstances terminate the appointment of BFCM or any third-party service provider under the relevant Programme Documents and replace it. However, there is a risk that no suitable successor will be found in a timely manner or with sufficient experience or ability to serve on the same or similar terms as provided by the relevant Programme Documents or as to the financial terms on which they would agree to be appointed. Furthermore, the transfer of the servicing function to a new servicer could 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 French Law Covered Bonds. A substitute entity may not be found in some cases. Any delay or inability to appoint a substitute entity may also affect the ability of the Issuer to make payments under the French Law Covered Bonds. As a consequence, the situation of the French Law Bondholders may be adversely and materially affected and they could lose all or a substantial part of their investment in the French Law Covered Bonds.

It is the Issuer's assessment that the likelihood of such risk happening is very unlikely and that the impact of such risk could be significant.

## **B. THE ISSUER IS EXPOSED TO LIQUIDITY, INTEREST AND CURRENCY RISKS**

### **1. Liquidity risk**

Pursuant to Articles L.513-8 and R.513-7 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer must, at all time, ensure adequate coverage of its liquidity needs for a one hundred and eighty (180) days period by any of the assets set on in article R.513-7 of the French Monetary and Financial Code (*Code monétaire et financier*). Pursuant to article R.513-7 of the French Monetary and Financial Code (*Code monétaire et financier*), the assessment of the Issuer's liquidity needs must be made by taking into account cash inflows resulting from the Eligible Assets net flows relating to forward financial instruments set forth in article L.513-10 of the French Monetary and Financial Code (*Code monétaire et financier*). As of 31 December 2020, the Issuer had to maintain a minimum of 1.95 billion euros to cover its liquidity needs and the average life of the Eligible Assets held by the Issuer was 70 months.

As a credit institution, the Issuer is also subject to the liquidity coverage ratio on an individual basis in accordance with the provisions of Directive 2013/36 / EU (CRDIV) and Regulation (EU) No 575/2013 (Capital Requirements Regulation). To comply with such ratio, credit institutions shall hold sufficient risk-free and highly liquid assets on the markets to meet payments of net outflows for a 30 calendar days period. The minimum regulatory requirement for this liquidity coverage ratio is at 100%. The Issuer benefits from an exemption from application of the 75% ceiling on cash receipts, granted by the Supervisory College of the *Autorité de Contrôle Prudentiel et de Régulation* in a letter dated 1<sup>st</sup> August 2014. As of 31 December 2020, as the Issuer had no cash outflow planned over the next 30-calendar days period, the liquidity coverage ratio was complied with, as it was throughout the 2020 fiscal year (the Issuer did not engage in maturity transformation as its sources and uses of funds were perfectly matched by term).

Such liquidity needs must be covered by the Issuer with Eligible Substitution Assets or with assets that are eligible as collateral to the credit transactions with the Banque de France in accordance with the monetary policy and intra-day credit operations rules of the Eurosystem. The Issuer may also benefit from additional contractual undertakings, such as, at the date of this Base Prospectus, an obligation of the Cash Collateral Provider to fund a Cash Collateral into the credit of the Cash Collateral Account which can be invested in Permitted Investments in the conditions described in section "*Asset Monitoring – The Regulatory Liquidity Reserve*". As of 31 December 2020, the amount required for compliance with the liquidity ratio provided for under Articles L.513-8 and R.513-7 of the French Monetary and Financial Code (*Code monétaire et financier*) was complied with. As a result, the Borrower was not required to fund the Cash Collateral Account.

In any case, if the Issuer is not able to cover its liquidity needs with any of the tools and instruments legally and contractually available to it, the Issuer would still be allowed to subscribe for its own *obligations de financement de l'habitat*, within the limit of ten (10) per cent. of the total outstanding amount (*encours total*) of the resources benefiting from the Privilège as at the date of their subscription, for the sole purpose of pledging them (*affecter en garantie*) as collateral security in order to secure the credit transactions (*opérations de crédit*) of the Banque de France in accordance with the provisions of article L.513-26 of the French Monetary and Financial Code (*Code monétaire et financier*).

In spite of the above, if the Issuer is not able to cover its liquidity needs, this may have a negative impact on the Issuer's ability to meet its obligations under the French Law Covered Bonds in a timely manner and in particular, its ability to make payments under the French Law Covered Bonds may be negatively affected.

In light of the above, it is the Issuer's assessment that the likelihood of the liquidity risk happening is very unlikely and that the impact of such risk could be significant.

### **2. Exposition to interest and currency risks**

Each Borrower Advance granted by the Issuer to the benefit of the Borrower under the Borrower Facility Agreement will be made available in the same Specified Currency and according to the same interest conditions as the French Law Covered Bonds funding such Borrower Advance.

As a consequence, as long as a Borrower Event of Default does not occur, the Issuer will not be exposed to currency or interest risk regarding the Borrower Debt and the French Law Covered Bonds. As of 31 December 2020, the advances granted by the Issuer to the benefit of the Borrower under the Borrower Facility Agreement amount to 26,017.7 million euros.

Upon the occurrence of a Borrower Event of Default and the enforcement of the Collateral Security, Home Loans and related Home Loans Security will be transferred to the Issuer and the Issuer's available funds will arise from the Collateral Security Assets.

However, the Home Loans that are part of the Collateral Security may not bear interest under the same terms and conditions as the French Law Covered Bonds and may not be denominated in the same currency as the French

Law Covered Bonds. As of 31 December 2020, 96,5% of the Home Loans that are part of the Collateral Security were fixed rate loans and the proportion of Fixed Rate Covered Bonds among outstanding International Covered Bonds was equivalent. In addition, the Issuer has entered into a hedging agreement with the Borrower in order to hedge currency risks on International Covered Bonds denominated in a currency other than Euro and a swap agreement with the Borrower mirroring such hedging agreement.

In order to hedge the potential mismatch of the interest rates applicable to the French Law Covered Bonds and to the Home Loans and the potential mismatch of currencies, the Issuer may use different mechanisms:

- (i) hedging mechanisms may include, without limitation, any hedging mechanism(s) such as without limitation, overcollateralisation, cash reserve, additional selection rules for the Home Loans or any other mechanism(s) which will comply with the specific legal requirements applicable to *sociétés de financement de l'habitat* and with the applicable rating agencies public methodologies and criteria which are commensurate to the then current rating of the French Law Covered Bonds;
- (ii) any remaining risks may be hedged by the Issuer by entering into Hedging Agreements (as defined in section "*The Issuer – Issuer Hedging Risk Management*").

In case of termination of any Issuer Hedging Agreement entered into by the Issuer, the Issuer may be liable to pay a hedging termination amount to the counterparty in accordance with the provisions of the relevant Issuer Hedging Agreement. Such hedging termination amount, when to be paid by the Issuer and provided that the amount has not been reduced to zero (0) in accordance with the provisions of the relevant Issuer Hedging Agreement, shall be senior or, as the case may be, *pari passu* to payments under the French Law Covered Bonds or subordinated to payments under the French Law Covered Bonds if the termination amount qualifies as "Issuer Hedging Subordinated Termination Costs", as described in section "*Cash Flow - Priority Payment Orders*".

In light of the above, it is the Issuer's assessment that the likelihood of the interest and currency risk happening is unlikely and that the impact of such risk could be low.

### **C. RISKS RELATED TO THE COVID-19 PANDEMIC**

The Covid-19 pandemic and its spread worldwide is causing a shock to the world economy and a marked slowdown in activity. Generally speaking, this health crisis has accentuated the potential impact of our various risk factors on the financial position of Crédit Mutuel Alliance Fédérale.

Because of its business model, Crédit Mutuel Alliance Fédérale's primary risk is credit risk. The Covid-19 pandemic could have a significant impact on the profitability and solvency of Crédit Mutuel Alliance Fédérale.

As of 31 December 2020, Crédit Mutuel Alliance Fédérale's non-performing loans' ratio reached 2.9% and the cost of risk was €2,377 million (as a fraction of gross outstanding loans, the cost of customer risk was 0.47%). This amount partly contains provisions of a forward-looking nature that could prove insufficient if the consequences of the crisis prove to be more serious than anticipated at the time they were created.

Due to the size of its portfolio of real estate loans (50% of customer loans or around €208 billion as of 31 December 2020), mainly in France, the Crédit Mutuel Alliance Fédérale is exposed to a downturn in the real estate market, the probability of occurrence of which may be increased by the current pandemic (following a fall in demand linked to a deterioration in households' financial situation, the unemployment rate, etc.). A scenario of that type would impact its cost of risk through higher defaults and also, in terms of mortgage-backed financing, if the value of dwellings given as collateral should be significantly affected for a considerable period of time by a decline in the real estate market.

However, thanks to the financial strength of Crédit Mutuel Alliance Fédérale as reflected by the high level of its regulatory ratios and given the relief measures of the public authorities in managing this crisis, it should not adversely affect the French Law Bondholders with respect to the payment of interest and the final redemption amount of French Law Covered Bonds.

The Issuer's assets consist of intra-group facility granted to the Borrower and the repayment of these facilities is guaranteed by a pool of home loans pledged as collateral. Furthermore, the quality of the home loans pledged as collateral is therefore only a second level risk.

In addition, it should be added that the quality of the collateral should remain very good. It should be noted that loans in arrears are no longer eligible and must therefore be replaced in the collateral pool. Crédit Mutuel Alliance Fédérale benefit from significant leeway in terms of available home loan as collateral for the Issuer.

In view of the above, it is the Issuer's assessment that the likelihood of such risk happening to the Issuer is unlikely and that the impact of such risk could be low.

## **II. RISKS RELATED TO THE BORROWER AND THE COLLATERAL SECURITY**

### **A. RISKS RELATED TO THE BORROWER**

#### **1. Impact of changes in BFCM's financial condition or credit ratings**

The terms of the French Law Covered Bonds and the Programme Documents contain provisions that require the Issuer to take certain actions if the credit rating of BFCM deteriorates, or if BFCM defaults in its obligations as Borrower under the Borrower Facility. These actions include changing the account where the Issuer's funds are deposited, requiring BFCM (as Borrower) to provide cash collateral, and requiring the Issuer to enter into hedging agreements with banks other than BFCM. While payment of the French Law Covered Bonds should be covered by cash flow on the Home Loans that are included in the Collateral Security, or proceeds from the sale of such Home Loans, a change in the timing of payments could have an adverse impact on investors.

In addition, the rating agencies have publicly stated that the credit ratings of covered bonds are linked to the credit ratings of the programme sponsor (which is BFCM, with respect to this International Programme). While the link between the ratings of a programme sponsor and those of the related covered bonds is not direct, and precise correlation between these ratings has not been published by the rating agencies, a significant downgrading of BFCM's credit rating could have an impact on the credit rating, and the value, of the French Law Covered Bonds.

As a result of the foregoing, a significant deterioration in the financial condition of BFCM could have an adverse impact on the trading price of the French Law Covered Bonds, even in the absence of a rating trigger event or a Borrower Event of Default. If either such event were to occur, the impact on the trading price of the French Law Covered Bonds would be more significant.

In light of the above, it is the Issuer's assessment that the likelihood of this risk happening is unlikely and that the impact of such risk could be significant.

#### **2. Borrower's ability to pay under the Borrower Debt**

Neither the Issuer nor any other party to the Programme Documents (other than, upon certain circumstances, the Cash Collateral Provider and without prejudice to the Collateral Security transferred by the Collateral Providers) does guarantee or warrant full and timely payment by the Borrower of any sums of principal or interest payable under the Borrower Debt.

As of 31 December 2020, the advances granted by the Issuer to the benefit of the Borrower under the Borrower Facility Agreement amount to 26,017.7 million euros.

Should the Borrower be subject to any applicable insolvency proceedings referred to in Book VI of the French Commercial Code (*Code de commerce*) (pertaining to insolvency proceedings as a matter of French law), this would impair the ability of the Issuer to claim against the Borrower for obtaining timely payment of amounts of principal and interest due and payable under the Borrower Debt and the Issuer will not be entitled to accelerate the payment of such amounts. As a consequence, this may have a significant negative impact on the Issuer's ability to perform its payment obligations under the French Law Covered Bonds

However, in accordance with articles L.211-38-I and L.211-40 of the French Monetary and Financial Code (*Code monétaire et financier*), the ability of the Issuer to use the funds made available to it by the Cash Collateral Provider under the relevant Cash Collateral or the ability of the Issuer to enforce the Collateral Security transferred by the Collateral Providers will not be affected by the opening against the Borrower of any insolvency proceedings referred to in book VI (*Livre VI*) of the French Commercial Code (*Code de commerce*).

In light of the above, it is the Issuer's assessment that the likelihood of this risk happening is very unlikely and that the impact of such risk could be significant.

### **B. RISKS RELATED TO THE COLLATERAL SECURITY**

#### **1. The Home Loans may be subject to 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 amendments to mortgage interest tax deductibility), local and regional economic conditions and changes in the debtor's behaviour (including home-owner mobility). In addition, debtors under the Home Loans may renegotiate periodically the interest rate prevailing on their loan and such renegotiation may be accepted by the Collateral Providers.

While such occurrences may happen at any time and are difficult to quantify beforehand, the likeliness of such prepayments and renegotiations is currently high due to the ongoing prevailing of low market interest rates.

A high level of prepayment and renegotiation of interest rate will reduce the yield of the Collateral Security Assets and therefore, may affect the ability of the Issuer to have sufficient funds to make payments under the French Law Covered Bonds after the occurrence of a default of the Borrower under the Borrower Facility Agreement.

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is likely and that the impact of such risk could be moderate.

## **2. The Collateral Providers may change their lending criteria**

Each of the Home Loans originated by the Collateral Providers will be 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, the term of loan, the age of applicants, the loan-to-value ratio, the status of applicants and their credit history. All lending criteria and preconditions as applied by the originator of the Home Loan pursuant to its customary lending procedures must be satisfied prior to the provision of the Home Loan. Each of the Collateral Providers retains the right to revise its lending criteria from time to time (although only Home Loans that meet the then applicable Home Loan Eligibility Criteria will be Eligible Home Loans).

If the lending criteria change in a manner that affects the creditworthiness of the Home Loans, this may lead to increased defaults by borrowers and may affect the realisable value of the Collateral Security Assets or part thereof, and may ultimately affect the ability of the Issuer to make payments under the French Law Covered Bonds upon the occurrence of a default of the Borrower under the Borrower Facility Agreement and subsequent enforcement of the Collateral Security.

As of 31 December 2020, Collateral Security Assets consisted of 395,457 loans with an average loan balance of 88,508 euros and a weighted average loan to value ratio of 61% (65% indexed).

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is unlikely and that the impact of such risk could be significant.

## **3. Ability of the Issuer to make payments when due may be affected by the sale or refinancing of Home Loans and related Home Loan Security following enforcement of the Collateral Security**

Upon enforcement of the Collateral Security, the Administrator (or the Substitute Administrator, or any representative or agent acting on its behalf) acting on behalf of the Issuer may (pursuant to the Administrative Agreement) sell or refinance Home Loans transferred as Collateral Security (*remis en pleine propriété à titre de garantie*) and related Home Loan Security in order for the Issuer to receive sufficient Available Funds to make payments when due under the relevant Series of French Law Covered Bonds. All payments will be made according to the priority of payment order then applicable in accordance with section "Cash Flow" of this Base Prospectus and the relevant payment dates and Final Maturity Date (or, as the case may be, with respect to Soft Bullet Covered Bonds, the Extended Final Maturity Date) under each relevant Series of French Law Covered Bonds then outstanding.

A buyer may not be found to acquire Home Loans and related Home Loan Security at the times required and the price that may be obtained for such acquisition is not predictable, which may affect the ability of the Issuer to make payments when due under the French Law Covered Bonds.

In addition, in respect of any sale or refinancing of Home Loans and related Home Loan Security to third parties, the Issuer will not be permitted to give warranties or indemnities as to those assets. Representations or warranties previously given by the Collateral Providers in respect of such assets pursuant to the terms of the Collateral Security Agreement may not 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 will be adversely affected by the lack of representations and warranties which in turn could adversely affect the Issuer's ability to perform its payment obligations under the relevant Series of French Law Covered Bonds.

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is very unlikely and that the impact of such risk could be significant.

## **4. The Issuer is exposed to the credit risk of the Home Loan Guarantee providers**

Upon the occurrence of a Borrower Event of Default, the Issuer will be exposed to the credit risk of the Home Loan Guarantee providers in relation to Home Loans which are guaranteed by a Home Loan Guarantee, in case of default of the debtor of the relevant Home Loan.

As of 31 December 2020:

- there are no non-performing or overdue loans in the Collateral Security Assets. An analysis of the Collateral Security Assets by internal rating demonstrates the portfolio's high credit quality; and
- the Home Loans underlying the Collateral Security Assets include independent home loan guarantees by Crédit Logement (for an amount of 9,979,709,550 euros representing 28% of such Home Loans) and by Crédit Mutuel Caution Habitat (for an amount of 675,905,613 euros representing 2% of such Home Loans), a *société anonyme* incorporated under French law which belongs to the Crédit Mutuel Alliance Fédérale.

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

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is likely and that the impact of such risk could be low.

#### **5. Delay in the ability of the Issuer to obtain effective direct payment from the underlying debtors under the Home Loans**

The Collateral Security Agreement will provide that the relevant Home Loans and Home Loan Security will be transferred by way of security (*remis en pleine propriété à titre de garantie*) (as defined in section "The Collateral Security – The Collateral Security Agreement") without notifying the underlying debtors of such Home Loans. Such debtors will only be notified in case of enforcement of the Collateral Security following the occurrence of a Borrower Event of Default. Until such notification has been given, any payments made by any debtor under the relevant Home Loans will continue to be validly made by such debtors to the relevant Collateral Provider(s) even though title to such Home Loans has been validly transferred by way of security (*remis en pleine propriété à titre de garantie*) to the Issuer. After such notification has been given, a debtor under a Home Loan would be entitled to invoke statutory set-off against the Issuer if prior to the notification of the transfer the conditions for statutory set-off were satisfied.

The debtors under the relevant Home Loans may not be notified at the required time and the Issuer may not succeed to obtain effective direct payment from the debtors under the relevant Home Loans in a timely manner, which may affect the Issuer's ability to make payments under the French Law Covered Bonds.

Until the debtors under the relevant Home Loans have been notified and provided, at such time, 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 in order to obtain payment of amounts that should have been paid directly to the Issuer but that were paid to such Collateral Providers and commingled by them with other funds.

As of 31 December 2020, the collateral value of the Home Loans and related Home Loan Security amounted to 35,001,024,384 euros.

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is very unlikely and that the impact of such risk could be significant.

#### **6. Debtors' ability to pay under the Home Loans may affect the Issuer**

After the occurrence of a Borrower Event of Default and the enforcement of the Collateral Security, the Issuer will be exposed to the credit risk of the debtors under the Home Loans, who are individuals that have borrowed in order to finance the acquisition of real estate residential property.

If following enforcement of the Collateral Security, the Issuer does not receive the full amount due from the debtors on such Home Loans, the ability of the Issuer to make payments under the French Law Covered Bonds may be affected.

The Issuer is therefore exposed to credit risk in relation to the debtors under the Home Loans.

None of the Borrower, the Collateral Providers, the Issuer or any other party to the Programme Documents 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 a Home Loan to make timely payment of amounts due under such Home Loan will mainly depend on the debtor's assets and liabilities as well as the debtor's income. Such income may be adversely affected by a large number of factors, some of which (i) relate specifically to the debtor (including but not limited to age, health, employment situation and family situation) or (ii) are more general in nature (such as changes in governmental regulations and fiscal policy).

Furthermore, a debtor under a Home Loan 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 of 29 July 1998, as amended, and (ii) law No. 2003-710 of 1 August 2003) a full or partial extinguishment of its indebtedness against a credit institution. Upon application of such measures in favour of any debtor under a Home Loan, the Issuer may suffer a principal loss and/or a reduction in the yield of the Home Loans, which may affect the ability of the Issuer to fulfil its obligations under the French Law Covered Bonds.

As of 31 December 2020, the value of the Home Loans amounted to 35,001,024,384 euros, divided into 395,457 Home Loans granted to 347,686 debtors.

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is unlikely and that the impact of such risk could be low.

#### **7. The value of the Collateral Security prior to or following enforcement thereof may not be maintained**

A *société de financement de l'habitat* must at all times maintain a cover ratio between its assets and its liabilities benefiting from the *Privilège*. In particular, the Issuer must at all times maintain a ratio of at least one hundred and five per cent. (105%) between its assets and the total amount of its liabilities benefiting from the *Privilège*. With respect to the assets of a *société de financement de l'habitat* which are mainly advances to credit institutions secured by home loans (*prêts à l'habitat*), in particular granted as collateral security pursuant to article L.211-36 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*), the cover ratio shall be calculated on the basis of such home loans (*prêts à l'habitat*) granted as security (and not only on the basis of the said advances to credit institutions). In addition, pursuant to article R.513-8 of the French Monetary and Financial Code (*Code monétaire et financier*), the calculation of the cover ratio shall take into account the exposures on related entities or entities belonging to the same consolidated group (within the meaning of article 12.1 of the seventh Council directive of 13 June 1983 based on the article 54(3) of the treaty on consolidated accounts), as further described in regulation (*instruction*) no.99-10 of 9 July 1999, as amended, issued by the Banking and Financial Regulatory Committee (*Comité de la Réglementation Bancaire et Financière*).

In addition, under the Collateral Security Agreement and for so long as no Borrower Event of Default has occurred and been enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, the Collateral Security Agent, acting in the name and on behalf of the Collateral Providers, shall monitor the Collateral Security Assets so as to ensure compliance with the Asset Cover Test, as further described in section "Asset Monitoring – The Asset Cover Test". As of 31 December 2020, the Asset Cover Ratio was equal to 145.44%.

If the value of the Home Loans and related Home Loan Security transferred as Collateral Security (*remis en pleine propriété à titre de garantie*) in favour of the Issuer pursuant to the Collateral Security Agreement were not maintained in accordance with the terms of the Asset Cover Test, the Amortisation Test, the other provisions of the Programme Documents or the regulatory cover ratio provided for in articles L.513-12 and R.513-8 of the French Monetary and Financial Code (*Code monétaire et financier*), the value of the relevant Collateral Security or any part thereof (both before and after the occurrence of a Borrower Event of Default) or the price or value of such Home Loans and related Home Loan Security may be adversely affected upon the sale or refinancing thereof by the Issuer. As of 31 December 2020, the collateral value of the the Home Loans and related Home Loan Security amounted to 35,001,024,384 euros.

Should BFCM fail to maintain compliance with the Asset Cover Ratio, the recourse of the Issuer against the Collateral Security would be insufficient to support payment under the French Law Covered Bonds until their maturity, which may affect the Issuer's ability to make payments under the French Law Covered Bonds.

However, it is the Issuer's assessment that the likelihood of such risk happening is very unlikely and that the impact of such risk could be moderate.

More details on the Asset Cover Ratio are available in section "Asset Monitoring – The Asset Cover Test" and on the website of the Issuer ([www.creditmutuel-homeloansfh.eu](http://www.creditmutuel-homeloansfh.eu)).

#### **8. The value of Permitted Investments fluctuates and may decrease**

Any available funds standing to the credit of the Issuer Accounts (prior to their allocation and distribution) will be invested by the Administrator in Permitted Investments. The value of the Permitted Investments may fluctuate significantly depending on the fluctuation of the financial markets, and the Issuer may be exposed to a credit risk in relation to such Permitted Investments. None of the Arranger, the Issuer, the Administrator or any other party to the Programme Documents guarantees the market value of the Permitted Investments or will be liable if the market value of any of the Permitted Investments fluctuates and decreases, which might in turn decrease the amount of available funds of the Issuer.

In view of the above, it is the Issuer's assessment that the likelihood of such risk happening is very unlikely and that the impact of such risk could be moderate.

#### **9. Risk of decrease of the value of the properties securing the Home Loans**

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 and conditions of

enforcement of mortgages and privileges. In addition, as the properties securing the Home Loans are exclusively located in France, the value of such properties may decline in the event of a general downturn in the value of property in France. The Home Loans are distributed in several regions of France, but they are mainly located in Grand Est, Île-de-France, Pays de la Loire, Provence-Alpes-Cote d'Azur, Auvergne-Rhône-Alpes. A reduction in the value of these properties could result in the Issuer having insufficient funds to meet its obligations under the French Law Covered Bonds. As of 31 December 2020, 70% of the Home Loans underlying the Collateral Security Assets (in value) are mortgage loans with a mortgage lien.

However, it is the Issuer's assessment that the likelihood of such risk happening is very unlikely and that the impact of such risk could be moderate.

### III. RISKS RELATED TO FRENCH LAW COVERED BONDS AND THE MARKETS

#### A. RISKS RELATED TO THE FRENCH LAW COVERED BONDS

##### 1. Modification of the Terms and Conditions and other decisions may be taken by a majority of holders of the French Law Covered Bonds of a single Series through Collective Decisions

French Law Bondholders will, in respect of all Tranches in any Series of French Law Covered Bonds, be grouped automatically for the defence of their common interest in a *Masse*, which will act in part through a representative and in part through collective decisions of the French Law Bondholders (the "**Collective Decisions**"). The Collective Decisions can be adopted either (i) in a general meeting of the French Law Bondholders (the "**General Meeting**") or (ii) by a consent of one or more holders holding together not less than seventy-five per cent. (75%) in nominal amount of the French Law Covered Bonds outstanding following a written consultation (the "**Written Decision**").

The Terms and Conditions applicable to French Law Covered Bonds permit in certain cases defined majorities to bind all French Law Bondholders including French Law Bondholders who did not attend and vote at the relevant General Meeting or who did not vote through the relevant Written Decision and French Law Bondholders who voted in a manner contrary to the majority. The Collective Decisions may deliberate on any proposal relating to the modification of the Terms and Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which was the subject of judicial decisions, as more fully described in Condition 13, or any proposal to direct the Representative to serve an Issuer Enforcement Notice or to take any action as provided under this Base Prospectus.

As a consequence, the rights of the French Law Bondholders may be adversely and materially affected as they may be bound by changes to which they have not agreed and the value of the French Law Covered Bonds may be adversely affected. In both cases, this will result in the French Law Bondholders losing all or a substantial part of their investment in the French Law Covered Bonds.

It is the Issuer's assessment that the likelihood of such risk happening is likely and that its impact could be low.

##### 2. EU Recovery and Resolution Directive

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing an EU-wide framework for the recovery and resolution of credit institutions and investment firms, which entered into force on 2 July 2014, was modified by Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or the "**BRRD**").

These directives were notably implemented in France by a decree-law (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) dated 20 August 2015 and a decree-law (*Ordonnance n° 2020-1636 relative au régime de résolution dans le secteur bancaire*) dated 21 December 2020.

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

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-

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

In addition to the Bail-in Tool, the BRRD provides the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution's business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

With respect to the *obligations de financement de l'habitat* and other privileged notes, the BRRD provides that the Resolution Authority shall not exercise the write down or conversion powers in relation to secured liabilities including covered bonds and liabilities in the form of financial instruments used for hedging purposes which form an integral part of the cover pool and which according to national law are secured in a way similar to covered bonds, whether they are governed by the law of a Member State or of a third country. Nevertheless, relevant claims for the purposes of the Bail-in Tool would still include the claims of the holders in respect of any French Law Covered Bonds issued under the Programme, only if and to the extent that the French Law Covered Bonds liability exceeded the value of the cover pool collateral against which it is secured. In such case, the write-down or conversion requirements could result in the full (i.e., to zero) or partial write-down or conversion into ordinary shares or other instruments of ownership of the French Law Covered Bonds, or the variation of the terms of French Law Covered Bonds (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Pursuant to Articles L.513-12 and R.513-8 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de financement de l'habitat* must, at all times, maintain a ratio of at least one hundred and five per cent (105%) between its eligible assets (including substitution assets (valeurs de remplacement)) and the total amount of its liabilities benefiting from the Privilège, as calculated pursuant to Articles 6 to 11 of the 99-10 Regulation. In addition, BFCM and the Issuer have entered into agreements in order to ensure, by transferring to the Issuer additional Eligible Assets or otherwise, that the Issuer will, at all times, maintain an overcollateralisation ratio between its Eligible Assets and its French Law Covered Bonds equal to or greater than one hundred and five per cent (105%) (see section "*Description of the Issuer*"). As of 31 December 2020, the Asset Cover Ratio was equal to 145.44%.

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

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

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is very unlikely and that the impact of such risk could be low.

## **B. RISKS RELATED TO THE MARKET**

### **1. An active trading market for the French Law Covered Bonds may not develop**

French Law Covered Bonds may be admitted to trading on Euronext Paris or any other market, including any other Regulated Market in any member state of the EEA. However, such French Law Covered Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their French Law 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 French Law 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 French Law 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 French Law Covered Bonds.

In addition, French Law Bondholders should be aware of the prevailing and widely reported global credit market conditions, whereby there is a general lack of liquidity in the secondary market for instruments similar to the French Law Covered Bonds. This lack of liquidity may result in investors suffering losses on the French Law 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 French Law Covered Bonds and instruments similar to the French Law Covered Bonds at that time.

Investors could lose all or a substantial part of their investment in the French Law Covered Bonds.

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is likely and that the impact of such risk could be significant.

## **2. Exchange rate risks and exchange controls**

The International Programme allows for French Law Covered Bonds to be issued in a range of currencies (each, a "**Specified Currency**") as defined in Condition 7(a)). The Issuer will pay principal and interest on the French Law 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 French Law Covered Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the French Law Covered Bonds and (iii) the Investor's Currency-equivalent market value of the French Law 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.

This may adversely and materially affect the French Law Bondholders who could lose all or a substantial part of their investment in the French Law Covered Bonds.

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is unlikely and that the impact of such risk could be significant.

## **IV. RISKS RELATED TO THE STRUCTURE OF A PARTICULAR ISSUE OF FRENCH LAW COVERED BONDS**

A wide range of French Law Covered Bonds may be issued under the International Programme. French Law Covered Bonds may have features that pose particular risks for potential investors (including, without limitation, French Law Covered Bonds with optional redemption by the Issuer and/or Soft Bullet Covered Bonds). Set out below is a description of the most common such features:

### **A. RISKS RELATED TO THE REDEMPTION OF THE FRENCH LAW COVERED BONDS**

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

Condition 8(a) allows for the issuance of French Law Covered Bonds with soft bullet maturity. The Final Maturity Date of 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. 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 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 applicable Rate of Interest (as defined in Condition 7(a)) and be payable on each Interest Payment Date and on the Extended Final Maturity Date all as specified in the relevant Final Terms and in accordance with the applicable Terms and Conditions of the French Law Covered Bonds. The extension of the maturity of the French Law Covered Bonds from the Maturity Date to the Extended Maturity Date will not result in any right of the French Law Bondholders to accelerate payments or take action against the Issuer and will result in a delay of payments of principal on the relevant French Law Covered Bonds.

The situation of the Issuer may change between the Final Maturity Date and the Extended Final Maturity Date. In addition, (i) the provisions relating to interest payable after the Final Maturity Date of any Soft Bullet Covered Bonds may differ from those relating to interest payable before such Final Maturity Date and (ii) the extension of the maturity of the Soft Bullet Covered Bonds is likely to limit their liquidity and market value.

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is very likely and that the impact of such risk could be significant.

## **2. Optional redemption by the Issuer**

Condition 8(e) allows for the issuance of French Law Covered Bonds that are subject to an optional redemption by the Issuer. Such an optional redemption feature is likely to limit their market value. During any period when the Issuer may elect to redeem French Law Covered Bonds, the market value of such French Law Covered Bonds generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem French Law Covered Bonds when its cost of borrowing is lower than the interest rate on the French Law Covered Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the French Law Covered Bonds being redeemed and may only be able to do so at a significantly lower rate. This may adversely and materially affect the French Law Bondholders who could lose a substantial part or all of their investment in the French Law Covered Bonds.

In addition, depending on the proportion of the principal amount of all of the French Law Covered Bonds so reduced, in case of Dematerialised Covered Bonds or the number of French Law Covered Bonds redeemed, in case of Materialised Covered Bonds, any trading market in respect of those French Law Covered Bonds in respect of which such option is not exercised may become illiquid.

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is very likely and that the impact of such risk could be low.

## **B. RISKS RELATED TO THE INTERESTS PAYABLE IN RESPECT OF THE FRENCH LAW COVERED BONDS**

### **1. Fixed Rate Covered Bonds**

Condition 7(b) allows for the issuance of French Law Covered Bonds that pay a fixed rate of interest to French Law Bondholders. Investment in French Law Covered Bonds that bear interest at a Fixed Rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Series of French Law Covered Bonds.

While the nominal interest rate of a Fixed Rate Covered Bond is determined during the term of such Fixed Rate Covered Bond or within a given period of time, the market interest typically varies on a daily basis. As the market interest rate changes, the price of the Fixed Rate Covered Bond varies in the opposite direction. If the market interest rate increases, the price of the Fixed Rate Covered Bond typically decreases, until the yield of such Fixed Rate Covered Bond equals approximately the market interest rate. If the market interest rate decreases, the price of the Fixed Rate Covered Bond typically increases, until the yield of such Fixed Rate Covered Bond equals approximately the market interest rate.

The French Law Bondholders should be aware that movements of the market interest rate can adversely affect the price of the Fixed Rate Covered Bond and can lead to losses if they sell French Law Covered Bonds during the period in which the market interest rate exceeds the Fixed Rate of such French Law Covered Bond.

In addition, the yield of French Law Covered Bonds which bear interest at a Fixed Rate (which will be specified in the relevant Final Terms) shall be calculated at the issue date of such French Law Covered Bonds on the basis of its issue price. It shall not be an indication of future yield.

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is very likely and that the impact of such risk could be significant.

### **2. Floating Rate Covered Bonds**

Condition 7(b) allows for the issuance of French Law Covered Bonds that pay a floating rate of interest to French Law Bondholders.

The Floating Rate at which a Series of French Law Covered Bonds may bear interest will generally be comprised of (i) a Relevant Rate and (ii) a Margin to be added or subtracted, as the case may be, from such reference rate. Typically, the relevant margin will not change throughout the life of the French Law Covered Bonds but there will be a periodic adjustment (as specified in the relevant Final Terms) of the Relevant Rate (e.g., every three (3) months

or six (6) months) which itself will change in accordance with general market conditions. Accordingly, payment of interest under French Law Covered Bonds may be volatile and 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 French Law Covered Bonds upon the next periodic adjustment of the relevant Relevant Rate. The market value may be even more volatile in respect of Floating Rate Covered Bonds that are structured to include Rate Multiplier, Minimum Rate of Interest or Maximum Rate of Interest, or any combination of those features or other similar related features.

A key difference between Floating Rate Covered Bonds and Fixed Rate Covered Bonds is that interest income on Floating Rate Covered Bonds cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Covered Bonds at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods.

Investors could lose all or a substantial part of their investment in the French Law Covered Bonds.

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is very likely and that the impact of such risk could be low.

### **3. Fixed/Floating Rate Covered Bonds, Fixed/Fixed Rate Covered Bonds and Floating/Floating Rate Covered Bonds**

Condition 7(d) allows for the issuance of French Law Covered Bonds that pay a Fixed/Floating Rate, Fixed/Fixed Rate and Floating/Floating Rate of interest to French Law Bondholders. 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. Fixed/Fixed Rate Covered Bonds and Floating/Floating Rate Covered Bonds may bear interest at a rate that the Issuer may elect to convert from a Fixed Rate to a different Fixed Rate or from a Floating Rate to a different Floating Rate. The Issuer's ability to convert the interest rate may materially and adversely affect the secondary market and the market value of such French Law 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 Relevant Rate. In addition, the new Floating Rate at any time may be lower than the rates on other French Law 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 French Law Covered Bonds.

Investors could lose all or a substantial part of their investment in the French Law Covered Bonds.

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is very unlikely and that the impact of such risk could be significant.

### **4. Zero Coupon Covered Bonds**

Condition 7(e) allows for the issuance of 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 French Law 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 French Law 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.

Investors could lose all or a substantial part of their investment in the French Law Covered Bonds.

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is likely and that the impact of such risk could be low.

### **5. Reform and regulation of Benchmarks**

Benchmarks (such as EURIBOR or LIBOR) by reference to which the Rate of Interest on Floating Rate Covered Bonds may be determined pursuant to Condition 7(c) where so provided for by the relevant Final Terms have been the subject of recent international, national and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently from the past or disappear entirely, to be subject to revised calculation methods, or have other consequences that cannot be predicted. Any such consequence could have a material adverse effect on any Floating Rate Covered Bond to or referencing any such Benchmarks.

Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**") was published in the European official journal on 29 June 2016 with the majority of its provisions applying from 1 January 2018. The Benchmark Regulation (i) requires administrators to be

authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of Benchmarks (or, if non EU based, to be subject to equivalent requirements) and (ii) prevents certain uses by EU supervised entities of Benchmarks of administrators that are not authorised/registered (or, if non EU based, deemed equivalent or recognised or endorsed). In the United Kingdom, the Benchmark Regulation as it forms part of domestic law by virtue of European Union (Withdrawal) Act 2018 ("EUWA") provides for equivalent sets of rules.

The Benchmark Regulation could have a material impact on any Floating Rate Covered Bonds traded on a trading venue or via a "systematic internaliser" linked to a Benchmark index. Notably, the methodology or other terms of the Benchmark could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the Benchmark. It could potentially lead to the Floating Rate Covered Bonds being de-listed, adjusted or redeemed early or otherwise impacted depending on the particular Benchmark and the applicable terms of the Floating Rate Covered Bonds or have other material and adverse effects or unforeseen consequences.

More broadly, any of the international, national or regulatory reforms, or any enhanced regulatory scrutiny of Benchmarks, or any further uncertainty in relation to the timing and manner of implementation of such changes, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect on certain Benchmarks (such as EURIBOR or LIBOR) of (i) discouraging market participants from continuing to administer or contribute to the relevant Benchmark, (ii) triggering changes in the rules or the methodologies used in the relevant Benchmark or (iii) leading to the disappearance of the relevant Benchmark.

Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a significant adverse effect on the market value of and return on any Floating Rate Covered Bonds linked to or referencing a Benchmark.

If a benchmark were discontinued or otherwise unavailable, the rate of interest on Floating Rate Covered Bonds which are linked to or which reference such benchmark will be determined for the relevant period by the fall-back provisions applicable to such Floating Rate Covered Bonds (it being specified that in case of discontinuation of the Relevant Rate or occurrence of a Benchmark Event, a specific fall-back shall apply - please refer to the risk factor entitled "*The discontinuance of the Relevant Rate or occurrence of a Benchmark Event could have a material adverse effect on the value of and return on any such International Covered Bond linked to or referencing such Benchmarks*" below). However, such fall-back provisions may be deviated from if deemed unsuitable by the Commission or the relevant national authority, as further explained below.

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

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

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is unlikely and that the impact of such risk could be low.

#### **6. The discontinuance of the Relevant Rate or occurrence of a Benchmark Event could have a material adverse effect on the value of and return on any French Law Covered Bond linked to or referencing such Benchmarks**

Where FBF Determination, ISDA Determination or Screen Rate Determination are specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the relevant rate has been discontinued or a Benchmark Event (as further described in Condition 7 (c)(iii) (D)) has occurred, the Rate of Interest on the affected Floating Rate Covered Bonds will be changed in ways that may be adverse to holders of such Floating Rate Covered Bonds, without any requirement that the consent of such holders be obtained.

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, pursuant to the Terms and Conditions of any applicable Floating Rate Covered Bonds, fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Reference Rate or an Alternative Reference Rate (both as defined in Condition 7(c)(iii)(D)), and may include concomitant changes to the Terms and Conditions of the relevant affected Floating Rate Covered Bonds necessary to make the replacement rate) as comparable as possible to the Original Reference Rate, all as determined by the

Rate Determination Agent. Such replacement rate and any such other changes will (in the absence of manifest error) be final and binding on the French Law Bondholders, the Issuer, the Calculation Agent, the Fiscal Agent and any other person and each Bondholder shall be deemed to have accepted the replacement rate) and such related changes and adjustments which will thenceforth apply to the relevant Floating Rate Covered Bonds.

Given the uncertainty concerning the availability of Successor Reference Rates or Alternative Reference Rates, the involvement of a Rate Determination Agent and potential for further regulatory developments, the relevant fallback provisions may not operate as intended at the relevant time and the replacement rate may perform differently from the discontinued Benchmark.

If the Rate Determination Agent is unable to determine an appropriate replacement rate for any Relevant Rate on or prior to the next following Interest Determination Date (as defined in Condition 7(a)), then the provisions for the determination of the Rate of Interest on the affected Floating Rate Covered Bonds will not be changed. In such cases, the Terms and Conditions of the Floating Rate Covered Bonds provide that the Rate of Interest on such Floating Rate Covered Bonds shall be the Rate of Interest determined on the previous Interest Determination Date, as determined by the Calculation Agent (i.e. which may result in the effective application of a fixed rate). In such circumstances and a rising interest rate environment, holders of Floating Rate Covered Bonds will, consequently, not benefit from any increase in rates. The trading value of such Floating Rate Covered Bonds could therefore be adversely affected.

Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Covered Bonds or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Covered Bonds. The Rate Determination Agent will have discretion to adjust the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) in the circumstances described above. Any such adjustment could have unexpected commercial consequences and, depending on the particular circumstances of each French Law Bondholders, any such adjustment may or may not be favourable to each Bondholder.

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is unlikely and that the impact of such risk could be low.

## **C. OTHER RISKS RELATED TO THE FRENCH LAW COVERED BONDS**

### **1. French Law Covered Bonds issued at a substantial discount or premium**

The issue price of any specific Tranche of French Law Covered Bonds will be determined in the relevant Final Terms. The French Law Covered Bonds may be issued at a substantial discount or premium to their nominal amount. The market values of French Law Covered Bonds 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 French Law Covered Bonds, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

It is difficult to anticipate future market volatility in interest rates, but any such volatility may have an adverse effect on the value of the French Law Covered Bonds. Therefore, holders of French Law Covered Bonds issued at a substantial discount or premium could be exposed to greater losses on their investment than holders of conventional interest-bearing securities.

Investors could lose all or a substantial part of their investment in the French Law Covered Bonds.

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is very likely and that the impact of such risk could be low.

### **2. Ratings of the French Law Covered Bonds and Rating Affirmation**

French Law Covered Bonds issued under the International Programme are expected on issue to be rated AAA by Fitch Ratings Ireland Limited, Aaa by Moody's France SAS and AAA by S&P Global Ratings Europe Limited.

The ratings assigned to the French Law Covered Bonds by the Rating Agencies are based on the *Privilège*, the Collateral Security, the Home Loans and Home Loan Security, the Cash Collateral and the other relevant structural and credit enhancement features provided for under the Programme Documents, including, among other things, the short-term and/or long-term unsecured, unguaranteed and unsubordinated debt ratings or the short-term and/or long-term senior unsecured issuer credit ratings of the parties to the Programme Documents, and reflect only the views of the Rating Agencies.

Any absence or untimely delivery of a rating affirmation as well as any decline of the credit rating of any outstanding French Law Covered Bonds may adversely affect the value of such outstanding French Law Covered

Bonds and/or their liquidity in the secondary market, increase the Issuer's cost of borrowing and adversely affect the Issuer's ability to issue new Notes.

Agencies other than the Rating Agencies could seek to rate the French Law Covered Bonds and if such unsolicited ratings are lower than the comparable ratings assigned to the French Law Covered Bonds by the Rating Agencies, those unsolicited ratings could have an adverse effect on the value and the marketability of the French Law 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.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the relevant Rating Agency at any time without notice. In addition, the Rating Agencies may change their methodologies for rating securities similar to the French Law Covered Bonds. If the Rating Agencies change their practices for rating such securities and the ratings of the French Law Covered Bonds are subsequently lowered, the trading price of the French Law Covered Bonds may be negatively affected.

In light of the above, it is the Issuer's assessment that the likelihood of such risk happening is very unlikely and that the impact of such risk could be significant.

## INTERACTION BETWEEN THE INTERNATIONAL PROGRAMME AND U.S. PROGRAMME

On 8 October 2013, the Issuer updated its separate €30,000,000,000 covered bond programme (the "**U.S. Programme**") pursuant to which the Issuer may issue covered bonds governed by New York law (the "**New York Law Covered Bonds**"), as set forth in the base prospectus which received visa no. 13-0533 from the Autorité des marchés financiers (the "**AMF**") on 8 October 2013. Although the U.S. Programme is currently dormant, the Issuer reserves the right to reactivate it at any time.

As the International Programme and the U.S. Programme are based on a common structure documentation, attention of investors is therefore drawn to the fact that certain features of the International Programme also apply to the U.S. Programme and New York Law Covered Bonds, and notably:

- the aggregate nominal amount of covered bonds issued under the International Programme and/or U.S. Programme shall not at any time exceed €50,000,000,000 (or its equivalent in any other currency at the date of determination of the financial conditions of the issue);
- the provisions relating to the Borrower (as further described in section "*The Borrower and the Borrower Facility Agreement*") are common to the International Programme and the U.S. Programme;
- the advances made available by the Issuer to Banque Fédérative du Crédit Mutuel under a multicurrency term facility agreement, shall be granted out of the issuance proceeds of the International Covered Bonds or the New York Law Covered Bonds (as further described in sections "*The Borrower and the Borrower Facility Agreement*" and "*Use of Proceeds*");
- the advances made out of the issuance proceeds of International Covered Bonds and New York Law Covered Bonds will be secured by the same collateral security (*garantie financière*) for the benefit of the Issuer, granted over the same pool of home loans (as further described in section "*The Collateral Security*" and "*Origination of the home loans*");
- all provisions regarding calculations and allocations of flows (as further described in sections "*Asset Monitoring*" and "*Cash Flows*") are common to the International Programme and the U.S. Programme;
- the duties of the specific controller (*Contrôleur spécifique*) are common to the International Programme and the U.S. Programme and notably aim at (i) ensuring that the Issuer complies with the applicable provisions of the French Monetary and Financial Code (*Code monétaire et financier*), (ii) monitoring the balance between the Issuer's assets and liabilities in terms of rates and maturity (cash flow adequacy) and (iii) controlling that the Eligible Assets transferred as collateral security (*remis en pleine propriété à titre de garantie*) in order to secure Borrower Advances comply with the specific provisions of the French Monetary and Financial Code (*Code monétaire et financier*) (as further described in section "*Asset Monitoring*");
- the duties of the Administrator (as further described in section "*The Issuer*") are common to the International Programme and the U.S. Programme; and
- the Hedging Agreement(s) (if any) or any other hedging mechanism may apply to the International Programme and the U.S. Programme.

## IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS

Certain tranches of French Law Covered Bonds with a specified denomination of less than €100,000 (or its equivalent in any other currency at the date of the issue) may be offered in France in circumstances where there is no exemption from the requirement to publish a prospectus under article 1(4) of the Prospectus Regulation (a "**Non-exempt Offer**") under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**").

The consent to the use of the Prospectus (as defined below) relates to Offer Periods (if any and as defined below) beginning within twelve (12) months from the date of the approval of this Base Prospectus by the AMF.

In the context of a Non-exempt Offer, the Issuer may, if so specified in the relevant Final Terms, consent to the use of the Base Prospectus, together with any supplement with respect thereto that may be published from time to time and the relevant Final Terms (together, the "**Prospectus**") in connection with a Non-exempt Offer of any French Law Covered Bonds during the offer period specified in the relevant Final Terms (the "**Offer Period**") by:

- (i) any financial intermediary authorised to make such offers pursuant to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended ("**MiFID II**"), as specified and subject to conditions set out in the relevant Final Terms; or
- (ii) if so specified in the relevant Final Terms, any financial intermediary which satisfies the following conditions: (a) acts in accordance with all applicable laws, rules, regulations and recommendations of any applicable regulatory bodies (the "**Rules**"), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the French Law Covered Bonds by any person and disclosure to any potential investor; (b) complies with the restrictions set out under section "*Subscription and Sale*" which would apply as if it were a dealer appointed under the International Programme; (c) consider the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID II product governance" legend set out in the applicable Final Terms; (d) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the French Law Covered Bonds is fully and clearly disclosed to investors or potential investors; (e) holds all licences, consents, approvals and permits required in connection with solicitation of interest in, or offers or sales of, the French Law Covered Bonds under the Rules; (f) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer(s) in order to enable the Issuer and/or the relevant Dealer(s) to comply with the Rules relating to anti-money laundering, prevention of corruption and "know your client" rules applicable to the Issuer and/or the relevant Dealer(s); (g) does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (h) satisfies any further conditions specified in the relevant Final Terms,

in each case, an "**Authorised Offeror**". For the avoidance of doubt, none of the Dealers or the Issuer shall have any obligation to ensure that an Authorised Offeror complies with applicable laws and regulations and shall therefore have no liability in this respect.

The Issuer accepts responsibility, in France, for the content of the Prospectus in relation to any person (an "**Investor**") in France to whom an offer of any French Law Covered Bonds is made by any Authorised Offeror and where the offer is made during the period for which that consent is given and in compliance with all other conditions attached to the giving of the consent. However, neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The consent referred to above relates to Offer Periods (if any) occurring in the periods beginning and ending on the dates specified for such purpose in the relevant Final Terms relating to such Non-exempt Offers and provided that the relevant Final Terms have been duly published and specify that Non-exempt Offers may be made to the public in France, all in accordance with the Prospectus Regulation.

In the event the Final Terms designate financial intermediary(ies) to whom the Issuer has given its consent to use the Prospectus during an Offer Period, the Issuer may also give consent to additional Authorised Offerors after the date of the relevant Final Terms and, if it does so, it will publish any new information in relation to such Authorised Offerors who are unknown at the time of the approval of this Base Prospectus or the filing of the relevant Final Terms on the website of the Issuer ([www.creditmutuel-homeloansfh.eu](http://www.creditmutuel-homeloansfh.eu)).

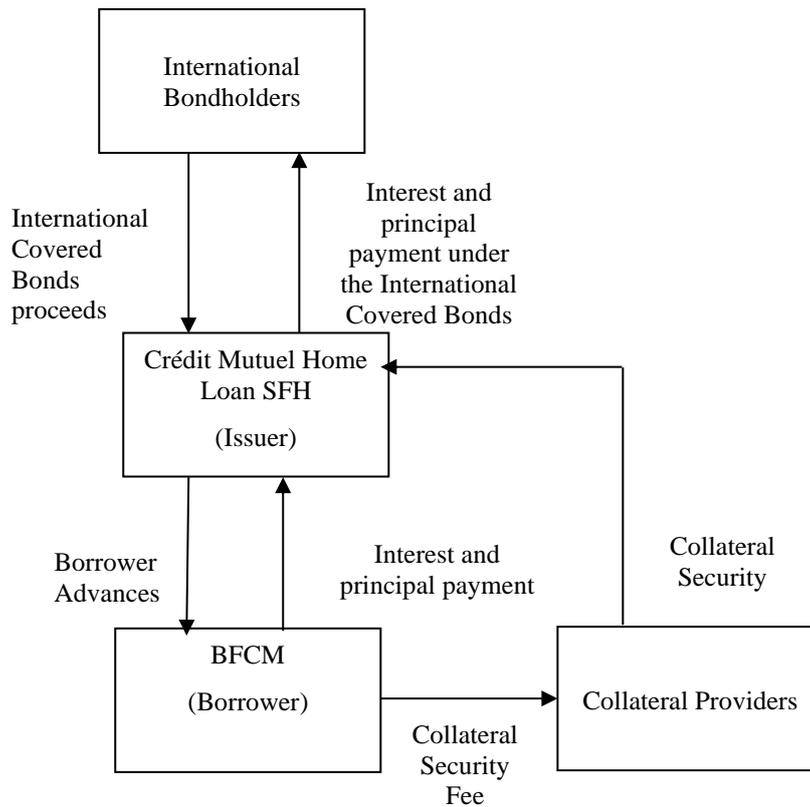
**If the Final Terms specify that any financial intermediary may use the Prospectus during the Offer Period, any such Authorised Officer is required, for the duration of the Offer Period, to publish on its website a statement confirming that it is using the Prospectus for the relevant Non-exempt Offer with the consent of the Issuer and in accordance with the conditions attached thereto.**

Other than as set out above, neither the Issuer nor any of the Dealers has authorised the making of any Non-exempt Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any French Law Covered Bonds. Any such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

**An Investor intending to acquire or acquiring any French Law Covered Bonds from an Authorised Offeror will do so, and offers and sales of the French Law Covered Bonds to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to the price, allotment, settlement/delivery arrangements and any costs or taxes to be invoiced to the Investor (the "Terms and Conditions of the Non-exempt Offer"). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the French Law Covered Bonds and, accordingly, the Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Non-exempt Offer shall be provided to Investors by that Authorised Offeror at the time of the Non-exempt Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information or the consequences of its use by the relevant Investors.**

## STRUCTURE DIAGRAM – PRINCIPAL INTERNATIONAL PROGRAMME PARTIES

### 1. Structure Diagram



### 2. Principal International Programme 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 Mutuel Home Loan SFH
<b>Administrator:</b>	Banque Fédérative du Crédit Mutuel
<b>Borrower:</b>	Banque Fédérative du Crédit Mutuel
<b>Collateral Providers:</b>	BFCM and the CM-CIC Entities
<b>Collateral Security Agent and Cash Collateral Provider:</b>	Banque Fédérative du Crédit Mutuel
<b>Arranger:</b>	BNP Paribas
<b>Permanent Dealers:</b>	Banque Fédérative du Crédit Mutuel and BNP Paribas
<b>French Law Bondholders' Representative:</b>	MCM Avocat (unless otherwise specified in the relevant Final Terms)
<b>Fiscal Agent, Principal Paying Agent and Calculation Agent:</b>	BNP Paribas Securities Services
<b>Australian Registrar:</b>	Citigroup Pty Limited (ABN 88 004 325 080)
<b>German Fiscal Agent, German Paying Agent German Calculation Agent and German Registrar:</b>	Citibank, N.A., London Branch

<b>Rating Agencies:</b>	Fitch Ratings Ireland Limited, Moody's France SAS and S&P Global Ratings Europe Limited
<b>Issuer Calculation Agent and Issuer Account Bank:</b>	Banque Fédérative du Crédit Mutuel
<b>Specific controller:</b>	Fides Audit
<b>Statutory Auditors and Asset Monitors:</b>	Ernst & Young et Autres and PricewaterhouseCoopers Audit

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus shall be read and construed in conjunction with the following documents which have been previously or simultaneously filed with the Autorité des marchés financiers (the "AMF") and which are incorporated in, and shall be deemed to form part of, this Base Prospectus:

- (a) the French version of the annual financial report (*rapport financier annuel*) of the Issuer for the year ended 31 December 2019 comprised notably of the Board of Directors' management report (*rapport de gestion du Conseil d'administration*), the annual financial statements of the Issuer for the fiscal year ended 31 December 2019 (*comptes annuels de l'exercice clos au 31 décembre 2019*) and the auditors' report with respect thereto (the "**2019 Financial Statements**", [https://www.creditmutuel-homeloansfh.eu/en/telechargements/Financial\\_Documents/Annual\\_report/CM\\_HL\\_SFH\\_DEC2019.pdf](https://www.creditmutuel-homeloansfh.eu/en/telechargements/Financial_Documents/Annual_report/CM_HL_SFH_DEC2019.pdf)), a free English language translation of which is available on the website of the Issuer ([https://www.creditmutuel-homeloansfh.eu/en/telechargements/Financial\\_Documents/Annual\\_report/CM\\_HL\\_SFH\\_DEC2019\\_EN.pdf](https://www.creditmutuel-homeloansfh.eu/en/telechargements/Financial_Documents/Annual_report/CM_HL_SFH_DEC2019_EN.pdf)); and
- (b) the French version of the annual financial report (*rapport financier annuel*) of the Issuer for the year ended 31 December 2020 comprised notably of the annual financial statements of the Issuer for the fiscal year ended 31 December 2020 (*comptes annuels de l'exercice clos au 31 décembre 2020*) and the auditors' report with respect thereto (the "**2020 Financial Statements**", [https://www.creditmutuel-homeloansfh.eu/en/telechargements/Financial\\_Documents/Annual\\_report/CM\\_HL\\_SFH\\_RFA\\_31122020.pdf](https://www.creditmutuel-homeloansfh.eu/en/telechargements/Financial_Documents/Annual_report/CM_HL_SFH_RFA_31122020.pdf)), a free English language translation of which is available on the website of the Issuer ([https://www.creditmutuel-homeloansfh.eu/en/telechargements/Financial\\_Documents/Annual\\_report/CM\\_HL\\_SFH\\_RFA\\_31122020\\_EN.pdf](https://www.creditmutuel-homeloansfh.eu/en/telechargements/Financial_Documents/Annual_report/CM_HL_SFH_RFA_31122020_EN.pdf)); and

for the purpose only of further issues of French law covered bonds to be assimilated (*assimilées*) and form a single series with French Law Covered Bonds already issued under the relevant EMTN Previous Conditions (as defined below):

- (c) the section "*terms and conditions of the covered bonds*" set out on pages 36 to 63 of the base prospectus of the Issuer dated 21 December 2010 (which was approved by the *Commission de Surveillance du Secteur Financier* in Luxembourg) (the "**2010 Conditions**", [https://www.creditmutuel-homeloansfh.eu/en/telechargements/Base\\_Prospectus/2010/CMCIC-CB\\_Base\\_Prospectus\\_12\\_2010.pdf](https://www.creditmutuel-homeloansfh.eu/en/telechargements/Base_Prospectus/2010/CMCIC-CB_Base_Prospectus_12_2010.pdf));
- (d) the section "*terms and conditions of the covered bonds*" set out on pages 36 to 68 of the base prospectus of the Issuer dated 10 June 2011 (which received approval no. 11-215 from the AMF) (the "**2011 Conditions**", [https://www.creditmutuel-homeloansfh.eu/en/telechargements/International\\_Covered\\_Bond\\_Programme/2011/BP\\_SFH\\_june2011.pdf](https://www.creditmutuel-homeloansfh.eu/en/telechargements/International_Covered_Bond_Programme/2011/BP_SFH_june2011.pdf));
- (e) the section "*terms and conditions of the French law covered bonds*" set out on pages 38 to 65 of the base prospectus of the Issuer dated 30 July 2013 (which received visa no. 13-435 from the AMF) (the "**2013 Conditions**", [https://www.creditmutuel-homeloansfh.eu/en/telechargements/International\\_Covered\\_Bond\\_Programme/2013/BP\\_SFH\\_july2013.pdf](https://www.creditmutuel-homeloansfh.eu/en/telechargements/International_Covered_Bond_Programme/2013/BP_SFH_july2013.pdf));
- (f) the section "*terms and conditions of the French law covered bonds*" set out on pages 57 to 85 of the base prospectus of the Issuer dated 31 July 2014 (which received visa no. 14-447 from the AMF) (the "**2014 Conditions**", [https://www.creditmutuel-homeloansfh.eu/en/telechargements/International\\_Covered\\_Bond\\_Programme/2014/BP\\_SFH\\_july2014.pdf](https://www.creditmutuel-homeloansfh.eu/en/telechargements/International_Covered_Bond_Programme/2014/BP_SFH_july2014.pdf));
- (g) the section "*terms and conditions of the French law covered bonds*" set out on pages 61 to 89 of the base prospectus of the Issuer dated 24 July 2015 (which received visa no. 15-406 from the AMF) (the "**2015 Conditions**", [https://www.creditmutuel-homeloansfh.eu/en/telechargements/International\\_Covered\\_Bond\\_Programme/2015/BP\\_SFH\\_july2015.pdf](https://www.creditmutuel-homeloansfh.eu/en/telechargements/International_Covered_Bond_Programme/2015/BP_SFH_july2015.pdf));
- (h) the section "*terms and conditions of the French law covered bonds*" set out on pages 65 to 92 of the base prospectus of the Issuer dated 29 July 2016 (which received visa no. 16-370 from the AMF) (the "**2016 Conditions**", [https://www.creditmutuel-homeloansfh.eu/en/telechargements/International\\_Covered\\_Bond\\_Programme/2016/BP\\_SFH\\_july2016.pdf](https://www.creditmutuel-homeloansfh.eu/en/telechargements/International_Covered_Bond_Programme/2016/BP_SFH_july2016.pdf));

- (i) the section "*terms and conditions of the French law covered bonds*" set out on pages 68 to 96 of the base prospectus of the Issuer dated 26 July 2017 (which received visa no. 17-386 from the AMF) (the "**2017 Conditions**", [https://www.creditmutuel-homeloansfh.eu/en/telechargements/International\\_Covered\\_Bond\\_Programme/2017/BP\\_SFH\\_july2017.pdf](https://www.creditmutuel-homeloansfh.eu/en/telechargements/International_Covered_Bond_Programme/2017/BP_SFH_july2017.pdf));
- (j) the section "*terms and conditions of the French law covered bonds*" set out on pages 73 to 103 of the base prospectus of the Issuer dated 22 October 2018 (which received visa no. 18-491 from the AMF) (the "**2018 Conditions**", [https://www.creditmutuel-homeloansfh.eu/en/telechargements/International\\_Covered\\_Bond\\_Programme/2018/BP\\_SFH\\_2018.pdf](https://www.creditmutuel-homeloansfh.eu/en/telechargements/International_Covered_Bond_Programme/2018/BP_SFH_2018.pdf)); and
- (k) the section "*terms and conditions of the French law covered bonds*" set out on pages 74 to 105 of the base prospectus of the Issuer dated 23 May 2019 (which received visa no. 19-220 from the AMF) (the "**2019 Conditions**", [https://www.creditmutuel-homeloansfh.eu/en/telechargements/International\\_Covered\\_Bond\\_Programme/2019/BP\\_SFH\\_2019.pdf](https://www.creditmutuel-homeloansfh.eu/en/telechargements/International_Covered_Bond_Programme/2019/BP_SFH_2019.pdf)) and, together with the 2010 Conditions, the 2011 Conditions, the 2013 Conditions, the 2014 Conditions, the 2015 Conditions, the 2016 Conditions, the 2017 Conditions and the 2018 Conditions, the "**EMTN Previous Conditions**").

All documents incorporated by reference in this Base Prospectus may be obtained upon request, free of charge, at the registered office of the Issuer set out at the end of this Base Prospectus during normal business hours so long as any of the International Covered Bonds are outstanding. Such documents will be published on the website of the Issuer ([www.creditmutuel-homeloansfh.eu](http://www.creditmutuel-homeloansfh.eu)).

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross-reference lists below. For the avoidance of doubt, the sections of the documents listed in paragraphs (a) to (c) which are not included in the cross-reference lists below are not incorporated by reference in this Base Prospectus and may be considered to be either not relevant to investors or covered elsewhere in this Base Prospectus. The sections of the documents listed in paragraphs (d) to (l) are incorporated by reference in this Base Prospectus for the purpose only of further issues of French Law Covered Bonds to be assimilated (*assimilées*) and form a single series with French Law Covered Bonds already issued under the relevant EMTN Previous Conditions.

**Cross-reference list in respect of financial information**

	<b>Information incorporated by reference</b> (Annex 6 of the Delegated Regulation (EU) 2019/980 of 14 March 2019)	<b>Information from the 2019 Financial Statements incorporated by reference</b>	<b>Information from the 2020 Financial Statements incorporated by reference</b>
<b>11.</b>	<b>Financial information concerning the issuer's assets and liabilities, financial position and profits and losses</b>		
<b>11.1</b>	<b><u>Historical financial information</u></b>		
<b>11.1.5</b>			
	Balance sheet	Pages 39 and 40	Page 37 and 38
	Profit and loss Account	Page 41	Page 39
	Cash flow statement	Page 47	Page 44
	Accounting policies and explanatory notes	Pages 42 to 46	Pages 40 to 43
<b>11.2</b>	<b><u>Interim and other financial information</u></b>	-	-
<b>11.3</b>	<b><u>Auditing of historical annual financial information</u></b>		
	Auditor's report relating to the above	Pages 48 to 53	Pages 45 to 50

**Cross-reference list in respect of EMTN Previous Conditions**

<b>Information incorporated by reference</b>	<b>Information from previous base prospectuses incorporated by reference</b>
2010 Conditions	Pages 36 to 63
2011 Conditions	Pages 36 to 68
2013 Conditions	Pages 38 to 65
2014 Conditions	Pages 57 to 85
2015 Conditions	Pages 61 to 89
2016 Conditions	Pages 65 to 92
2017 Conditions	Pages 68 to 96
2018 Conditions	Pages 73 to 103
2019 Conditions	Pages 74 to 104

## SUPPLEMENT TO THE BASE PROSPECTUS

If at any time between the date on which this Base Prospectus has been approved and 21 April 2022, a significant new factor, material mistake or material inaccuracy relating to the information included in this base prospectus (the "**Base Prospectus**") which may affect the assessment of the French Law Covered Bonds arises or is noted, the Issuer shall prepare and make available a supplement to this Base Prospectus (each a "**Supplement**") as required by the provisions of Article 23 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**") or a restated Base Prospectus.

In accordance with Article 23.2 of the Prospectus Regulation, where the relevant Final Terms relate to an offer of French Law Covered Bonds to the public in France (a "**Non-exempt Offer**"), investors who have already agreed to purchase or subscribe French Law Covered Bonds before the publication of the Supplement to the Base Prospectus benefit from a withdrawal right within a time limit of three (3) working days after the publication of such supplement provided that the new factor, material mistake or material inaccuracy referred to in Article 23.1 of the Prospectus Regulation arose or was noted before the final closing of the offer or the delivery of the French Law Covered Bonds, whichever occurs first. That period may be extended by the Issuer or, if any, the relevant Authorised Offeror(s). The date on which the withdrawal period ends will be stated in the relevant supplement to the Base Prospectus. On 21 April 2022, this Base Prospectus, as supplemented (as the case may be), will expire and the obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply.

Any supplement to the Base Prospectus shall be (a) published on the websites of (i) the AMF ([www.amf-france.org](http://www.amf-france.org)) and (ii) the Issuer ([www.creditmutuel-homeloansfh.eu](http://www.creditmutuel-homeloansfh.eu)) and (b) available for inspection and obtainable, upon request and free of charge, during usual business hours, on any weekday at the registered office of the Issuer.

## TERMS AND CONDITIONS OF THE FRENCH LAW COVERED BONDS

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

*In the case of Dematerialised Covered Bonds (as defined below), the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by the relevant Final Terms.*

*In the case of Materialised Covered Bonds (as defined below), either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms (and subject to simplification by the deletion of non-applicable provisions) or (ii) these terms and conditions as so completed shall be endorsed on Definitive Materialised Covered Bonds.*

*All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the relevant Final Terms. References in the Terms and Conditions to "French Law Covered Bonds" are to the French Law Covered Bonds of one (1) Series (as defined below) only, not to all French Law Covered Bonds that may be issued under the International Programme (as defined below).*

The French Law Covered Bonds will be issued by Crédit Mutuel Home Loan SFH (the "**Issuer**") in series (each a "**Series**") on the same or different issue dates. The French Law Covered Bonds of each Series will be interchangeable with all other French Law Covered Bonds of that Series. Each Series may be issued in tranches (each a "**Tranche**") on one or more issue dates and on terms identical to the terms of other Tranches of the same Series, save in respect of the issue date, issue price, first payment of interest and aggregate nominal amount of the Tranche. French Law Covered Bonds will be issued under the Terms and Conditions of this Base Prospectus as completed by the relevant final terms relating to the specific terms of each Tranche (the "**Final Terms**").

For the purposes of this Base Prospectus, the terms "**Series**", "**Tranche**" and "**Final Terms**" shall, whenever the context so permits, be deemed to include, as the case may be, any series or tranche or the relevant final terms relating to issues of Australian Law Covered Bonds, German Law Covered Bonds and New York Law Covered Bonds (each as defined below).

For the purposes of these Conditions, "**French Law Covered Bonds**" means the Covered Bonds specified in the relevant Final Terms as being governed by French law, "**Australian Law Covered Bonds**" means the Covered Bonds specified in the relevant Final Terms as being governed by the law of New South Wales, Australia and "**German Law Covered Bonds**" means the Covered Bonds specified in the relevant Final Terms as being governed by German law (together the "**International Covered Bonds**").

The French Law Covered Bonds will be issued with the benefit of an amended and restated agency agreement dated 21 April 2021 entered into between the Issuer, BNP Paribas Securities Services as fiscal agent, principal paying agent and calculation agent and the other agents named therein (as amended and supplemented from time to time, the "**Agency Agreement**"). The fiscal agent, the paying agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agent(s)**" (which expression shall include the Fiscal Agent) and the "**Calculation Agent(s)**". The holders of the interest coupons (the "**Coupons**") relating to interest bearing Materialised Covered Bonds and, where applicable in the case of such French Law Covered Bonds, talons for further Coupons (the "**Talons**") and the holders of the receipts for the payment of instalments of principal relating to Materialised Covered Bonds of which the principal is redeemable in instalments (the "**Receipts**") are respectively referred to below as the "**Couponholders**" and the "**Receipholders**".

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

### 1. Definitions

"**Austraclear**" means Austraclear Ltd (ABN 94 002 060 773) as operator of the Austraclear System.

"**Austraclear System**" means the system operated by Austraclear for holding securities and the electronic recording and settling of transactions in those securities between participants of that system.

"**Australian Register**" means the register of holders of Australian Law Covered Bonds established and maintained by or on behalf of the Issuer in which is entered the names and addresses of holders whose Australian Law Covered Bonds are carried on that register, the amount of Australian Law Covered Bonds held by each such Bondholder and the date of transfer of those Covered Bonds and any other particulars which the Issuer and/or the Australian Registrar see fit.

"**BFCM**" means Banque Fédérative du Crédit Mutuel.

"**Bondholders**" mean the International Bondholders and New York Law Bondholders.

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

"**Business Day**" means:

- (i) in the case of payments to be made in 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 payments to be made in Specified Currency other than Euro, a day (other than a Saturday or a 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 payments to be made in 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.

"**CFdeCM**" means Caisse Fédérale de Crédit Mutuel, a French *société coopérative à forme de société anonyme*, duly licensed as a French credit institution (*établissement de crédit*), registered in the *Registre du Commerce et des Sociétés* of Strasbourg under number 588 505 354 and having its registered office at 4, rue Frédéric-Guillaume Raiffeisen, 67000 Strasbourg.

"**CM-CIC Entities**" means (i) any entity, duly licensed as a French credit institution (*établissement de crédit*), controlled by BFCM within the meaning of article L.233-3 of the French Commercial Code (*Code de commerce*) and/or (ii) any Caisse de Crédit Mutuel (within the meaning of article L.512-55 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) and to the exclusion of the *caisses mutuelles agricoles et rurales* referred to in article R.512-26 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*)) which is affiliated to CFdeCM.

"**Covered Bonds**" means the International Covered Bonds and New York Law Covered Bonds.

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

"**Extended Final Maturity Date**" means the extended maturity date specified in the relevant Final Terms which term shall, whenever the context so permits, also refer to the extended final maturity date of the New York Law Covered Bonds.

"**Final Maturity Date**" means the maturity date specified in the relevant Final Terms which term shall, whenever the context so permits, also refer to the final maturity date of the New York Law Covered Bonds.

"**French Law Bondholders**" or, as the case may be, "**holder of any French Law Covered Bonds**" means (a) in the case of Dematerialised Covered Bonds, the individual or entity whose name appears in the account of the relevant Account Holder, the Issuer or the Registration Agent (as the case may be) as being entitled to such French Law Covered Bonds and (b) in the case of Definitive Materialised Covered Bonds, the bearer of any Definitive Materialised Covered Bond and the Coupons, Talons or Receipts relating to it.

"**Group**" means BFCM, CFdeCM and the CM-CIC Entities.

"**International Bondholders**" or, as the case may be, "**holders of any International Covered Bond**" means:

- (i) in the case of French Law Covered Bonds, the French Law Bondholders; and
- (ii) in the case of Australian Law Covered Bonds and German Law Covered Bonds, the persons registered as holders of the Australian Law Covered Bonds or the German Law Covered Bonds, as the case may be, in the relevant register.

"**International Programme**" means the Issuer's €50,000,000,000 International Covered Bond Programme for the issue of *obligations de financement de l'habitat* and other covered bonds described in this Base Prospectus.

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

- (a) at any relevant time following the service of a Borrower Enforcement Notice (as defined in section "*The Borrower and the Borrower Facility Agreement – The Borrower Facility Agreement*" of this Base Prospectus), a Breach of Amortisation Test (as defined in section "*Asset Monitoring*" of this Base Prospectus) occurs; or
- (b) the Issuer is in default in the payment of principal of, or interest on, any Covered Bond (including the payment of any additional amounts mentioned in Condition 10) when due and payable, unless such default

has arisen by reason of a technical default or error and payment is made within five (5) Business Days of the due date thereof; or

- (c) the Issuer is in default in the performance or observance of any of its other material obligations under any Covered Bond and such default has not been cured within thirty (30) calendar days after:
  - (i) in the case of any French Law Covered Bonds, the receipt by the Fiscal Agent (with a copy to the Issuer) of the written notice of such default by the Representative;
  - (ii) in the case of Australian Law Covered Bonds, German Law Covered Bonds and New York Law Covered Bonds, the process set out in the terms and conditions of such Covered Bonds,and in each case 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) becomes or becomes capable of being declared due and payable prior to its stated maturity as a result of a default thereunder, or any such indebtedness shall not be paid when due or, as the case may be, within any originally applicable grace period therefore (a "**Covered Bonds Cross Acceleration Event**").

**"Majority Bondholders"** mean:

- (i) in relation to any Series of French Law Covered Bonds, a Collective Decision (as defined in Condition 13(a)) of such Series taken in accordance with Condition 13(d);
- (ii) in relation to any Series of Australian Law Covered Bonds, the meaning given to it in the terms and conditions of such Australian Law Covered Bonds;
- (iii) in relation to any Series of German Law Covered Bonds, the meaning given to the term "Majority Bondholders Resolution" in the terms and conditions of such German Law Covered Bonds; and
- (iv) in relation to any Series of New York Law Covered Bonds, the meaning given to the term "Majority New York Law Covered Bondholders" in the terms and conditions of such New York Law Covered Bonds.

**"New York Law Bondholder"** means any holder of New York Law Covered Bonds within the meaning of the terms and conditions of such New York Law Covered Bonds.

**"New York Law Covered Bonds"** mean the covered bonds governed by New York law issued under the U.S. Programme.

**"outstanding"** means:

- (i) in relation to French Law Covered Bonds of any Series, all the French Law Covered Bonds issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such French Law Covered Bonds to the date for such redemption and any interest payable after such date) have been duly paid as provided in Condition 9, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled and, for so long as they are held by the Issuer, those which have been held by the Issuer as provided in Conditions 8(h) and 8(i), (e) in the case of Definitive Materialised Covered Bonds (i) those mutilated or defaced Definitive Materialised Covered Bonds that have been surrendered in exchange for replacement Definitive Materialised Covered Bonds, (ii) (for the purpose only of determining how many such Definitive Materialised Covered Bonds are outstanding and without prejudice to their status for any other purpose) those Definitive Materialised Covered Bonds alleged to have been lost, stolen or destroyed and in respect of which replacement Definitive Materialised Covered Bonds have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one (1) or more Definitive Materialised Covered Bonds, pursuant to its provisions; and
- (ii) in the case of Australian Law Covered Bonds, German Law Covered Bonds and New York Law Covered Bonds, such definition as specified in the terms and conditions of such Covered Bonds.

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

**"Programme Date"** means 9 July 2007.

**"Programme Documents"** means:

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

- (b) the Subordinated Loan agreements (see section "*The Issuer – Issuer Share Capital, Covered Bonds, Subordinated Loans and Issuer Majority Shareholder's undertakings*");
- (c) the Administrative Agreement (see section "*The Issuer – The Administrative Agreement*") as amended from time to time;
- (d) the *Convention d'externalisation et de mise à disposition de moyens* (see section "*The Issuer – Issuer Risk Management*") as amended from time to time;
- (e) the Issuer Accounts Agreement (see section "*The Issuer – The Issuer Accounts Agreement*") as amended from time to time;
- (f) the Terms and Conditions;
- (g) the Agency Agreement (including the Terms and Conditions of the German Law Covered Bonds) and the Australian Agency Agreement;
- (h) the Deed Poll;
- (i) the Dealer Agreement (see section "*Subscription and Sale*");
- (j) the Borrower Facility Agreement (see section "*The Borrower and the Borrower Facility Agreement – The Borrower Facility Agreement*") as amended from time to time;
- (k) the Collateral Security Agreement (see section "*The Collateral Security – The Collateral Security Agreement*") as amended from time to time;
- (l) the Cash Collateral Agreement (see section "*The Collateral Security – The Cash Collateral Agreement*") as amended from time to time;
- (m) the Calculation Services Agreement (see section "*Asset Monitoring – The Calculation Services Agreement*") as amended from time to time;
- (n) the Asset Monitor Agreement and the engagement letter of the Asset Monitors (see section "*Asset Monitoring – The Asset Monitor Agreement*") as amended from time to time;
- (o) the master definitions and construction agreement, as amended from time to time, providing for the definitions of defined terms used under some other Programme Documents;
- (p) the Hedging Agreement(s) (if any) as amended from time to time and, as the case may be, any agreement relating to any hedging mechanism; and
- (q) any additional document entered into by the Issuer with respect to the U.S. Programme, as applicable, including notably the terms and conditions of the New York Law Covered Bonds and, as amended from time to time, the dealer agreement and agency agreement relating to the New York Law Covered Bonds.

**"Rating Affirmation"** means, with respect to any specified action, determination or appointment, and except as otherwise specified herein and/or in any Programme Documents, (i) notification by the Issuer (or the relevant Representative) to Moody's and S&P, for as long as any Covered Bonds are rated by them, of such specified action, determination or appointment which does not result in the downgrading, or withdrawal, of the ratings then assigned to the Covered Bonds and (ii) notification by the Issuer (or the relevant Representative) to Fitch, for as long as any Covered Bonds are rated by it, of such specified action, determination or appointment and the absence of downgrading, or withdrawal, of the ratings then assigned to the Covered Bonds.

**"Rating Agency"** means each of Fitch Ratings Ireland Limited ("**Fitch**"), Moody's France SAS ("**Moody's**") and S&P Global Ratings Europe Limited ("**S&P**").

**"Regulated Market"** means a regulated market situated in a Member State of the EEA as defined in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended ("**MiFID II**") appearing on the list of regulated markets issued by the European Securities and Markets Authority.

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

- (i) in relation to all Series of outstanding French Law Covered Bonds, a written confirmation of consent of the Representative (acting upon instructions of the Majority Bondholders of the relevant Series);
- (ii) in relation to all Series of outstanding Australian Law Covered Bonds, German Law Covered Bonds and New York Law Covered Bonds, a confirmation of consent in the form specified in the terms and conditions of such Covered Bonds,

in each case to such proposed action, determination or appointment.

**"Soft Bullet Covered Bonds"** mean the Covered Bonds which have soft bullet maturities (i.e. allowing the Final Maturity Date of the relevant Series of Covered Bonds to be extended), as specified in the Final Terms of the relevant Series.

**"Soft Bullet French Law Covered Bonds"** mean the French Law Covered Bonds which have soft bullet maturities (i.e. allowing the Final Maturity Date of the relevant Series of French Law Covered Bonds to be extended), as specified in the Final Terms of the relevant Series.

**"U.S. Programme"** means the Issuer's separate €30,000,000,000 covered bond programme, as amended from time to time, for the issue of New York Law Covered Bonds.

## 2. Form, Denomination and Title

### (a) Form

The French Law Covered Bonds are *Obligations de Financement de l'Habitat* within the meaning of Article L.513-30-I of the French Monetary and Financial Code (*Code monétaire et financier*).

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.* and R.211-1 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 of French Law Covered Bonds in either administered registered form (*nominatif administré*) inscribed in the books of an Account Holder designated by the relevant holder of French Law Covered Bonds or in fully registered form (*au nominatif pur*) inscribed in an account maintained by the Issuer or a registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

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

- (ii) Materialised Covered Bonds are issued in bearer form only. Materialised Covered Bonds in definitive form ("**Definitive Materialised Covered Bonds**") are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Covered Bonds in which case references to interest (other than in relation to interest due after the Final Maturity Date or the Extended Final Maturity Date, as the case may be), Coupons and Talons in these Conditions are not applicable. Instalment Covered Bonds are issued with one (1) or more Receipts attached.

In accordance with article L.211-3 *et seq.* and R.211-1 of the French Monetary and Financial Code (*Code monétaire et financier*), securities (such as French Law Covered Bonds constituting obligations under French law) in materialised form and governed by French law must be issued outside the French territory.

The French Law Covered Bonds may be "**Fixed Rate Covered Bonds**", "**Floating Rate Covered Bonds**", "**Fixed/Floating Rate Covered Bonds**", "**Fixed/Fixed Rate Covered Bonds**", "**Floating/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.

### (b) Denomination

French Law Covered Bonds shall be issued in the specified denomination(s) set out in the relevant Final Terms (the "**Specified Denomination(s)**").

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

French Law Covered Bonds having a maturity of less than one (1) year in respect of which the issue proceeds are to be accepted in the United Kingdom or whose issue otherwise constitutes a contravention of

the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000, as amended, unless they have a denomination of at least £100,000 (or its equivalent in any other currency).

**(c) Title**

- (i) Title to Dematerialised Covered Bonds in bearer form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such French Law 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 French Law Covered Bonds may only be effected through, registration of the transfer in the accounts maintained by the Issuer or by the Registration Agent.
- (ii) Title to Definitive Materialised Covered Bonds, including, where appropriate, Coupons, Talon and/or Receipt(s) attached, shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any French Law Covered Bond, Coupon, Talon or Receipt shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder of French Law Covered Bond.
- (iv) In accordance with article L.228-2 of the French Commercial Code (*Code de commerce*), the Issuer may require the identification of the French Law Bondholders unless such right is expressly excluded in the relevant Final Terms.

**3. Conversions and Exchanges of French Law Covered Bonds**

**(a) Dematerialised Covered Bonds**

- (i) Dematerialised Covered Bonds issued in bearer form (*au porteur*) may not be converted for Dematerialised Covered Bonds in registered form, whether in fully registered form (*au nominatif pur*) or in administered registered form, (*au nominatif administré*).
- (ii) Dematerialised Covered Bonds issued in registered form (*au nominatif*) may not be converted for Dematerialised Covered Bonds in bearer form (*au porteur*).
- (iii) Dematerialised Covered Bonds issued in fully registered form (*au nominatif pur*) may, at the option of the holder of such French Law Covered Bonds, be converted into French Law Covered Bonds in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such holder of French Law Covered Bonds 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 of French Law Covered Bonds.

**(b) Materialised Covered Bonds**

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

**4. Status**

The French Law Covered Bonds (including, where applicable, any related Coupons and Receipts) will constitute direct, unconditional, unsubordinated and, in accordance with Condition 5, privileged obligations of the Issuer and will rank *pari passu* without any preference among themselves and equally and rateably with all other present or future bonds (including Covered Bonds of all other Series) and other resources raised by the Issuer benefiting from the *Privilège* (as defined below) created by article L.513-11 of the French Monetary and Financial Code (*Code monétaire et financier*) as described in Condition 5.

**5. Privilège**

- (i) The principal and interest of the French Law Covered Bonds benefit from the statutory priority right of payment (*privilège*) created by article L.513-11 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "**Privilège**") and the French Law Bondholders shall benefit from all rights set out in article L.513-11 of the French Monetary and Financial Code (*Code monétaire et financier*).
- (ii) Accordingly, notwithstanding any legal provisions to the contrary (including Book VI (*Livre VI*) of the French Commercial Code (*Code de commerce*)), pursuant to articles L.513-11 and L.513-30 I of the French Monetary and Financial Code (*Code monétaire et financier*):

- all amounts payable to the Issuer in respect of loans or assimilated receivables, exposures and securities referred to in articles L.513-3, L.513-5 to L.513-7 and L.513-29 of the French Monetary and Financial Code (*Code monétaire et financier*) and forward financial instruments referred to in article L.513-10 of the French Monetary and Financial Code (*Code monétaire et financier*) (in each case after any applicable netting), together with the claims in respect of deposits made by the Issuer with credit institutions, are allocated in priority to the payment of any sums due in respect of the Covered Bonds, together with any other resources raised by the Issuer and benefiting from the *Privilège*;
- it should be noted that not only French Law Covered Bonds benefit from the *Privilège*. Other resources (such as Covered Bonds of all other Series, loans and and derivative transaction (if any) for hedging Covered Bonds and/or eligible assets of the Issuer, as well as the sums, if any, due under the contract provided for in article L.513-15 of the French Monetary and Financial Code (*Code monétaire et financier*)), may also benefit from the *Privilège*;
- in the event of conciliation proceedings (*procédure de conciliation*), safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation proceedings (*procédure de redressement judiciaire*) or judicial liquidation proceedings (*procédure de liquidation judiciaire*) of the Issuer, all amounts due regularly under the Covered Bonds, together with any other resources benefiting from the *Privilège*, are paid on their contractual due date, and in priority to all other debts, whether or not preferred, including interest resulting from agreements whatever their duration;
- until all Bondholders and all other creditors benefiting from the *Privilège* have been fully paid, no other creditor of the Issuer may avail itself (*se prévaloir*) of any right over the assets and rights of the Issuer; and
- the judicial liquidation (*liquidation judiciaire*) of the Issuer will not result in the redemption of the French Law Covered Bonds.

## 6. Covenants

So long as any of the French Law Covered Bonds or, if applicable, any Coupons or Receipts relating to them, are outstanding:

### (a) 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.

### (b) Separateness covenants

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

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

### (c) 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 as described under section "Asset Monitoring" of this Base Prospectus.

**(d) Programme Documents**

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

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

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

In addition, the Issuer undertakes that:

- (i) each Programme Document to which the Issuer is or will become a party will include limited recourse language pursuant to which the creditors of the Issuer (including the holders of the Covered Bonds) will agree that their recourse will be limited to the funds that are available to the Issuer at any relevant date; and
- (ii) each Programme Document 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.

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

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

**(f) No further Issuance**

The Issuer undertakes not to issue further Covered Bonds under the International Programme or U.S. Programme:

- (i) as from the date a Borrower Enforcement Notice (as defined in section "The Borrower and the Borrower Facility Agreement – The Borrower Facility Agreement" of this Base Prospectus) has been served (except Covered Bonds issued and subscribed by the Issuer itself in accordance with article L.513-26 of the French Monetary and Financial Code (*Code monétaire et financier*));
- (ii) as from the date an Issuer Enforcement Notice has been served;
- (iii) for so long as a Non Compliance with Asset Cover Test (as defined in section "Asset Monitoring" of this Base Prospectus) has occurred and is not remedied;
- (iv) for so long as a Non Compliance with Amortisation Test (as defined in section "Asset Monitoring" of this Base Prospectus) has occurred and is not remedied; or
- (v) for so long as, regarding the Pre-Maturity Test and the Regulatory Liquidity Test (as defined in section "Asset Monitoring" of this Base Prospectus), a Non Compliance Notice (as defined in section "Asset Monitoring" of this Base Prospectus) has been delivered and is not withdrawn (except Covered Bonds issued and subscribed by the Issuer itself in accordance with article L.513-26 of the French Monetary and Financial Code (*Code monétaire et financier*)).

**(g) Rating of further Issuance**

Subject to Condition 6(f) above, the Issuer undertakes that any new further issuance of Covered Bonds will

be rated by the Rating Agencies.

## 7. 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 EURIBOR, LIBOR or any other reference rate as specified in the relevant Final Terms.

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest on any French Law 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/365-FBF"** 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 in 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 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/Actual-FBF"** is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is three hundred and sixty-five (365) (or three hundred and sixty-six (366) if 29 February falls within the Calculation Period). If the Calculation Period is of a duration of more than one (1) year, the basis shall be calculated as follows:
  - (A) the number of complete years shall be counted back from the last day of the Calculation Period;
  - (B) this number shall be increased by the fraction for the relevant period calculated as set out in the first paragraph of this definition.
- (iv) 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).
- (v) 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).
- (vi) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified in the relevant Final Terms, the number of days in the Calculation Period divided by three hundred and sixty (360), calculated on a formula basis as follows:

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

Where:

"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.

- (vii) if "**30/360-FBF**" or "**Actual 30A/360 (American Bond Basis)**" is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is three hundred and sixty (360) and whose numerator is the number of days calculated as for 30E/360-FBF, subject to the following exception: where the last day of the Calculation Period is the thirty-first (31<sup>st</sup>) and the first day is neither the thirtieth (30<sup>th</sup>) nor the thirty-first (31<sup>st</sup>), the last month of the Calculation Period shall be deemed to be a month of thirty-one (31) days.

Using the same abbreviations as for 30E/360-FBF, the fraction is:

If dd2 = 31 and dd1 ≠ (30,31):

$$\frac{1}{360} \times [(yy_2 - yy_1) \times 360 + (mm_2 - mm_1) \times 30 + (dd_2 - dd_1)]$$

or otherwise:

$$\frac{1}{360} \times [(yy_2 - yy_1) \times 360 + (mm_2 - mm_1) \times 30 + \text{Min}(dd_2, 30) - \text{Min}(dd_1, 30)].$$

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

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

Where:

"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, as the case may be, with respect to Soft Bullet Covered Bonds, the Extended Final Maturity Date) or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

- (ix) if "**30E/360-FBF**" is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is three hundred and sixty (360) and whose numerator is the number of days elapsed during such period, calculated on the basis of a year comprising twelve (12) months of thirty (30) days, subject to the following exception: if the last day of the Calculation Period is the last day of the month of February, the number of days elapsed during such month shall be the actual number of days.

Where:

D1 (dd1, mm1, yy1) is the date of the beginning of the period

D2 (dd2, mm2, yy2) is the date of the end of the period

The fraction is:

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

- (x) if "**RBA Bond Basis**" is specified in the relevant Final Terms, one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by three hundred and sixty five (365) (or, if any portion of the 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 divided by three hundred and sixty five (365)).

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

"**Euroclear France**" means the central depository with respect to Dematerialised Covered Bonds located 66, rue de la Victoire, 75009 Paris.

"**Euro-zone**" means the region comprised of Member States of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

"**FBF**" means the *Fédération Bancaire Française*.

"**FBF Definitions**" means the definitions set out in the 2013 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules published by the FBF and as amended from time to time, in their amended and updated version applicable as at the Issue Date of the first Tranche of the relevant Series.

"**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 (as defined in the relevant Final Terms) or such other date as may be specified in the relevant Final Terms.

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

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

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

including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

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

**"ISDA Definitions"** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., and as amended from time to time, in their amended and updated version applicable as at the Issue Date of the first Tranche of the relevant Series.

**"Primary Source"** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the primary source specified as such in the relevant Final Terms.

**"Rate of Interest"** means the rate of interest payable from time to time in respect of the French Law Covered Bonds and that is either specified or calculated in accordance with the provisions of these Terms and Conditions, as completed by 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 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 French Law Covered Bond, Coupon or Receipt, 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, Coupon or Receipt 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 Benchmark to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone and in the case of LIBOR, shall be London) or, if none is so connected, Paris.

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

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

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

**"Specified Currency"** means the currency specified as such in the relevant Final Terms.

**"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 related Interest Accrual Period, ignoring any adjustment pursuant to Condition 7(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, as indicated in the relevant Final Terms.

If a fixed amount of interest ("**Fixed Coupon Amount**") or a broken amount of interest ("**Broken Amount**") is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment

Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

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

- (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 arrear 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 any other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the "**Floating Rate Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the "**Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day, (C) the "**Modified Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the "**Preceding Business Day Convention**", such date shall be brought forward to the immediately preceding Business Day. Notwithstanding the foregoing, where the relevant 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 pursuant to the manner specified in the relevant Final Terms in accordance with the provisions below relating to either FBF Determination, ISDA Determination or Screen Rate Determination, depending upon which is specified in the relevant Final Terms.

(A) FBF Determination for Floating Rate Covered Bonds:

Where FBF 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 FBF Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**FBF Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Transaction under the terms of an agreement incorporating the FBF Definitions and under which:

- (1) the Floating Rate is as specified in the relevant Final Terms; and
- (2) the Floating Rate Determination Date is as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Determination Date**" and "**Transaction**" have the meanings given to those terms in the FBF Definitions, provided that EURIBOR means the rate calculated for deposits in euro which appears on Reuters page EURIBOR01, as more fully described in the relevant Final Terms.

In the relevant Final Terms, when the paragraph "Floating Rate (*Taux Variable*)" specifies that the rate is determined by linear interpolation in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent with a linear interpolation between two (2) rates based on the relevant Floating Rate, one of which corresponding to a maturity immediately below the length of the relevant Interest Accrual Period, and the other of which corresponding to a maturity immediately above the length of the relevant Interest Accrual Period.

(B) 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 plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (B), "**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:

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

For the purposes of this sub-paragraph (B), "**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.

In the relevant Final Terms, when the paragraph "Floating Rate Option" specifies that the rate is determined by linear interpolation in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent with a linear interpolation between two (2) rates based on the relevant Floating Rate Option, one of which corresponding to a Designated Maturity immediately below the length of the relevant Interest Accrual Period, and the other of which corresponding to a Designated Maturity immediately above the length of the relevant Interest Accrual Period.

(C) 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, subject as provided below or to Condition 7(c)(iii)(D) below, 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 specified in the relevant Final Terms, plus or minus the Margin (if any), as specified in the relevant Final Terms; 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 Rate of Interest or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

In the relevant Final Terms, if the paragraph "Benchmark" specifies that the rate is determined by linear interpolation, in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two (2) rates based on the relevant Floating Rate, one of which shall be determined as if the Designated Maturity were the period of time for which rates are available of next shorter length before the length of the relevant Interest Accrual Period, and the other of which shall be determined as if the maturity were the period of time for which rates are available of next longer length after the length of the relevant Interest Accrual Period.

(D) Events affecting the determination of the Benchmark:

For the purpose of Screen Rate Determination, the provisions of this paragraph (D) shall apply notwithstanding the provisions of paragraphs 7(c)(iii)(C)(1) to (3) above.

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, if a Benchmark Event occurs in relation to an Original Reference Rate at any time, then the following provisions shall apply and prevail over the other fallback provisions set out in Condition 7(c)(iii)(C).

If, at any time prior to or on any Interest Determination Date, the Issuer in consultation with the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, that the Relevant Rate has been discontinued or that a Benchmark Event has occurred:

(1) Appointment of a Rate Determination Agent

The Issuer shall use its reasonable endeavours to appoint a Rate Determination Agent as soon as reasonably practicable to determine a Successor Reference Rate, failing which, an Alternative Reference Rate (in accordance with Condition 7(c)(iii)(D)(2)) and, in either case, an Adjustment Spread if any (in accordance with Condition 7(c)(iii)(D)(3)) and any Benchmark Amendments (in accordance with Condition 7(c)(iii)(D)(4)).

The Rate Determination Agent appointed pursuant to this Condition 7(c)(iii)(D) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Rate Determination Agent shall have no liability whatsoever to the Issuer, the Paying Agents, the French Law Bondholders and, where applicable, the Couponholders and Receiptholders for any determination made by it, pursuant to this Condition 7(c)(iii)(D).

(2) Successor Reference Rate or Alternative Reference Rate

If the Rate Determination Agent determines that:

- (a) there is a Successor Reference Rate, then such Successor Reference Rate shall (subject to adjustment as provided in Condition 7(c)(iii)(D)(3)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Floating Rate Covered Bonds (subject to the operation of this Condition 7(c)(iii)(D)); or
- (b) there is no Successor Reference Rate but there is an Alternative Reference Rate, then such Alternative Reference Rate shall (subject to adjustment as provided in Condition 7(c)(iii)(D)(3)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant

component part thereof) for all future payments of interest on the Floating Rate Covered Bonds (subject to the operation of this Condition 7(c)(iii)(D)).

(3) Adjustment Spread

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

(4) Benchmark Amendments

If any Successor Reference Rate, Alternative Reference Rate or Adjustment Spread is determined in accordance with this Condition 7(c)(iii)(D) and the Rate Determination Agent determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Reference Rate or Alternative Reference Rate or Adjustment Spread (if any) (such amendments, the "**Benchmark Amendments**") and (ii) the specific terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 7(c)(iii)(D)(5), vary these Conditions to the extent needed to give effect to such Benchmark Amendments with effect from the date specified in such notice. For the avoidance of doubt, each French Law Bondholder shall be deemed to have accepted the Successor Reference Rate or Alternative Reference Rate and the Adjustment Spread and the Benchmark Amendments (if any) pursuant to this paragraph.

For the avoidance of doubt, and in connection with any such variation in accordance with this paragraph (4), the Issuer shall comply with the rules of any stock exchange on which the Floating Rate Covered Bonds are for the time being listed or admitted to trading.

(5) Notices

Any Successor Reference Rate, Alternative Reference Rate or Adjustment Spread and Benchmark Amendments (as the case may be), determined under this Condition 7(c)(iii)(D) will be notified promptly by the Issuer, after receiving such information from the Rate Determination Agent, to the Fiscal Agent, the Paying Agents, the Calculation Agent, the Representative (if any) and, in accordance with Condition 18 (Notices), the French Law Bondholders and, where applicable, the Receiptholders and the Couponholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

The Issuer shall deliver to the Fiscal Agent a certificate signed by two (2) authorised signatories of the Issuer:

- (a) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Reference Rate or the Alternative Reference Rate, (iii) any Adjustment Spread and/or (iv) any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(c)(iii)(D); and
- (b) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Reference Rate, Alternative Reference Rate or Adjustment Spread (if any).

The Fiscal Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. In the absence of manifest error or bad faith in the determination of the Successor Reference Rate or Alternative Reference Rate, the Adjustment Spread (if any) and the Benchmark Amendments (if any), as specified in such certificate, and without prejudice to the Fiscal Agent's ability to rely on such certificate as aforesaid, the Successor Reference Rate or Alternative Reference Rate, the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will be binding on the Issuer, the Fiscal Agent, the Paying Agents, the Calculation Agent, the French Law Bondholders and, where applicable, the Receiptholders and the Couponholders.

(6) Fallback in respect of the Successor Reference Rate or Alternative Reference Rate

If (i) a Benchmark Event occurs in relation to a Successor Reference Rate or Alternative Reference Rate at any time or (ii) the fallback provisions provided for in Condition 7(c)(iii)(C)(2) and Condition 7(c)(iii)(C)(3) fail to provide a means of determining the Successor Reference Rate or Alternative Reference Rate, the Issuer shall use its reasonable endeavours to appoint a Rate Determination Agent and ensure that the provisions of this Condition 7(c)(iii)(D) shall apply as if the Successor Reference Rate or Alternative Reference Rate were the Original Reference Rate.

Where:

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

- (a) in the case of a Successor Reference Rate, is formally recommended or formally provided as an option for parties to adopt in relation to the replacement of the Original Reference Rate with the Successor Reference Rate by any Relevant Nominating Body; or
- (b) if no recommendation required under (a) above has been made or in the case of an Alternative Reference Rate, is customary in international debt capital market transactions for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Reference Rate (or, as the case may be, the Successor Reference Rate); or
- (c) if (a) and (b) above do not apply, which is recognised or acknowledged as being representative for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Reference Rate or the Alternative Reference Rate, as the case may be; or
- (d) if (a), (b) and (c) above do not apply, the Rate Determination Agent, acting in good faith, determines to be appropriate.

**"Alternative Reference Rate"** means an alternative benchmark or screen rate which the Rate Determination Agent determines in accordance with this Condition 7 (c)(iii)(D)(2) and which is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Floating Rate Covered Bonds.

**"Benchmark Event"** means:

- (a) the Original Reference Rate ceasing to be published or ceasing to exist; or
- (b) a public statement by the administrator of the Original Reference Rate that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or that its use will be subject to restrictions or adverse consequences which would not allow its further use in respect of the French Law Covered Bonds; or
- (e) a public statement by the supervisor of the administrator of the Original

Reference Rate that, in the view of such supervisor, such Reference Rate is no longer representative of an underlying market or the methodology to calculate such Original Reference Rate has materially changed;

- (f) it has become unlawful for the Calculation Agent, any other party responsible for determining the Rate of Interest to calculate any payments due to be made to any French Law Bondholders, Receiptholder or Couponholder using the Original Reference Rate; or
- (g) that a decision to withdraw the authorisation or registration pursuant to article 35 of the Benchmark Regulation of any benchmark administrator previously authorised to publish the Original Reference Rate has been adopted,

provided that, (i) in the case of sub-paragraphs (a) to (c), the Benchmark Event shall occur on the date of the cessation of publication of the Reference Rate, as applicable, (ii) in the case of sub-paragraphs (d) (f) and (g), the Benchmark Event shall occur on the date of prohibition of use of the Reference Rate, as applicable, and not the date of the relevant public statement and (iii) in the case of (e), the Benchmark Event shall be deemed to have occurred at the latest on the date falling six month following such public statement.

**"Benchmark Regulation"** means the Benchmark Regulation (Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds) (as may be amended from time to time).

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

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

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

**"Successor Reference Rate"** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body and if, following a Benchmark Event, two or more successor or replacement rates are recommended by any Relevant Nominating Body, the Rate Determination Agent shall determine which of those successor or replacement rates is most appropriate, having regard to, inter alia, the particular features of the relevant French Law Covered Bonds and the nature of the Issuer.

**(d) Interest on Fixed/Floating Rate Covered Bonds, Fixed/Fixed Rate Covered Bonds and Floating/Floating Rate Covered Bonds**

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

Each Fixed/Floating Rate Covered Bonds shall bear interest on its outstanding nominal amount at a rate that:

- (i) at the Issuer's option, the Issuer may convert (the **"Issuer Change of Interest Basis"**) on the date specified in the relevant Final Terms (the **"Switch Date"**) from Fixed Rate (as defined in Condition 7(b) and specified in the relevant Final Terms) to Floating Rate (as defined in Condition 7(c) and specified in the relevant Final Terms) or from Floating Rate to Fixed Rate, it being specified that any Issuer Change of Interest Basis shall only become effective after a valid notification has been sent by the Issuer to the relevant French Law

- Bondholders in accordance with Condition 18 within the period specified in the relevant Final Terms; or
- (ii) automatically changes from Fixed Rate to Floating Rate or from Floating Rate to Fixed Rate on the Switch Date (the "**Automatic Change of Interest Basis**").

Each Fixed/Fixed Rate Covered Bonds or Floating/Floating Rate Covered Bonds, as the case may be, shall bear interest on its outstanding nominal amount at a rate that:

- (i) at the Issuer's option, the Issuer may convert on the Switch Date from Fixed Rate to a different Fixed Rate or from Floating Rate to a different Floating Rate, it being specified that any such Change of Interest Basis shall only become effective after a valid notification has been sent by the Issuer to the relevant French Law Bondholders in accordance with Condition 18 within the period specified in the relevant Final Terms; or
- (ii) automatically changes on the Switch Date from Fixed Rate to a different Fixed Rate or from Floating Rate to a different Floating Rate.

**(e) Zero Coupon Covered Bonds**

Where a French Law Covered Bond the Interest Basis of which is specified to be Zero Coupon and, if so specified in the relevant Final Terms, is repayable prior to the Final Maturity Date (or, as the case may be, with respect to Soft Bullet French Law Covered Bonds, the Extended Final Maturity Date) pursuant to an Issuer's option or, if so specified in the relevant Final Terms, pursuant to Condition 8(e) or otherwise and is not paid when due, the amount due and payable prior to the Final Maturity Date (or, as the case may be, with respect to Soft Bullet French Law Covered Bonds, the Extended Final Maturity Date) shall be the Early Redemption Amount. As from the Final Maturity Date (or, as the case may be, with respect to Soft Bullet French Law Covered Bonds, the Extended Final Maturity Date), the Rate of Interest for any overdue principal of such a French Law Covered Bond shall be a rate *per annum* (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 8(e)(i)(B)).

**(f) Accrual of Interest**

Interest shall cease to accrue on each French Law Covered Bond on the due date for redemption unless (i) in the case of Dematerialised Covered Bonds, on such due date or (ii) in the case of Materialised Covered Bonds, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 7 to the Relevant Date.

**(g) Margin, Rate Multiplier, Maximum or Minimum Rate of Interest, Instalment Amounts and Redemption Amounts and rounding**

- (i) If any Margin or Rate Multiplier 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 paragraph (c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin or by multiplying the Rate of Interest by the Rate Multiplier, subject always to the next paragraph.
- (ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Maximum Instalment Amount or Minimum Instalment Amount or Maximum Redemption Amount or Minimum 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) Unless a higher Minimum Rate of Interest is specified in the relevant Final Terms, the Minimum Rate of Interest (*i.e.* relevant rate plus margin) shall be deemed to be zero.
- (iv) For the purposes of any calculations required pursuant to these Conditions, (w) if FBF Determination is specified in the relevant Final Terms, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest ten-thousandth of a percentage point (with halves being rounded up), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest fifth decimal (with halves being rounded up), (y) all figures shall be rounded to seven (7) decimals (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 the purpose of this Condition, "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

**(h) Calculations**

The amount of interest payable in respect of any French Law Covered Bond for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such

French Law 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 French Law 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 amounts of interest payable in respect of each of those Interest Accrual Periods.

**(i) Determination and publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, 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 French Law 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 French Law Bondholders, any other Calculation Agent appointed in respect of the French Law Covered Bonds that is to make a further calculation upon receipt of such information and, if the French Law 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 7(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

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

The Issuer shall procure that there shall at all times be four (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 French Law 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 French Law 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 from its duties without a successor having been appointed as aforesaid.

**8. Redemption, Purchase and Options**

**(a) Final Redemption**

Unless previously redeemed or purchased and cancelled as provided below, each French Law Covered Bond shall be finally redeemed at the Final Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) specified in the relevant Final Terms or, in the case of a French Law Covered Bond falling within Condition 8(b) below, its final Instalment Amount.

With respect to Series of Soft Bullet French Law Covered Bonds, an Extended Final Maturity Date shall be specified as applying in relation to such Series in the relevant Final Terms. If the Final Redemption Amount of such Series is not paid by the Issuer on the Final Maturity Date, then payment of the unpaid amount shall be automatically deferred and shall become due and payable on the Extended Final Maturity

Date, which shall fall any time after one (1) year from the Final Maturity Date specified in the relevant Final Terms. However, any amount representing the Final Redemption Amount due and remaining unpaid on the Final Maturity Date may be paid by the Issuer on any Interest Payment Date 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 Rate of Interest specified in the relevant Final Terms and be payable on each Interest Payment Date and on the Extended Final Maturity Date all as specified in the relevant Final Terms and in accordance with the Conditions.

**(b) Redemption by Instalments**

Unless previously redeemed or purchased and cancelled as provided in this Condition 8, 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 French Law Bondholders' option in accordance with Conditions 8(c) or 8(d), each French Law 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 French Law 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 French Law Covered Bond, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused (i) in the case of Dematerialised Covered Bonds, on the due date for such payment or (ii) in the case of Materialised Covered Bonds, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

**(c) Redemption at the option of the Issuer, exercise of Issuer's options and Partial Redemption**

If a Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable prior notice in accordance with Condition 18 to the French Law Bondholders (or such other notice period as may be specified in the relevant Final Terms) redeem, all or, if so provided, some, of the French Law Covered Bonds on any Optional Redemption Date or Option Exercise Date, as the case may be, as specified in the relevant Final Terms. Any such redemption of French Law 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 French Law Covered Bonds of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed if and as specified in the relevant Final Terms, and no greater than the Maximum Redemption Amount to be redeemed if and as specified in the relevant Final Terms.

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

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

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

So long as the French Law Covered Bonds are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market so require, the Issuer shall, each time there has been a partial redemption of the French Law Covered Bonds, cause to be published (i) as long as the French Law Covered Bonds are admitted to trading on a Regulated Market and the rules applicable thereto so permit, on its website ([www.creditmutuel-homeloansfh.eu](http://www.creditmutuel-homeloansfh.eu)) or (ii) in a leading financial newspaper of general circulation in the city where the Regulated Market on which such French Law Covered Bonds are admitted to trading is located, which in the case of Euronext Paris is expected to be *Les Echos*, a notice specifying the aggregate nominal amount of French Law Covered Bonds outstanding and, in the case of Materialised Covered Bonds a list of any Materialised Covered Bonds, drawn for redemption but not surrendered.

(d) **Redemption at the option of French Law Bondholders and exercise of French Law Bondholders' options**

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

To exercise such option (which must be exercised on an Option Exercise Date) the French Law Bondholder must deposit with a Paying Agent at its specified office a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained during normal business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period. In the case of Materialised Covered Bonds, the Exercise Notice shall have attached to it the relevant French Law Covered Bonds (together with all unmatured Coupons and Receipts and unexchanged Talons). In the case of Dematerialised Covered Bonds, the French Law 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 French Law 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 French Law Covered Bond pursuant to Condition 8(f) or (g) or upon it becoming due and payable as provided in Condition 11 shall be the Amortised Nominal Amount (calculated as provided below) of such French Law Covered Bond.
- (B) Subject to the provisions of sub-paragraph (C) below, the amortised nominal amount of any such French Law Covered Bond (the "**Amortised Nominal Amount**") shall be the scheduled Final Redemption Amount of such French Law Covered Bond on the Final Maturity Date (or, as the case may be, with respect to Soft Bullet French Law Covered Bond, the Extended Final Maturity Date) discounted at a rate *per annum* (expressed as a percentage) equal to the amortisation yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the French Law 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 French Law Covered Bond upon its redemption pursuant to Condition 8(f) or (g) or upon it becoming due and payable as provided in Condition 11 is not paid when due, the Early Redemption Amount due and payable in respect of such French Law Covered Bond shall be the Amortised Nominal Amount of such French Law Covered Bond as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the French Law 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 (or, as the case may be, with respect to Soft Bullet French Law Covered Bond, the Extended Final Maturity Date), in which case the amount due and payable shall be the scheduled Final Redemption Amount of such French Law Covered Bond on the Final Maturity Date (or, as the case may be, with respect to Soft Bullet French Law Covered Bond, the Extended Final Maturity Date) together with any interest that may accrue in accordance with Condition 7(f).

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

(ii) *Other French Law Covered Bonds*

The Early Redemption Amount payable in respect of any French Law Covered Bond (other than French Law Covered Bonds described in (i) above), upon redemption of such French Law Covered Bond pursuant to Condition 8(f) or (g) or upon it becoming due and payable as provided in Condition 11 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 French Law Covered Bonds, not be able to make such payment without having to pay additional amounts as specified under Condition 10(b) below, the Issuer may, at its option, on any Interest Payment Date (if the French Law Covered Bond is a Floating Rate Covered Bond) or at any time (if the French Law Covered Bond is a Fixed Rate Covered Bond) subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' notice to the French Law Bondholders (which notice shall be irrevocable), in accordance with Condition 18, redeem all, but not some only, of the French Law 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 French Law Covered Bonds, be prevented by French law from making payment to the French Law Bondholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 10(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven (7) calendar days' prior notice to the French Law Bondholders in accordance with Condition 18, redeem all, but not some only, of the French Law Covered Bonds then outstanding at their Early Redemption Amount together with any interest accrued to the date set for redemption (A) from 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 French Law Covered Bonds, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of French Law 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 French Law Covered Bonds and (ii) fourteen (14) calendar days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the French Law Covered Bonds, or, if applicable, Coupons or Receipts or, if that date is passed, as soon as practicable thereafter.

**(g) Redemption due to illegality**

The French Law Covered Bonds of all Series shall be redeemed at the option of the Issuer, subject to compliance by the Issuer of all the relevant laws, regulations and directives, in whole, but not in part, at any time, on giving not less than thirty (30) nor more than sixty (60) calendar days' irrevocable notice in accordance with Condition 18 to the French Law Bondholders, 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 French Law 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 French Law 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 French Law Bondholders, Couponholders and Receiptholders.

French Law Covered Bonds redeemed pursuant to this Condition 8(g) will be redeemed at their Early Redemption Amount referred to in paragraph 8(e) above together (if appropriate) with interest accrued to the date fixed for redemption, if any.

**(h) Subscriptions and Purchases**

The Issuer shall have the right at all times to subscribe and purchase French Law Covered Bonds (provided that, in the case of Materialised Covered Bonds, all unmatured Coupons and Receipts and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise

(including by tender offer) at any price, subject to any applicable laws and regulations and in particular article L.513-26 of the French Monetary and Financial Code (*Code monétaire et financier*). The relevant Final Terms will specify whether French Law Covered Bonds so subscribed and purchased by the Issuer may be held and resold in accordance with applicable laws and regulations, or shall be cancelled in accordance with Condition 8(i) below.

**(i) Cancellation**

All French Law Covered Bonds which have been subscribed or purchased by or on behalf of the Issuer for cancellation shall be cancelled forthwith (together with, in the case of Dematerialised Covered Bonds, all rights relating to payment of interest and other amounts relating to such Dematerialised Covered Bonds and, in the case of Definitive Materialised Covered Bonds, all unmatured Coupons and Receipts and unexchanged Talons attached thereto), in the case of Dematerialised Covered Bonds, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Covered Bonds, by surrendering the relevant Temporary Global Certificate or the Definitive Materialised Covered Bonds in question, together with all unmatured Coupons and Receipts and all unexchanged Talons, if applicable, to the Fiscal Agent. Any French Law Covered Bond so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such French Law Covered Bond shall be discharged.

**9. 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 French Law Bondholders 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 French Law 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, Coupons and Receipts**

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

Payments of instalments of principal (if any) in respect of Definitive Materialised Covered Bonds, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, annotation) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, annotation) of the relevant French Law 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 12) 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, as the case may be, with respect to Soft Bullet French Law Covered Bonds, the Extended Final Maturity Date), all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

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

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

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

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 of America with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the French Law Covered Bonds in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

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

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in any jurisdiction (whether by operation of law or agreement of the Issuer or its agents) and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 10.

No commission or expenses shall be charged to the French Law Bondholders or Couponholders in respect of such payments.

**(e) Appointment of Agents**

The Fiscal Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed at the end of this Base Prospectus relating to the International Programme. The Fiscal Agent, the Paying Agents and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each such case, do not assume any obligation or relationship of agency for any French Law Bondholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, Registration Agent or Calculation Agent and to appoint other Fiscal Agent, Paying Agent(s), Registration Agent(s) or Calculation Agent(s) or additional Paying Agent(s), Registration Agent(s) or Calculation Agent(s), provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one (1) or more Calculation Agent(s) where the Conditions so require, (iii) a Paying Agent having a specified office in at least one (1) major European city (including, so long as the French Law Covered Bonds are admitted to trading on a Regulated Market and so long as the rules thereof so require, such city where the French

Law Covered Bonds are admitted to trading), (iv) in the case of Dematerialised Covered Bonds in fully registered form, a Registration Agent and (v) such other agents as may be required by the rules of any other Regulated Market on which the French Law Covered Bonds may be admitted to trading.

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

Notice of any such change or any change of any specified office shall promptly be given to the French Law Bondholders in accordance with Condition 18.

**(f) Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Covered Bond, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 12).

**(g) Business Days for Payment**

If any date for payment in respect of any French Law Covered Bond, Coupon or Receipt is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Covered Bonds, on which Euroclear France is open for business or (ii) in the case of Materialised Covered Bonds, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) 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 Specified Currency, on which foreign exchange transactions may be carried on in the Specified 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 9, "**Bank**" means a bank in the principal financial centre of the relevant currency or, in the case of payments in Euro, in a city in which banks have access to the TARGET System.

**10. Taxation**

**(a) Tax Exemption for French Law 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 French Law 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 French Law Covered Bond, Coupon or Receipt 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 French Law Bondholders or, if applicable, the Couponholders and the Receiptholders, 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 due by the Issuer with respect to any French Law Covered Bond, Coupon or Receipt, as the case may be:

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

for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant French Law Covered Bond, Coupon or Receipt to another Paying Agent in a Member State of the European Union; or

- (iv) Where such withholding or deduction is imposed pursuant to the United States Foreign Account Tax Compliance Act, or its present or future implementation into French law.

References in these Conditions to (A) "**principal**" shall be deemed to include any premium payable in respect of the French Law 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 8 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 7 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.

## 11. Events of Default

Subject to the legal framework applicable to a *société de financement de l'habitat*, if an Issuer Event of Default occurs in respect of any Series of French Law Covered Bonds, the Representative may, at its discretion, and 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 Rating Agencies) given before all defaults shall have been cured, cause the principal amount of all French Law Covered Bonds of such Series to become due and payable (but subject to the then applicable relevant priority payment order), together with any accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent.

## 12. Prescription

Claims against the Issuer for payment in respect of any amount due under the French Law Covered Bonds, Coupons and Receipts (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.

## 13. Representation of French Law Bondholders

Subject to the provisions of the Condition 13(i) below with respect to French Law Covered Bonds issued with a denomination of less than €100,000 (or its equivalent in any other currency at the date of the issue), the French Law Bondholders will, in respect of all Tranches of the relevant Series, be grouped automatically for the defence of their common interests in a *masse* (the "**Masse**"), which will be governed by the provisions of Articles L.228-46 *et seq.* of the French Commercial Code (*Code de commerce*) as amended or supplemented by this Condition 13.

The *Masse* alone, to the exclusion of all individual French Law Bondholders, shall exercise the common rights, actions and benefits which may accrue with respect to the French Law Covered Bonds without prejudice to the right that French Law Bondholders may exercise individually in accordance with, and subject to, the terms and conditions of the French Law Covered Bonds.

### (a) Legal Personality

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

### (b) Representative

Unless otherwise specified in the relevant Final Terms, the Representative appointed in respect of all Tranches of all Series of the French Law Covered Bonds (including all subsequent Tranches in such Series) will be:

#### **MCM AVOCAT**

*Selarl d'avocats interbarreaux inscrite au Barreau de Paris*

10, rue de Sèze

75009 Paris

France

represented by **Maître Antoine Lachenaud**, *Co-gérant – associé*

Unless otherwise specified in the relevant Final Terms, the alternative representative shall be:

#### **Maître Philippe Maisonneuve**

Avocat

10, rue de Sèze  
75009 Paris  
France

Unless otherwise specified in the relevant Final Terms, the Issuer shall pay to the Representative an amount of two thousand euros (€2,000) 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 two thousand euros (€2,000) if it exercises the duties of Representative on a permanent basis; such remuneration will accrue from the day on which it assumes such duties.

**(c) Powers of the Representative**

The Representative shall (in the absence of any Collective Decision to the contrary and except as provided by paragraph 1 of Article L.513-24 under the French Monetary and Financial Code (*Code monétaire et financier*)) have the power to take all acts of management necessary in order to defend the common interests of the French Law Bondholders, with the capacity to delegate its powers.

All legal proceedings against the French Law Bondholders or initiated by them, must be brought by or against the Representative, except that, should safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) be commenced against the Issuer, the specific controller (*contrôleur spécifique*) would file the evidence of debt of all creditors (including the French Law Bondholders) of the Issuer benefiting from the *Privilège* pursuant to Article L.513-24 of the French Monetary and Financial Code (*Code monétaire et financier*).

**(d) Collective Decisions**

Collective Decisions are adopted either (i) in a general meeting (the "**General Meeting**") or (ii) by a consent of one or more holders holding together not less than seventy-five per cent. (75%) in nominal amount of the French Law Covered Bonds outstanding following a written consultation (the "**Written Decision**").

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

Collective Decisions must be published in accordance with Condition 13(h).

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

**(i) General Meetings**

A General Meeting may be called at any time, either by the Issuer or by the Representative. One (1) or more French Law Bondholders, 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 a General Meeting to be called. If such General Meeting has not been called within two (2) months after such demand, the French Law Bondholders may commission one (1) of them to petition the competent court to appoint an agent (*mandataire*) who will call the General Meeting.

Each Note 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.

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

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 13(h) not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

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

Each French Law Bondholder or representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant French Law Bondholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

**(ii) Written Decisions**

Notices seeking the approval of a Written Decision will be published as provided under Condition 13(i) no less than fifteen (15) calendar days prior to the date fixed for the passing of such Written Decision (the "**Written Decision Date**"). Notices seeking the approval of a Written Decision will contain the conditions of form and time limits to be complied with by the French Law Bondholders who wish to express their approval or rejection of such proposed Written Decision. French Law Bondholders expressing their approval or rejection before the Written Decision Date will undertake not to dispose of their French Law Covered Bonds until after the Written Decision Date.

Written Decisions shall be signed by one or more French Law Bondholders holding together not less than seventy-five per cent. (75%) in nominal amount of the French Law Covered Bonds outstanding. Approval of a Written Decision may also be given by way of electronic communication allowing the identification of French Law Bondholders in accordance with Article L.228-46-1 of the French Commercial Code (*Code de commerce*) ("**Electronic Consent**"). Any Written Decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such French Law Bondholders. Such Written Decisions may be contained in one document or in several documents in like form each signed by or on one behalf of one or more of such French Law Bondholders.

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

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

**(e) Expenses**

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

**(f) Single Masse**

The French Law Bondholders of the same Tranche, and the holders of French Law Covered Bonds of any other Tranches which have been assimilated (*assimilés*) with the French Law Covered Bonds of such first mentioned Tranche in accordance with Condition 17, shall, for the defence of their respective common interests, be grouped in a single *Masse*.

**(g) Sole French Law Bondholder**

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

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

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

**(h) Notices to French Law Bondholders**

Any notice to be given to French Law Bondholders in accordance with this Condition 13 shall be given in

accordance with Condition 18.

**(i) Full Masse**

For French Law Covered Bonds issued with a denomination of less than €100,000 (or its equivalent in any other currency at the date of the issue), Condition 13 shall apply to the French Law Covered Bonds subject to the following modifications:

- (i) Condition 13(d)(iii) shall not apply to the French Law Covered Bonds; and
- (ii) Condition 13(e) shall be deleted and replaced by the following:

**"(e) Expenses**

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

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

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

**15. Limited recourse, Non petition**

*Limited Recourse*

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

- (a) not to seek recourse under any obligation, covenant or agreement of the Issuer under the French Law 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 French Law Covered Bonds and these Conditions is a corporate obligation of the Issuer, and that no personal liability shall attach to or be incurred by the shareholders, members of the board of directors (*conseil d'administration*), managing directors (*directeurs généraux*) or agents of the Issuer, as such, or any of them under or by reason of any of the obligations, covenants or agreements of the Issuer contained in these Conditions or implied therefrom and, as a condition of and in consideration for the issuing by the Issuer of any French Law 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 French Law Covered Bonds and these Conditions;
- (b) to limit its recourse against the Issuer under the French Law 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 French Law 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 French Law Covered Bonds and these Conditions) and in accordance with the priority payment order then applicable in accordance with section "*Cash Flow*" of this Base Prospectus; and
- (c) that, in accordance with, but subject to, the then applicable provisions of section "*Cash Flow*" of this Base Prospectus, amounts payable or expressed to be payable by the Issuer on, under or in respect of its obligations and liabilities under the French Law Covered Bonds and/or these Conditions shall be recoverable only from and to the extent of the amount of the Available Funds (as defined in section "*Cash Flow*" of this Base Prospectus), as calculated on the relevant Interest

Payment Date or (as applicable) on the relevant Final Maturity Date (or, as the case may be, with respect to Soft Bullet Covered Bonds, the Extended Final Maturity Date) of each relevant Series of Covered Bonds (provided that, to the extent that no Available Funds exist at the relevant date, the Issuer shall not be liable to make payment of the aforementioned amounts and, provided further that, in the event that the Available Funds at the relevant date are insufficient to pay in full all amounts whatsoever due to it and all other claims ranking *pari passu* to its claims, then its claims against the Issuer shall be limited to its respective share of such Available Funds (as determined in accordance with the priority payment order then applicable in accordance with section "Cash Flow" of this Base Prospectus) and, after payment to it of its respective share of such Available Funds, the obligations of the Issuer to it shall be discharged in full).

#### *Non-Petition*

By subscribing to any French Law Covered Bond, each French Law 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, as the case may be, with respect to Soft Bullet Covered Bonds, the Extended Final Maturity Date) of the last Series issued by the Issuer under the International Programme or the U.S. Programme, or (ii) the date of payment of any sums outstanding and owing under the latest outstanding Covered Bond:

- (a) it will not take any corporate action or other steps or legal proceedings for the winding-up, dissolution or organisation or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer of the Issuer, 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 French Law 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 French Law Bondholder shall survive the payment of all sums owing under any Covered Bond.

### **16. Priority Payment Orders**

As more fully described under section "Cash Flow" of this Base Prospectus, any and all sums due by the Issuer under the International Programme (including principal and interest under the French Law 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 then applicable relevant priority payment order described under section "Cash Flow" of this Base Prospectus. As a consequence, the payment of certain sums will be subordinated to the full payment of other sums. French Law Bondholders are deemed to have notice of the provisions of the section "Cash Flow" of this Base Prospectus.

### **17. Further Issues**

The Issuer may from time to time without the consent of the French Law Bondholders, Couponholders or Receiptholders create and issue further French Law Covered Bonds to be assimilated (*assimilées* for the purpose of French law) with the French Law Covered Bonds provided such French Law Covered Bonds and the further French Law 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 French Law Covered Bonds provide for such consolidation, and references in these Conditions to "**French Law Covered Bonds**" shall be construed accordingly.

### **18. 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 date of mailing, or (ii) at the option of the Issuer, they are published (A) in a leading daily financial newspaper of general circulation in Europe or, (B) so long as such French Law Covered Bonds are admitted to trading on any Regulated Market(s), in a leading daily financial newspaper with general circulation in the city/ies where the Regulated Market(s) on which such French Law Covered Bonds is/are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos*, or (C) 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 (i) in a leading daily financial newspaper of general circulation in Europe or, (ii) so long as such French Law Covered Bonds are admitted to trading on any Regulated Market(s), in a leading daily financial newspaper with general circulation in the city/ies where the Regulated Market(s) on which such French Law Covered Bonds is/are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos*, or (iii) 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 and any other clearing system through which the French Law Covered Bonds are for the time being cleared in substitution for the mailing and publication as required by Conditions 18(a) and (b), above; provided that (i) so long as such French Law Covered Bonds are admitted to trading on any Regulated Market(s) and the rules of that Regulated Market so require, notices shall also be published in a leading daily financial newspaper with general circulation in the city/ies where the Regulated Market(s) on which such French Law Covered Bonds is/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) If any such publication as outlined above is not practicable, notice shall be validly given if published in another leading daily English language financial newspaper with general circulation in Europe.

Any notice given by publication in a financial newspaper 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 (1<sup>st</sup>) 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.

## **19. Governing Law and Jurisdiction**

### **(a) Governing Law**

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

### **(b) Jurisdiction**

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

## USE OF PROCEEDS

The net proceeds of the issue of International Covered Bonds will be used to fund Borrower Advances under the Borrower Facility to be made available by the Issuer to BFCM, in accordance with the provisions of article L.513-29-I-1° of the French Monetary and Financial Code (*Code monétaire et financier*).

In accordance with section "*The Borrower and the Borrower Facility Agreement - The Borrower Facility Agreement - Principal and interest amounts*" hereunder, the terms and conditions regarding the calculation and the payment of principal and interest under each Borrower Advance made by the Issuer with the net proceeds of the issue of International Covered Bonds shall mirror the equivalent terms and conditions of the corresponding Final Terms of International Covered Bonds. As a consequence, the Borrower Advances have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the International Covered Bonds, as long as no Borrower Event of Default has occurred.

## TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF FRENCH LAW COVERED BONDS WHICH ARE MATERIALISED COVERED BONDS

*The following description is only applicable to French Law Covered Bonds.*

### Temporary Global Certificates

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

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

### Exchange

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

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see section "*General Description of the International Programme - Selling Restrictions*"), in whole, but not in part, for Definitive Materialised Covered Bonds; and
- (ii) otherwise, in whole but not in part, upon certification if required under U.S. Treasury Regulation section 1.163-5 (c)(2)(i)(D)(3) and any successor regulation issued under the Hire Act as to non-U.S. beneficial ownership for Definitive Materialised Covered Bonds.

### Delivery of Definitive Materialised Covered Bonds

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to, or to the order of, the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Covered Bonds. In this Base Prospectus, "**Definitive Materialised Covered Bonds**" means, in relation to any Temporary Global Certificate, the Definitive Materialised Covered Bonds for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to it 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) calendar days after its issue date, provided that in the event any further Materialised Covered Bonds which are to be assimilated (*assimilées* for the purpose of French Law) with such first mentioned Materialised Covered Bonds are issued prior to such day pursuant to Condition 17, the Exchange Date may, at the option of the Issuer, be postponed to the day falling after the expiry of forty (40) calendar days after the issue date of such further Materialised Covered Bonds.

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

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

## MAIN FEATURES OF THE LEGISLATION AND REGULATIONS RELATING TO *SOCIÉTÉS DE FINANCEMENT DE L'HABITAT*

Please note that this section may not be up to date after the date of this Base Prospectus if the laws and regulations applicable to *sociétés de financement de l'habitat* or any relevant instruction from the Autorité de contrôle prudentiel et de résolution or Ministerial order published in respect of *sociétés de financement de l'habitat* are amended after the date of this Base Prospectus.

### Entities entitled to issue *obligations de financement à l'habitat*

The legal and regulatory regime applicable to *sociétés de financement de l'habitat* mainly results from the following provisions:

- articles L.513-28 to L.513-33 of the French Monetary and Financial Code (*Code monétaire et financier*) creating the status of *sociétés de financement de l'habitat*;
- as provided for in article L.513-28 of the French Monetary and Financial Code (*Code monétaire et financier*) and subject to articles L.513-28 to L.513-33 of the French Monetary and Financial Code (*Code monétaire et financier*), articles L.513-3, L.513-5 and L.513-7 to L.513-26 of the French Monetary and Financial Code (*Code monétaire et financier*) (as amended from time to time);
- articles R.513-19 to R.513-21 of the French Monetary and Financial Code (*Code monétaire et financier*), which apply specifically to *sociétés de financement de l'habitat*;
- subject to articles R.513-19 to R.513-21 of the French Monetary and Financial Code (*Code monétaire et financier*), articles R.513-1, R.513-3, R.513-4, R.513-6 to R.513-12, R.513-14 and R.513-15 to R.513-18 of the French Monetary and Financial Code (*Code monétaire et financier*) (as amended from time to time);
- Regulation (*instruction*) no.99-10 of 9 July 1999, as amended, issued by the Banking and Financial Regulatory Committee (*Comité de la Réglementation Bancaire et Financière*) (as amended from time to time); and
- the various *Autorité de contrôle prudentiel et de résolution's* instructions applicable to *sociétés de financement de l'habitat*.

Pursuant to article L.513-28 of the French Monetary and Financial Code (*Code monétaire et financier*), the exclusive purpose of *sociétés de financement de l'habitat* is to grant or finance home loans (*prêts à l'habitat*) and to hold securities (*titres et valeurs*) in accordance with the regulatory provisions described above. In particular, in order to carry out such purpose, a *société de financement de l'habitat* (such as the Issuer) may grant to credit institutions advances secured by home loans (*prêt à l'habitat*) granted as collateral security in accordance with article L.211-36 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*). Such advances may be financed by a *société de financement de l'habitat* by issuing covered bonds (*obligations de financement de l'habitat*) or by raising resources benefiting from the *Privilège* (statutory priority right of payment) created by article L.513-11 of the French Monetary and Financial Code (*Code monétaire et financier*). In accordance with article L.513-15 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*), the management (*gestion et recouvrement*) of the assets eligible to a *société de financement de l'habitat* shall only be ensured by a credit institution (*établissement de crédit*) or by a financing company (*société de financement*) appointed by such *société de financement de l'habitat* under an agreement (*contrat*).

As a *société de financement de l'habitat*, the Issuer has entered into a €50,000,000,000 multicurrency term facility agreement pursuant to which the Issuer (as lender) will use the proceeds of the Covered Bonds to fund advances made available to BFCM (as borrower). Such advances will be secured by home loans transferred as collateral security (*remis en pleine propriété à titre de garantie*) (see section "*The Borrower and the Borrower Facility Agreement – The Borrower Facility Agreement*" and section "*The Collateral Security – The Collateral Security Agreement*").

Pursuant to articles L.513-26 and R.513-17 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer, as a *société de financement de l'habitat*, may subscribe for Covered Bonds issued by the Issuer itself, for the sole purpose of securing credit operations made with the *Banque de France* under its monetary policy and intraday credit operations, in case the Issuer is not in a position to face its liquidity needs by using any other available means. Covered Bonds issued pursuant to article L.513-26 of the French Monetary and Financial Code (*Code monétaire et financier*) shall not represent more than ten per cent. (10%) of the resources benefiting from the *Privilège*, as calculated at the time such Covered Bonds are acquired by the Issuer.

## Eligible assets

The eligible assets of *sociétés de financement de l'habitat* comprise, *inter alia*:

- (i) home loans (*prêts à l'habitat*) secured by a first-ranking mortgage or other real estate security interests that are equivalent to a first-ranking mortgage or loans that are guaranteed by a credit institution or an insurance company. The property financed in whole or part by such a loan must be located in France or in any other Member State of the European Union or the European Economic Area ("EEA") or in a State benefiting from the highest level of credit quality (*meilleur échelon de qualité de crédit*) assigned by an external rating agency recognised by the *Autorité de contrôle prudentiel et de résolution* as provided in article L.511-44 of the French Monetary and Financial Code (*Code monétaire et financier*); article R.513-1 of the French Monetary and Financial Code (*Code monétaire et financier*) provides that the amount of each mortgage-backed home loan refinanced by resources benefiting from the *Privilège* cannot exceed a percentage of the property's value (from sixty per cent. (60%) to one hundred per cent. (100%), under certain conditions);
- (ii) loans to credit institutions secured by the remittance, the transfer or the pledge of receivables arising from home loans (*prêts à l'habitat*) referred to in (i) above, pursuant to articles L.211-36 *et seq.* and/or L.313-23 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*);
- (iii) promissory notes (*billets à ordre*) governed by article L.313-42 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) transferring receivables arising from home loans (*prêts à l'habitat*) referred to in (i) above.

Within the limits of article R.513-3 of the French Monetary and Financial Code (*Code monétaire et financier*), the *sociétés de financement de l'habitat* may also hold, or grant loans to credit institutions secured by the remittance, the transfer or the pledge of, 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 Community or EEA, the United States of America, Switzerland, Japan, Canada, Australia or New Zealand, the assets of which shall comprise at least ninety per cent. (90%) of secured loans complying with the criteria defined in article L.513-3 of the French Monetary and Financial Code (*Code monétaire et financier*) or other receivables benefiting from equivalent security interests; such units or notes must benefit from the highest level of credit assessment (*meilleur échelon de qualité de crédit*) assigned by an external rating agency recognised by the *Autorité de contrôle prudentiel et de résolution* pursuant to article L.511-44 of the French Monetary and Financial Code (*Code monétaire et financier*); the similar vehicles shall be governed by the laws of a Member State of the European Community or EEA if the assets are composed of loans or exposures referred to in article L.513-3 of the French Monetary and Financial Code (*Code monétaire et financier*).

Under the conditions set out in articles L.513-7, R.513-6 and R.513-20 of the French Monetary and Financial Code (*Code monétaire et financier*), a *société de financement de l'habitat* may also hold investments in assets which are sufficiently secure and liquid to be held as so-called substitution assets (*valeurs de remplacement*). The amount of such assets shall not exceed, at any time, fifteen per cent. (15%) of the total amount of the liabilities of the *société de financement de l'habitat* which benefit from the *Privilège*.

In accordance with, but subject to the terms and conditions of the Administrative Agreement, the Issuer may acquire assets which are eligible for an investment by a *société de financement à l'habitat* under articles L.513-5 and L.513-7 of the French Monetary and Financial Code (*Code monétaire et financier*), in order to comply with the Asset Cover Test, the Amortisation Test and/or the regulatory cover ratio referred to in article L.513-12 of the French Monetary and Financial Code (*Code monétaire et financier*), as applicable. For such purpose, "**Substitution Assets**" shall refer to assets eligible for an investment by a *société de financement à l'habitat* under either article L.513-5 or article L.513-7 of the French Monetary and Financial Code (*Code monétaire et financier*).

In accordance with the provisions of article L.513-29-IV of the French Monetary and Financial Code (*Code monétaire et financier*), the *sociétés de financement de l'habitat* are not allowed to hold shares in other companies (*participations*).

## Cover ratio

A *société de financement de l'habitat* must at all times maintain a cover ratio between its assets and its liabilities benefiting from the *Privilège*. In particular, pursuant to articles L.513-12 and R.513-8 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer must at all times maintain a ratio of at least one hundred and five per cent. (105%) between its assets and the total amount of its liabilities benefiting from the *Privilège* (*it being specified that pursuant to decree No. 2014-526 of 23 May 2014 with respect to prudential regime of sociétés de crédit foncier and sociétés de financement de l'habitat, the minimum ratio has been increased from one hundred and two per cent. (102%) to one hundred and five per cent. (105%)*).

With respect to the assets of a *société de financement de l'habitat* which are mainly advances to credit institutions secured by home loans (*prêts à l'habitat*), in particular granted as collateral security pursuant to article L.211-36

et seq. of the French Monetary and Financial Code (*Code monétaire et financier*), the cover ratio shall be calculated on the basis of such home loans (*prêts à l'habitat*) granted as security (and not only on the basis of the said advances to credit institutions). In addition, pursuant to article R.513-8 of the French Monetary and Financial Code (*Code monétaire et financier*), the calculation of the cover ratio shall take into account the exposures on related entities or entities belonging to the same consolidated group (within the meaning of article 12.1 of the seventh Council directive of 13 June 1983 based on the article 54(3) of the treaty on consolidated accounts), as further described in regulation (*instruction*) no.99-10 of 9 July 1999, as amended, issued by the Banking and Financial Regulatory Committee (*Comité de la Réglementation Bancaire et Financière*).

A *société de financement de l'habitat* must appoint a specific controller (*contrôleur spécifique*) with the prior approval of the *Autorité de contrôle prudentiel et de résolution*, whose task is to ensure that the required cover ratio is at all times complied with. In particular, the specific controller must certify that the cover ratio is satisfied in connection with (i) the *société de financement de l'habitat* quarterly programme of issues benefiting from the *Privilège* and (ii) any specific issue also benefiting from the *Privilège* which amount is greater than €500,000,000. The specific controller must verify the quality of the assets, the process of yearly revaluation and the quality of the asset liability management.

This cover ratio is published on the website of the Issuer ([www.creditmutuel-homeloansfh.eu](http://www.creditmutuel-homeloansfh.eu)) four times a year and checked on a quarterly basis by the specific controller (*contrôleur spécifique*). In addition, the Issuer publishes on its website (<https://www.creditmutuel-homeloansfh.eu/en/covered-bonds/documentation/index-sfh.html>) under "Investor report" its latest Asset Cover Ratio. As of 31 December 2020, the Asset Cover Ratio was equal to 145.44%.

In addition, under the Collateral Security Agreement and for so long as no Borrower Event of Default has occurred and been enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, the Collateral Security Agent, acting in the name and on behalf of the Collateral Providers, shall monitor the Collateral Security Assets so as to ensure compliance with the Asset Cover Test, as further described in section "Asset Monitoring – The Asset Cover Test".

### **Regulatory Liquidity Test**

Pursuant to articles L.513-8 and R.513-7 of the French Monetary and Financial Code (*Code monétaire et financier*), a *société de financement de l'habitat* must ensure, at all times, the coverage of its liquidity needs (*besoins de trésorerie*) for the next one hundred and eighty (180) days, taking into account expected flows in principal and interests under their assets and net flows relating to forward financial instruments set forth in article L.513-10 of the French Monetary and Financial Code (*Code monétaire et financier*). For that purpose, when the assets comprise receivables secured by collateral assets pursuant to articles L.211-36 to L.211-40, L.313-23 to L.313-35 and L.313-42 to L.313-49 of the French Monetary and Financial Code (*Code monétaire et financier*), which are not replacement assets (*valeurs de remplacement*), the *société de financement de l'habitat* must take into account the assets received as collateral rather than the secured receivables, i.e. in the case of the Issuer, the Eligible Assets.

Pursuant to article R.513-7 of the French Monetary and Financial Code (*Code monétaire et financier*), the liquidity needs (*besoins de trésorerie*) may only be covered by the Substitution Assets or by other assets that are eligible as collateral to credit transactions with the *Banque de France* in accordance with the monetary policy and intra-day credit operations rules of the Eurosystem.

On the date of this Base Prospectus, such liquidity needs (*besoins de trésorerie*) are covered by the cash collateral to be funded from time to time by BFCM (as cash collateral provider) into the credit of the Cash Collateral Account up to an amount which enables the Issuer to comply with the regulatory liquidity test. The positive balance of the Cash Collateral Account may be invested only in Permitted Investments (which shall comply with the definition of Substitution Assets).

### **Privilège relating to the Covered Bonds and certain other obligations of the Issuer**

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

- all amounts payable to the Issuer in respect of loans or assimilated receivables, exposures and securities referred to in articles L.513-3 to L.513-7 of the French Monetary and Financial Code (*Code monétaire et financier*) and forward financial instruments referred to in article L.513-10 of the French Monetary and Financial Code (*Code monétaire et financier*) (in each case after any applicable netting), together with the claims in respect of deposits made by the Issuer with credit institutions, are allocated in priority to the payment of any sums due in respect of the Covered Bonds, together with any other resources raised by the Issuer and benefiting from the *Privilège*; it should be noted that not only Covered Bonds benefit from the

*Privilège*; other resources (such as certain loans) and forward financial instruments (such as Hedging Agreements (if any) for hedging Covered Bonds, such other resources and eligible assets of the Issuer, as well as the sums, if any, due under the contract provided for in article L.513-15 of the French Monetary and Financial Code (*Code monétaire et financier*) may also benefit from the *Privilège*, provided that such benefit is duly mentioned pursuant to article L.513-30-I of the French Monetary and Financial Code (*Code monétaire et financier*); and

- in the event of conciliation proceedings (*procédure de conciliation*), safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation proceedings (*procédure de redressement judiciaire*) or judicial liquidation proceedings (*procédure de liquidation judiciaire*) of the Issuer, all amounts due regularly under the Covered Bonds, together with any other resources benefiting from the *Privilège*, are paid on their contractual due date, and in priority to all other debts, whether or not preferred, including interest resulting from agreements whatever their duration;
- until all Bondholders and all other creditors benefiting from the *Privilège* have been fully paid, no other creditor of the Issuer may avail itself of any right over the assets and rights of the Issuer; and
- the judicial liquidation (*liquidation judiciaire*) of the Issuer will not result in the redemption of the Covered Bonds.

### **Insolvency remoteness**

Article L.513-20 of the French Monetary and Financial Code (*Code monétaire et financier*) precludes the extension of insolvency proceedings in respect of the *société de financement de l'habitat*'s parent company to the *société de financement de l'habitat*.

The French Monetary and Financial Code (*Code monétaire et financier*) provides a regime of *société de financement de l'habitat*, which derogates in many ways from the French legal provisions relating to insolvency proceedings. In particular, in the event of safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation proceedings (*procédure de redressement judiciaire*) or judicial liquidation proceedings (*procédure de liquidation judiciaire*) of a *société de financement de l'habitat*, all claims benefiting from the *Privilège*, including interest thereon, must be paid on their due dates and in preference to all other claims, whether or not secured or statutorily preferred and, until payment in full of all such preferred claims, no other creditors may avail itself of any right over the assets and rights of the *société de financement de l'habitat*.

The provisions allowing an administrative receiver to render certain transactions entered into during the hardening period (*période suspecte*) null and void are not applicable for transactions entered into by a *société de financement de l'habitat* or acts made by, or to the benefit of, a *société de financement de l'habitat*, provided that such transactions are made in accordance with their exclusive legal purpose and without fraud.

Pursuant to article L.513-21 of the French Monetary and Financial Code (*Code monétaire et financier*), in case of the opening of any safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation proceedings (*procédure de redressement judiciaire*) or judicial liquidation proceedings (*procédure de liquidation judiciaire*) against the credit institution which is acting as manager and servicer of the assets and liabilities of the *société de financement de l'habitat*, the recovery, management and servicing contract may be immediately terminated by the *société de financement de l'habitat* notwithstanding any legal provisions to the contrary.

## THE ISSUER

### General information about the Issuer

The Issuer was incorporated on 15 February 2005, under the name "Devest 8", as a French *société par actions simplifiée*. Its term of existence is ninety-nine (99) years from the date of its incorporation. The legal and commercial name of the Issuer is "Crédit Mutuel Home Loan SFH". The Issuer is registered with the French *Registre du Commerce et des Sociétés de Paris* under number 480 618 800. The Issuer adopted the legal form of a French "*Société anonyme à conseil d'administration*" on 16 April 2007. Formerly named "Devest 8" (from 15 February 2005 to 16 April 2007), "CM-CIC Covered Bonds" (from 16 April 2007 to 6 June 2011), "Crédit Mutuel-CIC Home Loan SFH" (from 6 June 2011 to 20 November 2019), the Issuer adopted the name "Crédit Mutuel Home Loan SFH" on 20 November 2019. From the date of its incorporation and until 16 April 2007, the Issuer was a dormant entity owned by BFCM and did not engage in any business activity.

The Issuer is governed by:

- (a) the French Commercial Code (*Code de commerce*); and
- (b) the French Monetary and Financial Code (*Code monétaire et financier*).

The Issuer's registered office and principal place of business is located at 6, avenue de Provence, 75452 Paris Cedex 9, France. Its phone number is +33 (0)1 53 48 76 87.

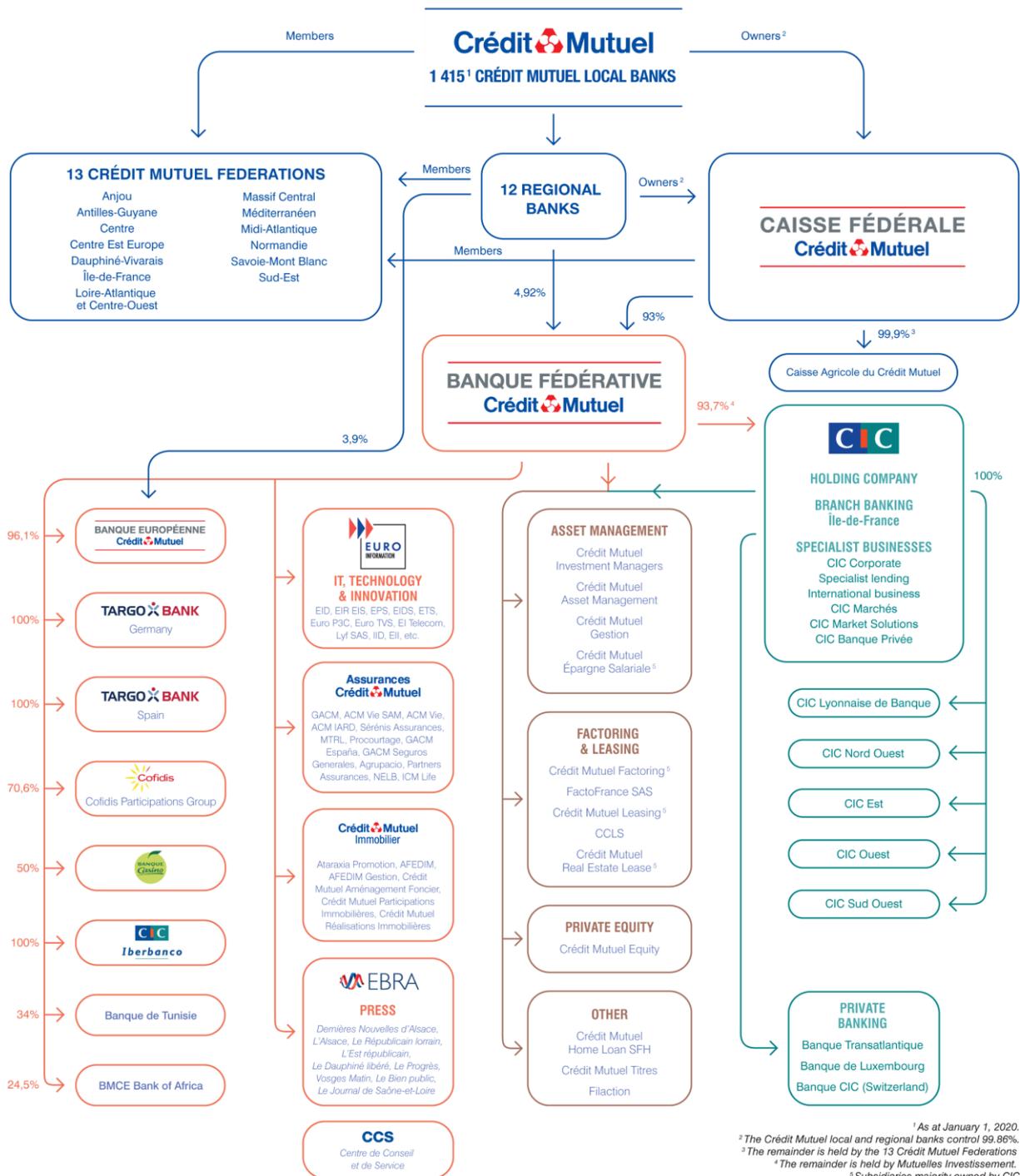
As of the date of this Base Prospectus, the Issuer's authorised and issued share capital is €220,000,000 (two hundred and twenty million euros) consisting of 22,000,000 (twenty-two million) ordinary shares with a par value of €10 each.

The Issuer is a subsidiary of BFCM and licensed as a specialised credit institution (*établissement de crédit spécialisé*) with limited and exclusive purpose by the *Autorité de contrôle prudentiel et de résolution*.

Following the entry into force of law No. 2010-1249 of 22 October 2010 on the banking and financial regulation and decree No. 2011-205 of 23 February 2011 with respect to the status of *société de financement de l'habitat*, the Issuer decided to adopt for the legal regime of *société de financement de l'habitat*. In accordance with article 74 of law No. 2010-1249 of 22 October 2010 on the banking and financial regulation, the *Autorité de contrôle prudentiel et de résolution*, pursuant to its decision of 28 March 2011, has authorised the Issuer to adopt the status of *société de financement de l'habitat*. Following its adoption of such status, the Issuer is now also governed by the laws and regulations applicable to *sociétés de financement de l'habitat* (for further description, see section "*Main features of the legislation and regulations relating to sociétés de financement de l'habitat*").

At the date of this Base Prospectus, ninety-nine point ninety-nine per cent. (99.99%) of the Issuer's share capital is held by BFCM.

## ORGANIZATION OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE



### Issuer's Activities

#### Specialised credit institution and restrictions on object and powers

The Issuer is an entity with separate legal capacity and existence, licensed by the *Autorité de contrôle prudentiel et de résolution* notably for the purpose of making Borrower Advances (in accordance with article L.513-29-I-1° of French Monetary and Financial Code (*Code monétaire et financier*) and article 2 of its by-laws) and issuing Covered Bonds which benefit from the *Privilège*.

In accordance with article L.513-28 of the French Monetary and Financial Code (*Code monétaire et financier*) which defines the exclusive purpose of *sociétés de financement à l'habitat*, the exclusive purpose of the Issuer is

to grant or finance home loans (*prêts à l'habitat*) and hold financial assets which are eligible under the regulations applicable to *sociétés de financement à l'habitat*.

Therefore, in compliance with its license as *société de financement de l'habitat*, and subject to its by-laws (in particular, article 2 of its by-laws), the Issuer may:

- (i) grant to any CM-CIC Entities loans guaranteed by the remittance, the transfer or the pledge of the Home Loan Receivables;
- (ii) acquire promissory notes issued by any CM-CIC Entities which represent Home Loan Receivables;
- (iii) issue *obligations de financement de l'habitat* and raise other sources of financing which benefit from the *Privilège*;
- (iv) raise other sources of financing which do not benefit from the *Privilège*.

The Issuer's objects and powers will to the extent possible be restricted to those activities necessary to carry out its obligations under the Programme Documents. The Issuer does not have and will not have any employees, nor will it own or lease any premises. The Issuer will undertake pursuant to the Administrative Agreement and its articles of association not to engage in unrelated business activities or incur any material liabilities other than those contemplated in the Programme Documents.

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

#### *Limited recourse*

Each party to any Programme Document will agree:

- (a) not to seek recourse under any obligation, covenant or agreement of the Issuer contained in any Programme Document against any shareholder, member of the board of directors (*conseil d'administration*), 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 Programme Document is a corporate obligation of the Issuer, and that no personal liability shall attach to or be incurred by the shareholders, members of the board of directors (*conseil d'administration*), managing directors (*directeurs généraux*) or agents of the Issuer, as such, or any of them under or by reason of any of the obligations, covenants or agreements of the Issuer contained in any Programme Document or implied therefrom and, as a condition of and in consideration for the execution by the Issuer of any Programme Document, to waive any and all personal liability of every such shareholder, member of the board of directors (*conseil d'administration*), managing director (*directeur général*) or agent of the Issuer for breaches by the Issuer of any of its obligations, covenants or agreements under any Programme Document;
- (b) to limit its recourse against the Issuer under any Programme Document to amounts payable or expressed to be payable to it by the Issuer in respect of its obligations and liabilities under any Programme Document (and, for the avoidance of doubt, to the exclusion of any damage for breach of contract or other penalties not expressed as being payable by the Issuer under any Programme Document) and in accordance with the priority payment order then applicable in accordance with section "*Cash Flow*" of this Base Prospectus; and
- (c) that, in accordance with, but subject to, the then applicable provisions of section "*Cash Flow*" of this Base Prospectus, amounts payable or expressed to be payable by the Issuer in respect of its obligations and liabilities under any Programme Document shall be recoverable only from and to the extent of the amount of the Available Funds, as calculated on the relevant Interest Payment Date or (as applicable) on the relevant Final Maturity Date (or, as the case may be, with respect to Soft Bullet Covered Bonds, the Extended Final Maturity Date) of each relevant Series of Covered Bonds (provided that, to the extent that no Available Funds exist at the relevant date, the Issuer shall not be liable to make payment of the aforementioned amounts and provided further that in the event that the Available Funds at the relevant date are insufficient to pay in full all amounts whatsoever due to it and all other claims ranking *pari passu* to its claims, then its claims against the Issuer shall be limited to its respective share of such Available Funds (as determined in accordance with the then applicable priority payment order) and, after payment to it of its respective share of such Available Funds, the obligations of the Issuer to it shall be discharged in full).

#### *Non-petition*

Each party to any Programme Document will also agree that prior to the date which is eighteen (18) months and one (1) day after the earlier of (i) the Final Maturity Date (or, as the case may be, with respect to Soft Bullet

Covered Bonds, the Extended Final Maturity Date) of the last Series issued by the Issuer under the International Programme or the U.S. Programme, or (ii) the date of payment of any sums outstanding and owing under the latest outstanding Covered Bond:

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

The above undertakings by each relevant party survive the termination of any Programme Document and the payment of all sums owing under any such Programme Document.

#### *No risk of Issuer consolidation upon insolvency of BFCM*

The Issuer is a ring-fenced entity that will be unaffected by the insolvency of BFCM. By way of exception to the provisions of book VI (*Livre VI*) of the French Commercial Code (*Code de commerce*) relating to the difficulties of companies (*difficultés des entreprises*), article L.513-20 of the French Monetary and Financial Code (*Code monétaire et financier*) precludes the extension of safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation proceedings (*procédure de redressement judiciaire*) or judicial liquidation proceedings (*procédure de liquidation judiciaire*) in respect of the Issuer's parent company (BFCM) to the Issuer itself.

#### *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.

#### **Trends**

The Issuer, as issuer of *obligations de financement de l'habitat*, operates in the covered bond market. In 2019, the Euro covered bond market has been very active and resilient despite the fact that the European Central Bank (ECB) was only reinvesting the amount of bonds purchased under its purchase programme (CBPP3) when they were redeemed and no longer increasing the size of its programme. Since November 2019, the ECB has restarted its net purchases of covered bonds, energizing the market even more. The current crisis stemming from the Covid-19 pandemic is leading the ECB to maintain for longer and possibly increase its net purchases of covered bonds.

Furthermore, laws and regulations applicable to financial institutions and that have an impact on the Issuer have significantly evolved since 2008 and the beginning of the financial crisis.

#### **Issuer Risk Management**

Pursuant to the terms of the Administrative Agreement (as amended from time to time) (see section "*The Issuer – The Administrative Agreement*") and of the *Convention d'externalisation et de Mise à Disposition de Moyens* (as amended from time to time), the risk management of the Issuer is delegated to BFCM.

#### *Internal control system*

The Issuer has set up internal control systems, in accordance with the *Arrêté* dated 3 November 2014 with respect to the internal control of the banking sector companies, payment services and investment services providers subject to the supervision of *Autorité de Contrôle Prudentiel et de Résolution*. Internal control systems take into account the Issuer's legal form as a French limited company with a board of directors (*société anonyme à conseil d'administration*) and the fact that the Issuer has no own means.

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

In accordance with the article 7-5 of the *Règlement*, the ongoing internal control (*contrôle interne permanent*) of the Issuer is under the responsibility of the managing director (*directeur général*) of the Issuer, within the framework of the Group's ongoing internal control system (which is under the responsibility of Mr. Jean TARDITS, Head of Ongoing Internal Control 'Business Lines' (*Responsable du Contrôle Permanent Métiers*) of the Group).

In accordance with the article 6 a) of the *Règlement*, the ongoing internal control (*contrôle interne permanent*) implemented on behalf of the company is organised around:

- (i) a middle-office, exercising a level 1 control under the responsibility of the head of post-market activities of the "*CM-CIC Marchés*" department of CIC, and deals with the accounting aspects, using a dedicated

team placed under the responsibility of the head of accounting middle-office, and with the risks aspects, using a dedicated team placed under the responsibility of the head of risks middle-office.

- (ii) a team in charge of market activities, intervening as level 2 control and which ensures a monitoring of the risks and of the controls carried out within the Issuer.

The above mentioned team in charge of the control of market activities is attached to the ongoing internal control 'business lines' (*Contrôle Permanent Métiers*) implemented for the Group (taken as a whole), under the responsibility of Mr. Jean TARDITS, who reports to the Control and Conformity Committee (*Comité de Contrôle et de Conformité*).

In accordance with the article 7-1 of the *Règlement*, the units in charge of the engagement of the operations are separated from the units in charge of their approval, their settlement and the monitoring of risks.

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

In accordance with the article 7-5 of the *Règlement*, the periodic internal control system (*contrôle périodique*) of the activities of the Issuer is the periodic internal control system implemented within the Group, under the responsibility of the managing director (*directeur général*) of the Issuer, within the framework of the Group's periodic internal control system (which is under the responsibility of Ms. Evelyne LUCKE-BRIAULT, Head of Periodic Internal Control 'Business Lines' (*Responsable du Contrôle Périodique Métiers*)).

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.

In addition to the information given to the persons in charge of the audited structures, the Head of Periodic Internal Control 'Business Lines' reports his observations, conclusions and recommendations to the executive body of the Group. In addition, he provides information to the Control and Conformity Committee (*Comité de Contrôle et de Conformité*).

#### *Compliance Control*

In accordance with article 11 of the *Règlement*, the compliance control of the activities of the Issuer is carried out under the responsibility of the managing director (*directeur général*) of the Issuer, within the framework of the Group's compliance control system (which is under the responsibility of Mr Stephane CADOR, Head of Compliance of the Group).

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.

Any new mode of conclusion of banking and investment services by the Issuer are subject a systematic preliminary opinion by the person in charge of compliance within the framework of the application for the procedure "new products - news activities" ("*Nouveaux produits – nouvelles activités*") implemented at the Group level.

Level 1 internal controls are carried out by all persons acting on behalf of the Issuer with respect to accounting, administrative, regulatory and IT systems treatments of the activities of the Issuer. Some of these controls are integrated in the electronic processes and are therefore carried out automatically.

#### *Accounting*

In the context of the *Convention d'externalisation et de mise à disposition de moyens*, the general accounting, the consolidation of periodical financial statements and regulatory statements (BAFI) are carried out by a team of the accounting department *Métiers & Filiales* of CIC.

To carry out such services, the accounting department *Métiers & Filiales* of CIC uses the accounting tools made available by Euro Information, one of the two IT companies of the Group.

#### *IT Systems*

All of the procedures below are carried out, under the responsibility of BFCM, through the use of programs which are part of the IT systems of Euro Information, one of the two IT companies of the Group.

The general accounting and the provision of financial statements are carried out through the tool EI (accounting package). The accounting statements are based on the information taken out of the BALC transactions which supply the consolidation tool Business Object Financial Conso from SAP. This tool is used for the setting up of the consolidated accounts of BFCM, CFdeCM and the Group, and is also used for the setting up of individual financial statements, on the basis of a centralised process.

The preparation and provision of regulatory and prudential statements are carried through the tools EVOLAN REPORT by SOPRA.

All of the accounting records are carried out in accordance with the standards of the Group and updated in the event of any modification of the applicable regulations.

Finally, the preparation and electronic processing tasks relating to the accounting information systems of the Issuer are carried out, under the responsibility of BFCM, by specialised teams of Euro Information which have expertise in this domain and benefit from a backup site.

Such organisation is based on general accounting managed by CIC – accounting department "*Métiers & Filiales*". The Borrower Advances made available by the Issuer under the Borrower Facility Agreement and the issue of Covered Bonds are followed up by the back offices of BFCM in the KTP tool. This tool generates accounting information flows sent on a daily basis, by batch, to the central system. KTP also initiates the cash flows. The entire process is validated daily by the follow-up of the bank accounts. The inventories are generated monthly by KTP and also interfaced with the central system. These inventories are monitored by the *Contrôle Comptable et Réglementaire* and are used as a basis for regulatory information purposes, established by the accounting department of CIC.

#### *Internal control reporting*

At least twice a year, the board of directors of the Issuer shall review the activity and the results of the periodic and ongoing internal controls, and in particular, shall verify the compliance control on the basis of information provided by both the Managing Director and the internal control officer.

#### *Information procedures of the board of directors*

The managing director of the Issuer shall keep the board of directors of the Issuer informed of the economic and financial situation of the Issuer and shall communicate any and all measures consisting of the system of the internal control as well as the main items and results which have been observed with respect to the risks to which the Issuer is exposed.

#### *Procedures handbook*

A procedures handbook notably sets out the conditions under which the recording, the management, the administration and the reporting of the information are performed as well as the accounting schemes and commitment procedures of the transactions. In the context of the *Convention d'externalisation et de mise à disposition de moyens*, each relevant party thereto is entrusted with the duties of updating the procedures handbook relating to its activities.

#### *Internal control documentation*

In the context of the *Convention d'externalisation et de mise à disposition de moyens*, a documentation on periodical and ongoing internal controls is prepared in order to be made available, upon request, to the board of directors of the Issuer, the statutory auditors of the Issuer and the *Autorité de contrôle prudentiel et de résolution*.

On the basis of the information collected by BFCM in the exercise of its mission, and of further information provided by the Issuer, BFCM shall submit to the Issuer, once a year, a report on the internal control 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 of further information provided by the Issuer, a report on internal control in accordance with article 42 of the *Règlement* shall 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 of 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*, shall be prepared once a year.

On the basis of the information collected by the persons in charge of the Group's compensation policies and practices in the exercise of their mission, and of further information provided by the Issuer, a report on the compensation policies and practices, in accordance with article 43-1 of the *Règlement*, shall be prepared once a year.

#### *Duty of care on money laundering transactions and fight against the financing of terrorist activities*

The entities of the Group have a duty of care with respect to risks relating to money laundering and to fight against the financing of terrorist activities and have to inform the Issuer in the event they identify any such risk. However, the Issuer is primarily responsible of anti-money laundering, fight against the financing of terrorist activities and "know you customer" checks for the transactions the Issuer enters into.

In accordance with the provisions of the *Convention d'externalisation et de mise à disposition de moyens*, the Issuer benefits from the anti-money laundering and fight against the financing of terrorist activities procedures of the Group.

The TRACFIN representatives in charge of performing the above-mentioned tasks for the Issuer are those in charge at the level of BFCM.

### ***Issuer Hedging Risk Management***

#### *Issuer hedging risk management before the occurrence of a Borrower Event of Default*

The International Covered Bonds issued under the International Programme may be Fixed Rate Covered Bonds, Floating Rate Covered Bonds or Zero Coupon Covered Bonds. Each Series of French Law Covered Bonds will be denominated in any Specified Currency (see section "*Terms and Conditions of the French Law Covered Bonds*"). Other Covered Bonds issued under the International Programme or U.S. Programme may have similar features.

The determination of the currency and of the interest rate of each Series of Covered Bonds, as specified in each relevant 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.

The proceeds from the issuance of the Covered Bonds under the International Programme or the U.S. Programme will be used by the Issuer to fund Borrower Advances to be made available to the Borrower under the Borrower Facility. Save in respect of any Borrower Advance financed by Soft Bullet Covered Bonds, which Final Terms of Borrower Advance shall not provide for an extended maturity date, 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 the Borrower Advance (see section "*The Borrower and the Borrower Facility Agreement*").

The Issuer is therefore 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 any Borrower Event of Default, the Issuer will bear no current interest rate or currency risk.

Subject to the hedging risk management described below, before the enforcement of the Collateral Security, 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 the Group (the "**Hedging Current Practices**"). Under such Hedging Current Practices, any interest rate or currency risk linked to the mismatch between the Collateral Security Assets and the refinancing of each relevant CM-CIC Entities is hedged as follows:

- any such interest rate or currency risks borne by the CIC entities are hedged by BFCM through the refinancing provided by BFCM to these CIC entities;
- any such interest rate or currency risks borne by the Caisses de Crédit Mutuel (within the meaning of article L.512-55 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) affiliated to CFdeCM are hedged by CFdeCM through the refinancing provided by CFdeCM to the said Caisses de Crédit Mutuel, and then, by BFCM through the refinancing provided by BFCM to CFdeCM.

As a consequence, under the Hedging Current Practices, any interest rate or currency risk linked to the mismatch between the Collateral Security Assets and the refinancing of each relevant CM-CIC Entities is hedged directly or indirectly by BFCM.

#### *Issuer hedging risk management following the occurrence of a Borrower Event of Default*

The Issuer and the Borrower have executed a Hedging Approved Form Letter in order to define the hedging strategy to be applied by the Issuer 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, following the occurrence of a Borrower Event of Default.

In order to mitigate or hedge such potential interest rate or currency risk, the Issuer may use different mechanisms:

- i. hedging mechanisms may include, without limitation, any hedging mechanism(s) such as without limitation, overcollateralisation, cash reserve, additional selection rules for the Home Loans or any other mechanism(s) which will comply with the specific legal requirements applicable to *sociétés de financement de l'habitat* and with the applicable rating agencies public methodologies and criteria which are commensurate to the then current rating of the International Covered Bonds;

- ii. any remaining risks may be hedged by the Issuer mainly by entering into hedging agreement (the "**Issuer Hedging Agreements**").

Each Issuer Hedging Agreement will provide that all amounts to be paid by the Issuer under such Issuer Hedging Agreement will be paid according to the then applicable relevant Priority Payment Order.

Any costs and expenses to be born by the Issuer when negotiating and/or entering into any Issuer Hedging Agreement (including, in particular, any sums to be paid to allow the Issuer Hedging Agreements to be transacted at the margin to be paid by the Borrower when hedging the interest and principal payable by the Issuer under a Series of Covered Bonds in the relevant Specified Currency, into floating rate flows and the margin to be received by the Issuer when hedging the interest and principal payable under the Collateral Security Assets in each relevant currency, given the market conditions prevailing at the time the Hedging Agreements are transacted (*soulte*)) shall be paid by BFCM. In particular, upon the termination of an Issuer Hedging Agreement, the Issuer or BFCM or any relevant eligible hedging provider(s), as applicable, may be liable to make a termination payment to the other party in accordance with the provisions of the relevant Issuer Hedging Agreement (the "**Issuer Hedging Subordinated Termination Costs**"). Such Issuer Hedging Subordinated 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, according to the then applicable relevant Priority Payment Order.

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 Issuer Hedging Agreement and the relevant Hedging Provider will, in accordance with and pursuant to the terms of the relevant Issuer Hedging Agreement, 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 Issuer Hedging Agreement; (ii) arranging for its obligations under the relevant Issuer Hedging Agreement to be transferred to a replacement hedging provider with the ratings required under the relevant methodologies of the Rating Agencies (as specified in the relevant Issuer Hedging Agreement); (iii) procuring another entity with the ratings required under the relevant methodologies of the Rating Agencies (as specified in the relevant Issuer Hedging Agreement) to become co-obligor in respect of its obligations under the relevant Issuer Hedging Agreement; and/or (iv) taking such other actions as the relevant Hedging Provider may required under the relevant methodologies of the Rating Agencies, as applicable. 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.

On the date of this Base Prospectus, the Issuer has entered into an Issuer Hedging Agreement with BFCM in order to hedge currency risks on Covered Bonds denominated in another Specified Currency other than Euro and a swap agreement with the Borrower mirroring any such Issuer Hedging Agreement (the "**Borrower Hedging Agreement**" and, together with any Issuer Hedging Agreement, the "**Hedging Agreements**") which may be terminated in accordance with certain termination events and events of default. In particular, a Borrower Event of Default will constitute a termination event under the Borrower Hedging Agreement but shall not constitute a termination event under the Issuer Hedging Agreement(s).

### **Issuer Financial Elements**

The financial year of the Issuer runs from 1 January to 31 December. The annual results of the Issuer shown in the documents incorporated by reference are the financial statements. The Issuer prepares financial statements and does not produce consolidated financial statements.

The Issuer produces investor reports which are available on its website ([www.creditmutuel-homeloansfh.eu](http://www.creditmutuel-homeloansfh.eu)).

#### *Prudential ratios*

The Issuer is bound to comply with all prudential ratios applicable to specialised credit institutions (*établissements de crédit spécialisés*) in accordance with European and French laws and regulations, such as:

- the liquidity ratio provided for under articles L.513-8 and R.513-7 of the French Monetary and Financial Code (*Code monétaire et financier*) pursuant to which the Issuer must ensure adequate coverage of its liquidity needs for a one hundred and eighty (180) days period;
- the cover test provided for under articles L.513-12 and R.513-8 of the French Monetary and Financial Code (*Code monétaire et financier*) pursuant to which the Issuer must at all time maintain a regulatory cover ratio

- of at least one hundred and five per cent. (105%) as between its assets and the total amount of its liabilities benefiting from the *Privilège*; and
- the liquidity coverage ratio on an individual basis in accordance with the provisions of Directive 2013/36 / EU (CRDIV) and Regulation (EU) No 575/2013 (Capital Requirements Regulation) pursuant to which the Issuer shall hold sufficient risk-free and highly liquid assets on the markets to meet payments of net outflows for a 30 calendar days period.

### **Issuer Share Capital, Covered Bonds, Subordinated Loans and Shareholder Letter of Undertaking**

#### *Issuer Share Capital*

As of the date of this Base Prospectus, the Issuer's authorised and issued share capital is €220,000,000 (two hundred and twenty million euros) consisting of 22,000,000 (twenty-two million) ordinary shares with a par value of €10 each (the "**Issuer Share Capital**").

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 Issuer Share Capital on one or more occasions, to establish the terms of the increase, to certify that such terms have been carried out and to amend the Issuer's articles of association accordingly.

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

#### *Subordinated Loans*

As from 6 July 2007, the Issuer also benefited from one (1) €60,000,000 (sixty million euro) subordinated shareholder's loan granted by BFCM (the "**Subordinated Loans**").

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 then applicable relevant priority payment order, as described in Condition 16 of the Terms and Conditions.

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

No amendment, modification, alteration or supplement shall 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.

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 a Subordinated Loan agreement to any successor;
- (c) to add to the undertakings and other obligations of BFCM under a 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 BFCM, 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 (as amended from time to time) (the "**Shareholder Letter of Undertaking**"), BFCM undertakes in favour of the holders of Covered Bonds of all Series to be issued, represented, for the French Law Covered Bonds, by their respective Representative:

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

- (c) not to amend the constitutional documents (and in particular the articles of association) of the Issuer other than as expressly contemplated under the Programme Documents or without a prior Representative Consent and Rating Affirmation;
- (d) unless required by any administrative or regulatory authorities or under any applicable law or regulation (as the same shall have been notified by the Issuer and/or BFCM to the Rating Agencies) or unless approved by BFCM subject to prior Rating Affirmation, that BFCM will procure that the Issuer will at all times comply with its undertakings and other obligations as set forth in the banking license of the Issuer or in the related application form (*dossier d'agrément*) filed with the *Autorité de contrôle prudentiel et de résolution*;
- (e) not to permit any amendments to the Programme Documents other than as expressly permitted or contemplated under the Programme Documents or without the prior Representative Consent and prior Rating Affirmation;
- (f) not to permit that the Issuer cease to be consolidated within the tax group formed under the *régime d'intégration fiscale* provided by article 223 A *et seq.* of the French General Tax Code (*Code général des impôts*), with Caisse Fédérale de Crédit Mutuel 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 Caisse Fédérale de Crédit Mutuel and the Issuer without prior Rating Affirmation;
- (g) not to create or permit to subsist any encumbrance over the whole or any part of the shares of the Issuer it owns;
- (h) not to sell, transfer, lease out or otherwise dispose of, by one (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*

Mr. Alexandre SAADA, chairman of the board of directors (*président du conseil d'administration*) and Mr. Eric Cuzzucoli, managing director (*directeur général*) are responsible for the conduct of the Issuer's activities vis-à-vis the French financial regulator 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*) ensures the efficient functioning of the board of directors (*conseil d'administration*).

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

The board of directors (*conseil d'administration*) consists of a minimum of three (3) members and a maximum of eighteen (18) members. The term of office is six (6) years.

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

The board of directors (*conseil d'administration*) consists of five (5) members.

<u>Name and Position</u>	<u>Date of appointment</u>
Mr. Alexandre SAADA, <i>président du conseil d'administration</i>	3 May 2017
Mr. Eric Cuzzucoli, <i>directeur général</i>	26 January 2021
Mr. Luc CHAMBAUD, <i>administrateur</i>	15 July 2008
Mr. Eric PLATIAU, <i>administrateur indépendant</i>	3 May 2017
BFCM (represented by Mme Sandy FAURE), <i>administrateur</i>	12 February 2021

The term of office of Mr. Luc CHAMBAUD and BFCM was renewed for the first time by a decision of the Board of Directors (*conseil d'administration*) of the Issuer dated 7 May 2013 and for the second time by a decision of the board of directors (*conseil d'administration*) of the Issuer dated 22 May 2019.

The term of office of Mr. Alexandre SAADA was renewed once by a decision of the board of directors (*conseil d'administration*) of the Issuer dated 22 May 2019.

On 26 January 2021, the board of directors (*conseil d'administration*) of the Issuer:

- has acknowledged the resignation of Mr. Christian ANDER as member of the board of directors (*administrateur*) and managing director (*directeur général*) of the Issuer. Mr Christian ANDER had been managing director (*directeur général*) of the Issuer since 16 April 2007;
- has appointed Mr. Eric Cuzzucoli to replace Mr. Christian ANDER as member of the board of directors (*administrateur*) until the shareholders' general meeting to be called in 2025 to approve the financial statements for the year ending 31 December 2024 subject to the ratification of the next shareholders' general meeting; and
- has appointed Mr. Eric Cuzzucoli to replace Mr. Christian ANDER as managing director (*directeur général*) until the shareholders' general meeting to be called in 2025 to approve the financial statements for the year ending 31 December 2024 subject to the approval of the French Banking Authority (*Autorité de contrôle prudentiel et de résolution*).

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

Mr. Alexandre SAADA, chairman of the board of directors (*président du conseil d'administration*) is also deputy chief executive officer (*directeur général délégué*) and chief financial officer (*directeur financier*) of BFCM.

Mr. Eric Cuzzucoli, *directeur général*, is also member of the board of directors (*administrateur*) of the Caisse de refinancement de l'habitat (CRH) since February 2019.

Mr. Luc CHAMBAUD, *administrateur*, is also non-voting member of the supervisory board (*membre du conseil de surveillance*) of Credit Industriel et Commercial (CIC) and Chief Executive Officer (*directeur général*) of Fédération du Crédit Mutuel de Normandie.

To the Issuer's knowledge, there are no conflicts of interest between the private interests and/or duties of members of the board of directors (*conseil d'administration*) of the Issuer and the duties they owe to the Issuer.

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

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

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

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

#### *Rights and duties of the managing director (directeur général)*

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

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

#### *The Issuer Independent Representative*

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

The written confirmation consent of the Issuer Independent Representative will be required regarding any action, determination or appointment, as specified under the Terms and Conditions and/or any other Programme Documents.

### **Issuer Statutory Auditors**

The statutory auditors of the Issuer, which term of office was renewed on 22 May 2019 for a period of six (6) years, expiring at the close of the ordinary general meeting to be called in 2025 to approve the financial statements for the year ending 31 December 2024, are:

- (a) PricewaterhouseCoopers Audit, 63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France; and
- (b) Ernst & Young et Autres, Tour First, TSA 1444 4, 92037 Paris-La Défense Cedex, France.

### **Specific controller (*Contrôleur spécifique*)**

The Issuer has appointed, in accordance with articles L.513-23 and L.513-24 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 have been selected from the official list of auditors and have been appointed by the board of directors of the Issuer with the prior approval of the *Autorité de contrôle prudentiel et de résolution*.

The specific controller (*Contrôleur spécifique*) ensures that the Issuer complies with the French Monetary and Financial Code (*Code monétaire et financier*) (notably by verifying the quality and the eligibility of the assets and the cover ratios). In particular, the specific controller (*Contrôleur spécifique*) must certify that the cover ratio is satisfied in connection with (i) the *société de financement de l'habitat* quarterly programme of issuances benefiting from the *Privilège* and (ii) any specific issue also benefiting from the *Privilège* which amount is greater than €500 million.

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 of the Issuer and the *Autorité de contrôle prudentiel et de résolution* if he considers such balance to be unsatisfactory. The specific controller (*Contrôleur spécifique*) attends all shareholders' meetings and, on his request, may be heard by the board of directors (article L.513-23 of the French Monetary and Financial Code (*Code monétaire et financier*)).

In addition, in accordance with article L.513-32 of the French Monetary and Financial Code (*Code monétaire et financier*), the specific controller (*Contrôleur spécifique*) ensures that the Eligible Assets transferred as Collateral Security (*remis en pleine propriété à titre de garantie*) in order to secure Borrower Advances, comply with the provisions of articles L.513-28 and L.513-29 of the French Monetary and Financial Code (*Code monétaire et financier*).

The specific controller (*Contrôleur spécifique titulaire*) of the Issuer is Fides Audit, 11, rue Marie Laurencin, 75012 Paris, France, represented by Mr. Stéphane MASSA.

### **Compliance with the corporate governance regulations**

The Issuer complies with the corporate governance regulations applicable to French companies.

### **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 Programme Date (as amended from time to time) and entered into between Crédit Mutuel Home Loan SFH, as Issuer and BFCM, as Administrator (the "**Administrator**").

#### *Purpose*

Under the Administrative Agreement, Crédit Mutuel Home Loan SFH, as Issuer, appoints BFCM as its agent 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 Mutuel 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 Programme 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 Programme 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 Programme 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;
- (g) in accordance with article L.513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), manage and service (*gérer et recouvrer*) any Borrower Advances made under the Borrower Facility and, in particular, within this context, upon enforcement of the Collateral Security following the occurrence of a Borrower Event of Default, ensure the servicing of the relevant Home Loan Receivables (if not transferred to a substitute servicer), and notify the debtors for the direct payment to the Issuer of the amounts due under the Home Loans;
- (h) without prejudice to the provisions of the *convention d'externalisation et de mise à disposition de moyens* and of the Calculation Services Agreement, advise and assist the Issuer with respect to any laws and regulations relating to the *sociétés de financement de l'habitat*;
- (i) in accordance with article L.513-15 of French Monetary and Financial Code (*Code monétaire et financier*), manage any payment to be made on behalf the Issuer under the Covered Bonds, on each date on which any payment in respect of the Covered Bonds becomes due, in accordance with the terms and conditions of the Agency Agreement; and
- (j) notify the Rating Agencies of the cancellation by the Issuer of any Covered Bonds previously issued and subscribed by the Issuer itself in accordance with article L.513-26 of the French Monetary and Financial Code (*Code monétaire et financier*).

For the purpose of the Administrative Agreement, "**Permitted Investments**" means any of the following investment products, subject to the terms and conditions of the Administrative Agreement and provided that such investment product complies with article L.513-7 of the French Monetary and Financial Code (*Code monétaire et financier*):

- (a) Euro denominated government securities, Euro time deposits, certificates of deposit and short term debt obligations (including commercial paper) provided that in all cases such investments have a remaining maturity of thirty (30) days or less and mature before the next following Payment Date and the Relevant Rated Obligations of the issuing or guaranteeing entity or the entity with which the time deposits are made are rated at least A-1 (short-term) or A (long-term) by S&P, F1 (short-term) or A- (long-term) by Fitch and P-1 (short-term) by Moody's;
- (b) Euro denominated government securities, Euro time deposits, certificates of deposit and short term debt obligations (including commercial paper) provided that in all cases such investments have a remaining maturity of sixty (60) days or less and greater than thirty (30) days and mature before the next following Payment Date, and the Relevant Rated Obligations of the issuing or guaranteeing entity or the entity with which the time deposits are made are rated at least A-1 (short-term) by S&P, F1+ (short-term) or AA- (long-term) by Fitch and P-1 (short-term) by Moody's;
- (c) Euro denominated government securities, Euro time deposits, certificates of deposit and short term debt obligations (including commercial paper) provided that in all cases such investments have a remaining maturity of three (3) months or less and greater than sixty (60) days and mature before the next following Payment Date, and the Relevant Rated Obligations of the issuing or guaranteeing entity or the entity with which the time deposits are made are rated at least A-1+ (short term) or AA- (long term) by S&P, F1+ (short term) or AA- (long term) by Fitch and P-1 (short-term) by Moody's;
- (d) Euro denominated government securities, Euro time deposits, certificates of deposit and short term debt obligations (including commercial paper) provided that in all cases such investments have a remaining maturity of more than three (3) months and less than three hundred sixty-four (364) days and mature before the next following Payment Date and the Relevant Rated Obligations of the issuing or guaranteeing entity or the entity with which the time deposits are made are rated at least A-1+ (short-term) or AA- (long-term) by S&P, F1+ (short-term) or AA- (long-term) by Fitch and P-1 (short-term) by Moody's; and

- (e) Euro deposits of cash on accounts opened within the books of a central bank of a Member State of the European Union which comply with the criteria listed in 1(a) of article 416 of the Capital Requirements Regulation n°575/2013 of 26 June 2013, provided that they will comply with the above remaining maturities and minimum ratings requirements as set out above in items (a) to (d).

"**Relevant Rated Obligations**" mean, with respect to any entity:

- in relation to Fitch:
  - o with respect to the Issuer Accounts Bank (or any replacing entity), the relevant Deposit Rating (as defined under the relevant Fitch credit rating methodology) or, if not available, the Issuer Default Rating (as defined under the relevant Fitch credit rating methodology), or
  - o for any other purpose, the Issuer Default Rating (as defined under the relevant Fitch credit rating methodology);
- in relation to S&P, the unsecured, unguaranteed and unsubordinated debt obligations of such entity; and
- in relation to Moody's, as applicable, the senior unsecured issuer credit rating, the deposit rating, the counterparty risk assessment of such entity.

#### *Administrator's duties regarding the acquisition of Substitution Assets*

The Administrator, acting in the name and on behalf of the Issuer, may acquire Substitution Assets in order for the Issuer to comply with the Asset Cover Test, the Amortisation Test and/or the regulatory cover ratio referred to in article L.513-12 of the French Monetary and Financial Code (*Code monétaire et financier*).

The transfer of Substitution Assets shall be made by the Administrator, acting in the name and on behalf of the Issuer, subject to the following cumulative conditions:

- each purchase of a Substitution Asset shall be made with the purpose of complying with the Asset Cover Test, the Amortisation Test and/or the regulatory cover ratio referred to in article L.513-12 of the French Monetary and Financial Code (*Code monétaire et financier*), as applicable;
- each Substitution Asset to be purchased by the Issuer shall be selected by the Administrator, so that to comply with any and all criteria defining Substitution Assets;
- the transfer of each Substitution Asset shall be valid and comply with any laws and regulations applicable to such transfer or to the Issuer;
- the transfer of each Substitution Asset shall not create any material adverse tax or legal effect for the Issuer;
- any consideration and costs to be paid by the Issuer for such transfer shall be determined on an arm's length basis; and
- any consideration and costs to be paid by the Issuer for such transfer shall be financed by the Issuer out of financial resources which shall not benefit from the *Privilège* mentioned in article L.513-11 of the French Monetary and Financial Code (*Code monétaire et financier*).

For the purpose of the Administrative Agreement, "**Substitution Assets**" means any assets which are eligible for an investment by a *société de financement à l'habitat* under articles L.513-5 and L.513-7 of the French Monetary and Financial Code (*Code monétaire et financier*).

#### *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 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 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.

#### *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 being effective on the date upon which (i) the event in paragraph (a) above occurs; or (ii) one hundred and eighty (180) days after the date of delivery of the notice referred to in paragraph (b) above and the date upon which the Administrator becomes unable to act as 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 *règlement amiable* pursuant to article 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 (or financial accelerated safeguard) of the relevant entity (*procédure de sauvegarde (ou sauvegarde financière accélérée)*), 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*); 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 a termination event under the Administrative Agreement.

For such purposes, "**Administrator Rating Trigger Event**" means the event in which the Relevant Rated Obligations of the Administrator become rated below BBB by S&P, or Baa2 by Moody's or BBB by Fitch, or after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds.

#### *Termination*

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

- (a) the termination of the Administrative Agreement in accordance with its scheduled term;
- (b) the occurrence and continuation of any Administrator's Default;
- (c) the occurrence of the Administrator Rating Trigger Event;
- (d) the occurrence of a Borrower Event of Default; or
- (e) the resignation of the Administrator.

If an Administrator Termination Event occurs and is continuing, the Issuer shall terminate 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 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,

(each a "**Service Termination Date**"), and save for any continuing obligations of the Administrator contained in the Administrative Agreement.

Upon the Service Termination Date, the Issuer will replace BFCM, as Administrator, by any substitute entity (the "**Substitute Administrator**"), the choice of which being subject to prior Rating Affirmation.

Notwithstanding the Service Termination Date, the Administrator will continue to be bound by all its obligations under the Administrative Agreement until the appointment of the Substitute Administrator is effective. The Administrator undertakes to act in good faith to assist any Substitute Administrator.

### *Limited Recourse – Non Petition*

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

### *Amendment*

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 interest 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 and the Administrator have agreed 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 Programme Date (as amended from time to time) and entered into between Crédit Mutuel Home Loan SFH, as Issuer and BFCM, as Issuer Accounts Bank (the "**Issuer Accounts Bank**") (the "**Issuer Accounts Agreement**").

### *Purpose*

Under the Issuer Accounts Agreement, Crédit Mutuel Home Loan SFH, as Issuer, appoints BFCM 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 Mutuel 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 Account (denominated in Euro), 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 (*compte d'instruments financiers*) opened in relation to each Issuer Cash Account,

it being provided that, according to the Issuer Accounts Agreement, upon request of the Issuer, the Administrator may open within the books of the Issuer Accounts Bank, any new bank cash account (and the corresponding securities 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 Programme Document, and notably in case of issuance of Covered Bonds denominated in a Specified Currency other than Euro.

### *Funds Allocation*

Each of the Issuer Accounts shall be exclusively allocated 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 section "*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*

As from the Programme Date and on any relevant date thereafter, the Issuer General Account shall be credited or debited by the Issuer Accounts Bank, acting upon the instructions of the Issuer (or the Administrator acting on its behalf), with any and all amounts which are not specified to be credited or debited to any other Issuer Cash Accounts (the "**Issuer General Account**").

### *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 sections "*The Borrower Security Documents – The Cash Collateral Agreement*", in "*Asset Monitoring – The Pre-Maturity Test*" and in "*Asset Monitoring – The Regulatory Liquidity Test*" (the "**Cash Collateral Account**").

Upon the occurrence of a Borrower Event of Default, 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 priority payment order then applicable in accordance with section "*Cash Flow*" of this Base Prospectus.

### *Share Capital Proceeds Account*

On or prior to the Programme Date, the Share Capital Proceeds Account shall be credited with the amount of the Issuer Share Capital and the Subordinated Loans (the "**Share Capital Proceeds Account**").

Upon the occurrence of a Borrower Event of Default, the Issuer (or the Administrator acting on its behalf) will give the appropriate instructions in order to ensure that the balance of the Share Capital Proceeds Account be allocated in accordance with the priority payment order then applicable in accordance with section "*Cash Flow*" of this Base Prospectus.

### *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.

### *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 being effective on the date upon which (i) the event in paragraph (a) above occurs or (ii) one hundred and eighty (180) days after the date of delivery of the notice referred to in paragraph (b) above and the date upon which the Issuer Accounts Bank becomes unable to act as Issuer Accounts Bank.

#### *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 to which it is a party 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.

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 *règlement amiable* pursuant to article 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 (or financial accelerated safeguard) of the relevant entity (*procédure de sauvegarde* (ou *sauvegarde financière accélérée*)), 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*); 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.

#### *Issuer Accounts Bank Rating Trigger Event*

If an Issuer Accounts Bank Rating Trigger Event occurs, the Administrator will notify the Issuer in writing of the occurrence of such event and then within the Relevant Remedy Period of such occurrence either:

- the then existing Issuer Accounts will be closed and new accounts will be opened under the terms of a new Issuer Accounts Agreement substantially on the same terms as the Issuer Accounts Agreement, with another financial institution whose Relevant Rated Obligations are rated at least A-1 (short-term) and A (long-term)

- by S&P, P-1 by Moody's and F1 (short-term) or A- (long-term) by Fitch; or
- subject to prior Rating Affirmation, the Issuer Accounts Bank will obtain a guarantee of its obligations under the Issuer Accounts Agreement on terms acceptable to the Issuer, acting reasonably, from a financial institution whose Relevant Rated Obligations are rated at least A-1 (short-term) and A (long-term) by S&P, P-1 by Moody's and 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.

For such purposes,

**"Issuer Accounts Bank Rating Trigger Event"** means the event in which the Relevant Rated Obligations of the then appointed Issuer Accounts Bank become rated below A-1 (short-term) and A (long-term) by S&P, F1 (short-term) or A- (long-term) by Fitch or P-1 by Moody's; and

**"Relevant Remedy Period"** means:

- with respect to Fitch, sixty (60) calendar days from the occurrence of any Issuer Accounts Bank Rating Trigger Event for Fitch;
- with respect to S&P, thirty (30) calendar days from the occurrence of any Issuer Accounts Bank Rating Trigger Event for S&P;
- with respect to Moody's, thirty (30) calendar days from the occurrence of any Issuer Accounts Bank Rating Trigger Event for Moody's.

#### *Termination*

**"Issuer Accounts Bank Termination Events"** under the Issuer Accounts Agreement will include the following events:

- (a) the termination of the Issuer Accounts Agreement in accordance with its scheduled term;
- (b) the occurrence and continuation of any Issuer Accounts Bank's Default;
- (c) the occurrence of the Issuer Accounts Bank Rating Trigger Event;
- (d) the occurrence of a Borrower Event of Default; or
- (e) the resignation of the Issuer Accounts Bank.

If an Issuer Accounts Bank Termination Event occurs and is continuing, the Issuer shall terminate 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 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 (each a **"Service Termination Date"**) save for any continuing obligations of the Issuer Accounts Bank contained in the Issuer Accounts Agreement.

Upon the Service Termination Date, the Issuer will replace BFCM, as Issuer Accounts Bank, by any substitute entity (the **"Substitute Issuer Accounts Bank"**), the choice of which being subject to prior Rating Affirmation.

Notwithstanding the Service Termination Date, the Issuer Accounts Bank will continue to be bound by all its obligations under the Issuer Accounts Agreement until the appointment of the Substitute Issuer Accounts Bank is effective. The Issuer Accounts Bank undertakes to act in good faith to assist any Substitute Issuer Accounts Bank.

#### *Limited Recourse – Non Petition*

The Issuer Accounts Agreement includes Limited Recourse and Non petition provisions, as described in section *"Issuer's Activities – Limited Recourse"* and section *"Issuer's Activities – Non-Petition"*.

#### *Amendment*

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 interest 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 Issuer and the Issuer Accounts Bank have agreed 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 BFCM.

#### *General information relating to BFCM*

BFCM is a limited liability company (*société anonyme*) organised under the laws of France, originally established in France on 1 June 1933 under the name Banque Mosellane with a term expiring, unless extended, on 27 October 2054. The name Banque du Crédit Mutuel Lorraine was adopted in 1966. BFCM is licensed as a credit institution, having its registered office at 4, rue Frédéric-Guillaume Raiffeisen - 67000 Strasbourg - France and registered with the Trade and Companies Register of Strasbourg, France under number 355 801 929. The telephone number at the Issuer's registered office is +33 3 88 14 88 14. The short term rating of BFCM is A-1 (S&P), P-1 (Moody's) and F1 (Fitch). The long term rating of BFCM is A (S&P), Aa3 (Moody's) and A+ (Fitch).

BFCM forms part of the group (the "**Crédit Mutuel Alliance Fédérale**") currently controlled by the eleven (11) federations of the Crédit Mutuel (Centre Est Europe, Sud Est, Ile de France, Savoie Mont-Blanc, Midi Atlantique, Loire-Atlantique et Centre Ouest, Centre, Normandie, Dauphiné-Vivaraïs, Méditerranéen and Anjou). The Crédit Mutuel Alliance Fédérale forms part of the French mutualist banking group, the Crédit Mutuel group (the "**Crédit Mutuel Group**"). BFCM and its subsidiaries are together referred to as the "**BFCM Group**".

BFCM's last annual report is available on its website: <http://www.bfcm.creditmutuel.fr>.

#### *Activities*

BFCM acts as central treasury to the Crédit Mutuel Alliance Fédérale and undertakes capital and money market activities on behalf of the Crédit Mutuel Alliance Fédérale as well as providing financing to a number of its customers. As a holding company, BFCM coordinates and develops the BFCM Group's business activities which are mainly banking and insurance.

#### *General information relating to share capital*

Currently, the total issued share capital of BFCM amounts to €1,688,529,500.00 divided into 33,770,590 fully paid up shares of €50.00 each, all of the same category (ordinary shares).

Currently 99,99 per cent. of BFCM's share capital is held by the Caisse Fédérale de Crédit Mutuel. The Caisse Fédérale de Crédit Mutuel's share capital is currently held by ACM Vie Mutuelle and the Caisses of Crédit Mutuel of the Crédit Mutuel Centre Est Europe, Sud-Est, Île-de-France, Savoie-Mont Blanc, Midi-Atlantique, Centre, Dauphiné Vivaraïs, Loire Atlantique et Centre Ouest, Méditerranéen and Normandie. In accordance with a provision in BFCM's by-laws, only *caisses locales*, coopératives and mutual entities within the Centre Est Europe Fédération, the Sud-Est Fédération, the Ile-de-France Fédération and the Midi-Atlantique Fédération or Caisses Fédérales of other Fédérations within the French mutualist banking group, the Crédit Mutuel Group and Caisse Centrale du Crédit Mutuel or members of the board of directors of BFCM may hold its shares and transfers may only be made between such parties.

#### *Management and administration*

BFCM is managed by its board of directors (*Conseil d'administration*). Its by-laws provide for a board of directors consisting of not less than three (3) and not more than eighteen (18) directors who are appointed by the general meeting of the shareholders for a period of three (3) years, but may serve any number of consecutive terms.

The board of directors is chaired by a chairman (*président*). The chairman is responsible for the general management of BFCM and represents it in relation to third parties. The offices of Chairman of the Board of Directors and Chief Executive Officer are dissociated.

#### *Control*

As a regulated bank, BFCM is subject to various controls by the French financial regulators (*Autorité de contrôle prudentiel et de résolution*, Banque de France, Autorité des Marchés Financiers, etc.).

#### *Accounting regulations and methods*

BFCM presents its consolidated financial statements according to the IFRS standards and its non-consolidated financial statements according to the provisions in use in all private industrial and commercial companies.

The accounts of BFCM are subject to examination by Ernst & Young et Autres located at Tour First, TSA 1444 4, 92037 Paris-La Défense Cedex, and PricewaterhouseCoopers France, located at 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France, the statutory auditors (*commissaires aux comptes*) of BFCM which were re-

appointed for a period of six (6) years, expiring at the close of the ordinary general meeting to be called in 2022 to approve the financial statements for the year ending 31 December 2021.

The consolidated and non-consolidated financial statements of BFCM 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 BFCM. The consolidated interim financial statements of BFCM 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 International Programme and the U.S. Programme will be used by Crédit Mutuel Home Loan SFH, as lender (in such capacity, the "**Lender**") to fund advances to be made available to BFCM, as borrower (in such capacity, the "**Borrower**") under a multicurrency term facility agreement (the "**Borrower Facility**").

The Lender and the Borrower have agreed to enter into a Borrower Facility agreement, as amended from time to time, (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 (each a "**Borrower Advance**").

### *The Borrower Facility*

The Borrower Facility shall be made available to the Borrower in an aggregate maximum amount equal to €50,000,000,000 (the "**Borrower Facility Commitment**") for the purpose of financing the general financial needs of the Borrower. In particular, the sums borrowed by the Borrower under the Borrower Facility shall be used to fund advances to be made to the benefit of entities of the CIC Group and/or of the Crédit Mutuel Alliance Fédérale, in accordance with the usual and current practices of BFCM.

Pursuant to the Borrower Facility Agreement, the Borrower shall send to the Administrator (with a copy to the Issuer) a duly completed drawdown request (a "**Drawdown Request**") in respect of the Borrower Advance to be made available under the Borrower Facility. 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 Borrower Advance ("**Final Terms of Borrower Advance**") reflecting the terms and conditions of such corresponding Final Terms of the Covered Bonds (save in respect of any Borrower Advance financed by Soft Bullet Covered Bonds, which Final Terms of Borrower Advance shall not provide for an extended maturity date).

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*

Save in respect of any Borrower Advance financed by Soft Bullet Covered Bonds, which Final Terms of Borrower Advance shall not provide for an extended maturity date, 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 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 fixed by the Issuer and agreed by the Borrower (the "**Issuer Margin**").

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 be re-borrowed.

The Issuer Margin aims at covering, in particular, all the costs and expenses related to the structuring and the updating of the International Programme and the U.S. Programme, all the costs and expenses related to the issuance of Covered Bonds and taxes of the Issuer during the International Programme and the U.S. Programme.

### *Representations, warranties and undertakings*

The Borrower has made the 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) customary tax gross-up provisions relating to payments to be made by the Borrower to the Lender under the Borrower Facility Agreement;
- (b) customary tax indemnity provisions relating to any payment to be made by the Lender on account of tax on or in relation to any sum received or receivable under the Borrower Facility Agreement by the Lender from the Borrower or any liability in respect of any such payment is asserted, imposed, levied or assessed against the Lender;
- (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 constitutes a Borrower event of default for the purposes of the Borrower Facility Agreement (each a "**Borrower Event of Default**"):

- (a) the Borrower fails to pay any sum due under the Borrower Facility 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 Regulatory Liquidity Test occurs;
- (d) a Breach of Asset Cover Test occurs;
- (e) a Breach of Collection Loss Reserve Funding Requirement occurs;
- (f) 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;
- (g) 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;
- (h) any Collateral Provider(s) fail to comply with any of its/their material obligations under the Programme Documents unless such breach is capable of remedy and is remedied (i) within sixty (60) Business Days after the Administrator or the Issuer has given notice thereof to the Borrower and the Collateral Security Agent or (ii) (if sooner) the Borrower or the Collateral Security Agent has knowledge of the same, provided that, in case of (i) and (ii), the Issuer, at its discretion, certifies that it is prejudicial to the interest of the holders of the relevant Covered Bonds;
- (i) the Borrower fails to pay any sum due to the Collateral Providers as Collateral Security Fee under the Collateral Security Agreement when due and such failure is not remedied within sixty (60) Business Days after such failure;
- (j) as regards the Borrower, an Insolvency Event occurs;
- (k) any effect, event or matter (regardless of its nature, cause or origin and in particular the commencement of any legal, administrative or other proceedings against the Borrower) occurs which is or could be reasonably expected to be materially adverse to (i) the financial or legal situation, assets, business or operations of the Borrower and (ii) the ability of the Borrower to perform its payment obligations or the financial covenants under any of the Programme Documents; or

- (l) 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).

Upon the occurrence of a Borrower Event of Default, the Administrator or the Substitute Administrator or any representative or agent acting on its behalf shall, by written notice (such notice to constitute a *mise en demeure*) to the Borrower (with a copy to the Rating Agencies), (i) declare that no more Borrower Advances shall be made under the Borrower Facility, (ii) declare that the Borrower Facility shall be cancelled, and (iii) declare that the Borrower Advances shall immediately become due and payable and enforce its rights under the Collateral Security Agreement and the Cash Collateral Agreement (a "**Borrower Enforcement Notice**").

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 *réglement amiable* pursuant to article 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 (or financial accelerated safeguard) of the relevant entity (*procédure de sauvegarde (ou sauvegarde financière accélérée)*), 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*); 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.

#### *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 hereunder but not made by reason of the operation of any one or more of the provisions of the Borrower Facility Agreement.

In addition, under the Borrower Facility Agreement, the Borrower as 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 Programme Documents and any termination costs due and payable by the Lender under any Hedging Agreement (if any) which would not be subordinated to the full and final redemption of the then outstanding Covered Bonds).

For the avoidance of doubt, these costs, losses and expenses include, without limitation, any Administrative and Tax Cost, any Issuer Hedging Cost (if any), any Borrower Hedging Cost (if any), any Issuer Hedging Subordinated Termination Cost (if any) and any other servicing fee or ancillary cost benefiting from the *Privilège* sustained or incurred by the Lender as from the occurrence of a Borrower Event of Default until the date of payment of any sums outstanding and owing under the latest outstanding Covered Bond.

#### *Broken Funding Indemnity*

If, as a consequence 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 section "*Issuer's Activities – Limited Recourse*" and section "*Issuer's Activities – Non-Petition*".

*Amendment*

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 interest 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 Lender and the Borrower have agreed 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 Programme Date, as amended from time to time, and made between (i) the Issuer, in its capacity as Lender, (ii) collateral providers (the "**Collateral Providers**") and (iii) BFCM, in its respective capacity as Borrower, Collateral Provider, Collateral Security Agent, Administrator and Issuer Calculation Agent (the "**Collateral Security Agreement**").

#### *Secured Liabilities*

The Collateral Security Agreement sets forth the terms and conditions upon which the Collateral Providers, represented by the Collateral Security Agent, shall transfer to the Lender the full ownership of Eligible Assets as collateral security (*remettre en pleine propriété à titre de garantie*) pursuant to articles L.211-36 to L.211-40 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "**Collateral Security**") for the benefit of the Lender in order to secure the payments, as they become due and payable, of all and any amounts owed by the Borrower under the Borrower Facility Agreement, whether in principal, interest, as fees, as indemnities or as guarantees and whether present or future (the "**Secured Liabilities**").

#### *Collateral Providers on or about the Programme Date*

On or about the Programme Date, the Collateral Providers, duly represented by the Collateral Security 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 Programme Date, it complies with the Collateral Provider Eligibility Criteria.

#### *Accession of Collateral Providers after the Programme Date*

At any time after the Programme Date but prior to the occurrence of any Borrower Event of Default or any Issuer Event of Default which is continuing unremedied, 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.

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 Programme Date but prior to the occurrence of any Borrower Event of Default or any Issuer Event of Default which is continuing unremedied, any Collateral Provider (except BFCM) may withdraw from the Collateral Security Agreement, provided that such withdrawal does not and is not likely to cause any Borrower Event of Default (including the occurrence of a Breach of Asset Cover Test). As further described in the Collateral Security Agreement, such withdrawal shall be subject to the following conditions precedent:

- (a) the issuance by the Collateral Security Agent (acting in the name and on behalf of the relevant Collateral Provider(s)) of a withdrawal letter (a "**Withdrawal Letter**");
- (b) the notification by each of the Issuer, the Administrator, the Issuer Calculation Agent and the Collateral Security Agent 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 Security Agent shall execute such Withdrawal Letter in its own name and on its own behalf but also in the name and on behalf of each of the relevant Collateral Provider(s);
- (c) the confirmation by the Issuer Calculation Agent that such withdrawal does not and is not likely to cause any Borrower Event of Default; and
- (d) the Issuer Calculation Agent shall have controlled and certified in writing to the Issuer that the Home Loan Receivables transferred 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 transferred 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 transferred as Collateral Security by the withdrawing Collateral Provider(s) exceeds one per cent. (1%) of the aggregate Home Loan Outstanding Principal Amount of the Home Loan Receivables transferred 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 ("WAFR"), the Weighted Average Loss Severity ("WALS") and the Asset Percentage that would be applicable following the release of the Home Loans Receivables transferred by such withdrawing Collateral Provider(s) as Collateral Security.

For such purpose, "**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.

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 Loans Receivables transferred as Collateral Security by such withdrawn Collateral Provider shall be automatically released without any further formality.

At all times after the Programme Date, the Collateral Security Agent shall keep an updated list of the Collateral Providers, containing sufficient details of such Collateral Providers and taking into account any accession or withdrawal 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 Security Agent to the Issuer, the Administrator and/or the Issuer Calculation Agent, promptly upon their request.

For the purposes of the Collateral Security Agreement, each Collateral Provider transferring Collateral Security shall, at the end of the current calendar month, comply with all the following cumulative Collateral Provider Eligibility Criteria (the "**Collateral Provider Eligibility Criteria**"):

- (a) the relevant entity is either:
  - BFCM, CIC, CIC Nord Ouest, CIC Ouest, CIC Sud Ouest, CIC Est, CIC Lyonnaise de Banque and, subject to Rating Affirmation, any other French legal entity, located in France, duly licensed as a French credit institution (*établissement de crédit*), controlled by BFCM within the meaning of article L.233-3 of the French Commercial Code (*Code de commerce*); or
  - a Caisse de Crédit Mutuel (within the meaning of article L.512-55 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) and to the exclusion of the *caisses mutuelles agricoles et rurales* referred to in article R.512-26 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) which forms part of the Crédit Mutuel Alliance Fédérale;
- (b) the relevant entity has validly executed the Collateral Security Agreement on the Programme 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 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 (x) to enable such entity lawfully to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in the Collateral Security Agreement, (y) to ensure that the obligations expressed to be assumed by it in the Collateral Security Agreement are legal, valid and binding and (z) 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 nor the performance by it of any of the transactions contemplated therein nor of any of its obligations thereunder nor the creation of the security thereby constituted does not and will not:
  - conflict with its constitutive documents; or

- 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
  - 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.

#### *Collateral Security Agent*

In accordance with the Collateral Security Agreement, each Collateral Provider has appointed BFCM 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 Security Agent**").

#### *Resignation of the Collateral Security Agent*

The Collateral Security Agent will not resign from the duties and obligations imposed on it as Collateral Security Agent pursuant to the Collateral Security Agreement, except upon a determination that the performance of its duties under the Collateral Security Agreement shall no longer be permissible under the applicable law, such determination to be evidenced by the delivery to the Issuer of an external counsel's opinion to such effect. No such resignation shall become effective before the date upon which the Collateral Security Agent becomes unable to act as Collateral Security Agent, as specified in the external counsel's opinion.

#### *Collateral Security Agent's Defaults*

Collateral Security Agent's Defaults will occur upon *inter alia* the occurrence of the following events:

- (a) any material representation or warranty made by the Collateral Security 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 Security Agent or (if sooner) the Collateral Security 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 Security 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 Security Agent or (if sooner) the Collateral Security 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 Security Agent; or
- (d) at any time it is or becomes unlawful for the Collateral Security 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.

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 *réglement amiable* pursuant to article 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 (or financial accelerated safeguard) of the relevant entity (*procédure de sauvegarde (ou sauvegarde financière*

accélérée)), 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); 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.

#### *Collateral Security Agent Rating Trigger Event*

If a Collateral Security Agent Rating Trigger Event occurs, the Collateral Security Agent will notify the Issuer in writing of the occurrence of the Collateral Security 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 Collateral Security Agent Termination Event.

For such purposes, "**Collateral Security Agent Rating Trigger Event**" means the event in which the Relevant Rated Obligations of the Collateral Security Agent become rated below BBB by S&P or BBB by Fitch or Baa2 by Moody's.

#### *Termination*

"**Collateral Security Agent Termination Events**" under the Collateral Security Agreement will include the following events:

- (a) the termination of the Collateral Security Agreement in accordance with its scheduled term;
- (b) the occurrence and continuation of any Collateral Security Agent's Default;
- (c) the occurrence of the Collateral Security Agent Rating Trigger Event;
- (d) the occurrence of a Borrower Event of Default; or
- (e) the resignation of the Collateral Security Agent.

If a Collateral Security Agent Termination Event occurs and is continuing, the appointment of the Collateral Security Agent under the Collateral Security Agreement shall be terminated by the sending to the Collateral Security Agent by the Issuer of a written notice for the purposes thereof (the "**Notice of Termination**"). Upon receipt by the Collateral Security Agent of the Notice of Termination, the appointment of the Collateral Security Agent will terminate with effect:

- not earlier than twenty (20) Business Days as from the receipt by the Collateral Security Agent of the Notice of Termination, if such Notice of Termination is served due to the occurrence of a Borrower Event of Default or of a Collateral Security Agent Rating Trigger Event;
- not earlier than twenty (20) Business Days as from the receipt by the Collateral Security 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.

(each a "**Service Termination Date**"), and save for any continuing obligations of the Collateral Security Agent contained in the Collateral Security Agreement.

Upon the Service Termination Date, the Collateral Providers will replace BFCM, as Collateral Security Agent, by any substitute entity (the "**Substitute Collateral Security Agent**"), the choice of which being subject to prior Rating Affirmation.

Notwithstanding the Service Termination Date, the Collateral Security Agent will continue to be bound by all its obligations under the Collateral Security Agreement until the appointment of the Substitute Collateral Security Agent is effective. The Collateral Security Agent undertakes to act in good faith to assist any Substitute Collateral Security Agent.

#### *Eligible Assets*

For the purposes of the Collateral Security Agreement, an "**Eligible Asset**" means any Home Loan Receivable that complies with the Home Loan Eligibility Criteria (each as further described below).

The "**Home Loan Eligibility Criteria**" include the following cumulative eligibility criteria, subject to the provisions of article L.513-29-II of the French Monetary and Financial Code (*Code monétaire et financier*):

- (a) prior to the date upon which the Home Loan has been made available to the borrower thereof, all lending criteria and preconditions as applied by the originator of the Home Loan pursuant to its customary lending procedures were satisfied;

- (b) the underlying property is located in the jurisdiction of the originator of the Home Loan;
- (c) the Home Loan is governed by the law of the jurisdiction where the originator of the Home Loan is located;
- (d) the Home Loan is denominated in Euro or in CHF;
- (e) all sums due under the Home Loan (including interest and costs) are secured by a fully effective Home Loan Security;
- (f) at the date on which the Collateral Security Agent, acting in the name and on behalf of the relevant Collateral Provider, notifies the other parties that such Home Loan is effectively transferred as Collateral Security (the "**Selection Date**"), the current principal balance of such Home Loan is no more than Euro 1,000,000 or its equivalent in CHF;
- (g) the loan-to-value of the Home Loan is no more than one hundred per cent. (100%);
- (h) at the relevant Selection Date, the remaining term for the Home Loan is less than thirty (30) years;
- (i) at the relevant Selection Date, the borrower under the Home Loan has paid at least one instalment in respect of the Home Loan;
- (j) the borrower under the Home Loan is an individual, or individuals acting through a *société civile immobilière*, who are not employees of the originator of such relevant Home Loan;
- (k) the Home Loan is current (*i.e.* does not present any arrear) as at the Selection Date;
- (l) the Home Loan is either monthly or quarterly amortising as at the Selection Date;
- (m) the borrower under the Home Loan does not benefit from a contractual right of set off;
- (n) the opening by the borrower under the Home Loan of a bank account dedicated to payments due under the Home Loan is not provided in the relevant contractual arrangements as a condition precedent to the originator of the Home Loan making the Home Loan available to the borrower under the Home Loan;
- (o) except where prior Rating Affirmation has been obtained, no amount drawn under the Home Loan is capable of being redrawn by the borrower thereof (*i.e.* the Home Loan is not flexible); and
- (p) as at the end of the current calendar month, the Collateral Provider transferring such Home Loans Receivables as Collateral Security complies with any and all above mentioned Collateral Provider Eligibility Criteria.

If it is confirmed that a Home Loan ceases to comply with one or several of the above Home Loan Eligibility Criteria (each an "**Ineligible Home Loan**"), any Home Loan Receivables transferred 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 section "*Asset Monitoring – Asset Cover Test*"). In addition, the Collateral Security Agent, acting in the name and on behalf of the relevant Collateral Provider(s), may request that such Ineligible Home Loan Receivables 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 issued by Crédit Logement or by Cautionnement Mutuel de l'Habitat (CMH) or (ii), subject to Rating Affirmation, each and any financial guarantee or other type of guarantee provided by insurance companies, mutual insurance companies, credit institutions (*établissements de crédit*) or financing companies (*sociétés de financement*) 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.

### *Collateral Security Assets*

Eligible Assets shall be validly transferred by way of security as Collateral Security (*remis en pleine propriété à titre de garantie*) and shall qualify as "**Collateral Security Assets**" for the purposes of the Collateral Security Agreement only upon satisfaction of numerous conditions precedents provided for in the Collateral Security Agreement, including in particular that the same shall have been duly identified in the relevant Collateral Provider's IT systems.

### *Transfers*

In accordance with paragraphs I and II of article L.211-38 of the French Monetary and Financial Code (*Code monétaire et financier*), the Collateral Security shall be constituted by transfers of Eligible Assets, such transfers being enforceable against third parties without further formalities, other than the identification of the transferred (*remis en pleine propriété à titre de garantie*) Eligible Assets in the relevant Transfer Certificate delivered by the Collateral Security Agent in accordance with the provisions of the Collateral Security Agreement.

Any Eligible Asset transferred subject to, and in accordance with, the Collateral Security Agreement will automatically form part of the Collateral Security, and the Issuer shall have the full ownership of such assets, until final release and discharge, but without prejudice to substitutions and partial releases which may occur in accordance with the provisions of the Collateral Security Agreement.

"**Transfer Certificate**" means a full ownership transfer certificate (*certificat de transfert*) substantially in the form provided by the Collateral Security Agreement to be remitted by the Collateral Security Agent to the Issuer.

### *Asset Monitoring and Asset Cover Test*

The Collateral Security 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 (as further described in "**Asset Monitoring – The Asset Cover Test**").

In particular, the Collateral Security Agent, acting in the name and on behalf of the Collateral Providers, may at any time add, substitute or release Collateral Security Assets (including Home Loan Receivables arising from Ineligible Home Loans) from the scope of the Collateral Security. However, without prejudice to the transfer requirements provided for in the Collateral Security, 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 Security Agent.

Upon Non Compliance with the Asset Cover Test on any applicable test date, the Collateral Security Agent, acting in the name and on behalf of the Collateral Providers, shall cure such non compliance by:

- (a) causing the Collateral Providers to transfer additional or substitute Eligible Assets as Collateral Security pursuant to the relevant terms of the Collateral Security Agreement; and/or
- (b) causing the Collateral Providers to release Collateral Security Assets from the Collateral Security pursuant to the relevant terms of the Collateral Security Agreement;

or the Issuer may acquire Substitution Assets in accordance with but subject to the Administrative 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 shall be deemed the occurrence of a Borrower Event of Default under the Borrower Facility Agreement.

### *Asset Servicing*

Until (i) the occurrence of any relevant Servicing Rating Trigger Event or (ii) enforcement of the Collateral Security in accordance with the terms and subject to the provisions described below, the servicing management and recovery of the Collateral Security Assets shall be carried out by the Collateral Providers. The Collateral Providers are entitled to keep and dispose of any collections received under the Collateral Security Assets, subject to the provisions of the Collateral Security Agreement.

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

Based on the information received from the Collateral Providers, the Collateral Security Agent, acting in the name and on behalf of the Collateral Providers, shall provide the Issuer with on each Asset Cover Test Date, an asset report (the "**Asset Report**") up-to-date as at the last Business Day of the calendar month immediately preceding such Asset Cover Test Date, and (if different from an Asset Cover Test Date) on each date upon which a Collateral Security Assets is selected by the Collateral Security Agent, acting in the name and on behalf of the Collateral Providers, for inclusion in the scope of the Collateral Security. Each Asset Report shall include the relevant data and information with respect to the relevant assets.

The Collateral Security Agent and 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, the Issuer (or any agent acting on its behalf) is granted the access to the Collateral Security Agent's premises and to the Collateral Providers' premises, or to premises where the 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).

If a Servicing Rating Trigger Event occurs with respect to the Borrower, the Administrator will notify the Issuer in writing of the occurrence of such event and then within thirty (30) Business Days of such occurrence, the Issuer and the Collateral Security Agent, acting in the name and on behalf of the Collateral Providers, will use reasonable endeavours to appoint a new servicer (whose Relevant Rated Obligations (if rated) are rated at least BBB by S&P, or BBB- by Fitch or Baa2 by Moody's), for the servicing of the Collateral Security Assets transferred by the Borrower and by the Caisses de Crédit Mutuel which form part of the Crédit Mutuel Alliance Fédérale.

If a Servicing Rating Trigger Event occurs with respect to CIC, the Administrator will notify the Issuer in writing of the occurrence of such event and then within thirty (30) Business Days of such occurrence, the Issuer and the Collateral Security Agent, acting in the name and on behalf of the Collateral Providers, will use reasonable endeavours to appoint a new servicer (whose Relevant Rated Obligations (if rated) are rated at least BBB by S&P or BBB- by Fitch or Baa2 by Moody's), for the servicing of the Collateral Security Assets transferred by the Collateral Providers being subsidiaries of the Borrower.

For such purposes, "**Servicing Rating Trigger Event**" means, with respect to the Borrower or CIC, as applicable, the event in which its Relevant Rated Obligations become rated below BBB by S&P, or BBB- by Fitch or Baa2 by Moody's.

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 transferred as Collateral Security, as specified from time to time to the Issuer Calculation Agent pursuant to the relevant terms of the Collateral Security Agreement.

#### *Collateral Security Fee*

The Borrower shall pay to the Collateral Security Agent, acting in the name and on behalf of the Collateral Providers (except BFCM), a remuneration for the commitment of such Collateral Providers to transfer assets as Collateral Security under the Collateral Security Agreement (the "**Collateral Security Fee**"). For each Collateral Provider (except BFCM), such Collateral Security Fee shall be calculated as follows: (i) the Borrower will estimate the financial costs incurred under the Borrower Debt, should the Collateral Security not be transferred by the Collateral Providers and determine the financial cost saved due to the transfer of such Collateral Security (the "**Financial Saving**"), and (ii) an amount equal to the Financial Saving shall be distributed as Collateral Security Fee to the Collateral Providers on the basis of the total nominal amount of the Home Loans owned by such Collateral Provider and which meet the Home Loan Eligibility Criteria as at the last Selection Date.

#### *Representations, warranties and undertakings*

The Collateral Security 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.

#### *Collection Loss Trigger Event*

In case the Relevant Rated Obligations of the Borrower are below F1 (short term) or A- (long-term) (Fitch) or in case the Relevant Rated Obligations of CIC are below F1 (short term) or A- (long-term) (Fitch) (each a "**Pre-Collection Loss Trigger Event**") and within ten (10) Business Days from the occurrence of such Pre-Collection Loss Trigger Event, the Borrower shall be required to pay into the credit of a bank account to be opened within such period in its name and in the books of the Issuer Accounts Bank (the "**Collection Loss Reserve Account**") and maintain, as long as such Pre-Collection Loss Trigger Event is continuing, an amount equal to the interests, fees, costs, expenses, taxes and other ancillary sums (excluding principal amounts) due in relation to the then outstanding Covered Bonds during the three (3) following calendar months. Upon the occurrence of such Pre-Collection Loss Trigger Event, the Borrower shall report 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, the occurrence of such Pre-Collection Loss Trigger Event.

Upon the termination of the Pre-Collection Loss Trigger Event, the Borrower shall report such termination to the Issuer, the Administrator and the Issuer Calculation Agent (with a copy to the Rating Agencies). Following such notification, the Borrower shall no more be required to fund the Collection Loss Reserve Account and the amounts credited to such account shall be released by the Issuer and transferred to the Borrower (provided that no Collection Loss Trigger Event has occurred and is continuing).

In case the Relevant Rated Obligations of the Borrower are below A-2 (short-term) (S&P), F2 (short term) or BBB (long-term) (Fitch) or P-1 (Moody's) or in case the Relevant Rated Obligations of CIC are below A-2 (short-term) (S&P), F2 (short term) or BBB (long-term) (Fitch) or P-1 (Moody's) (each a "**Collection Loss Trigger Event**") and within ten (10) Business Days from the occurrence of such Collection Loss Trigger Event, the Borrower shall be required to pay into the credit of a bank account to be opened within such period in its name and in the books of the Issuer Accounts Bank (the "**Collection Loss Reserve Account**") and maintain, as long as such Collection Loss Trigger Event is continuing, the greater of the two following amounts: (i) an amount equal to collections received by the Collateral Providers under the Home Loans transferred as Collateral Security during the three (3) last calendar months and (ii) an amount equal to the interests, fees, costs, expenses, taxes and other ancillary sums (excluding principal amounts) due in relation to the then outstanding Covered Bonds during the three (3) following calendar months. Upon the occurrence of such Collection Loss Trigger Event, the Borrower shall report 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, the occurrence of such Collection Loss Trigger Event.

For the avoidance of doubt, following the occurrence of any Collection Loss Trigger Event and as long as any Collection Loss Trigger Event is continuing, the obligation of the Borrower to credit the Collection Loss Reserve Account following the occurrence of any Collection Loss Trigger Event shall replace the obligation of the Borrower to credit the Collection Loss Reserve Account following the occurrence of the Pre-Collection Loss Trigger Event.

Upon the termination of all Collection Loss Trigger Events, the Borrower shall report such termination to the Issuer, the Administrator and the Issuer Calculation Agent (with a copy to the Rating Agencies). Following such notification, the Borrower shall no more be required to fund the Collection Loss Reserve Account and the amounts credited to such account shall be released by the Issuer and transferred to the Borrower (but without prejudice to the application of the provisions related to the occurrence of the Pre-Collection Loss Trigger Event).

All cash credited to the Collection Loss Reserve Account as described above shall be granted as Collateral Security subject to, and in accordance with, the relevant terms of the Collateral Security Agreement and shall secure the Secured Liabilities as they become due and payable.

Failure by the Borrower to fund the Collection Loss Reserve Account up to the required amount within the required period following the occurrence date of the Pre-Collection Loss Trigger Event or any Collection Loss Trigger Event, as long as it is continuing, shall constitute a "**Breach of Collection Loss Reserve Funding Requirement**" within the meaning of the Collateral Security Agreement. A Breach of Collection Loss Reserve Funding Requirement shall result in the occurrence of a "**Borrower Event of Default**" under the Borrower Facility Agreement.

#### *Home Loan Guarantee Trigger Events*

Upon the downgrading of the credit rating of the Borrower below A- (long-term) (S&P) or A- (long-term) (Fitch) or A3 (long-term) (Moody's) (the "**Level 1 Home Loan Guarantee Trigger Event**") (and for as long as such Level 1 Home Loan Guarantee Trigger Event is not remedied) and within ten (10) Business Days from the occurrence of such Level 1 Home Loan Guarantee Trigger Event, the Borrower shall be required to pay and

maintain into a dedicated bank account to be opened within such period in its name and in the books of the Issuer Accounts Bank (the "**Mortgages Registration Reserve Account**") an amount equal to the registration costs of mortgages or similar legal privileges (*hypothèque* or *privilège de prêteur de deniers*) securing the repayment of any Home Loans transferred as Collateral Security and secured by Home Loan Guarantees granted by *Cautionnement Mutuel de l'Habitat* (CMH), to be incurred by the relevant Collateral Providers and/or by the *Cautionnement Mutuel de l'Habitat* (CMH) should they register such mortgages or similar legal privileges on behalf of the Issuer (the "**Mortgage Registration Costs**"). The amount of such Mortgage Registration Costs will be estimated by the Issuer (or by any of its representatives) and communicated to the Rating Agencies prior being applied.

All cash credited to the Mortgages Registration Reserve Account as described above shall be granted as Collateral Security subject to, and in accordance with, the relevant terms of the Collateral Security Agreement and shall secure the Secured Liabilities as they become due and payable.

Failure by the Borrower to fund the Mortgages Registration Reserve Account up to the required amount within the required period following the occurrence of a Level 1 Home Loan Guarantee Trigger Event shall result in the occurrence of a "**Borrower Event of Default**" under the Borrower Facility Agreement.

Upon the downgrading of the credit rating of the Borrower below BBB (long-term) (S&P) or BBB (long-term) (Fitch) or Baa2 (long-term) (Moody's) (the "**Level 2 Home Loan Guarantee Trigger Event**") and within sixty (60) days from the occurrence of such Level 2 Home Loan Guarantee Trigger Event:

- (a) - the Borrower and each relevant Collateral Provider, acting on behalf of the Issuer, shall (i) pursuant to the relevant Home Loan contractual documentation, use all reasonable efforts to initiate and to continue the process of creating and registering, in the name of the relevant Collateral Providers, the mortgages or similar legal privileges (*hypothèque* or *privilège de prêteur de deniers*) to secure the repayment of any Home Loans granted as Collateral Security and secured by Home Loan Guarantees granted by *Cautionnement Mutuel de l'Habitat* (CMH) or (ii) ensure that *Cautionnement Mutuel de l'Habitat* (CMH) uses all reasonable efforts to initiate and to continue the process of creating and registering, in the name of the Issuer, the mortgages or similar legal privileges (*hypothèque* or *privilège de prêteur de deniers*) to secure the repayment of any Home Loans already secured by Home Loan Guarantees granted by *Cautionnement Mutuel de l'Habitat* (CMH); and
  - if required by *Cautionnement Mutuel de l'Habitat* (CMH) and/or by the relevant Collateral Providers, the Borrower shall reimburse the same with the registration costs of the mortgages or similar legal privileges mentioned above, as the case may be, from sums credited to the Mortgages Registration Reserve Account; it being provided that the Borrower shall not use the sums credited to the Mortgages Registration Reserve Account for any other purposes than such reimbursement; or
- (b) the Borrower shall ensure that the commitment of *Cautionnement Mutuel de l'Habitat* (CMH) under the Home Loan Guarantees granted by *Cautionnement Mutuel de l'Habitat* (CMH) and securing the repayment of Home Loans granted as Collateral Security is fully guaranteed or insured by an Eligible CMH Guarantor (the "**CMH Guarantee**").

Upon the occurrence of a Level 2 Home Loan Guarantee Trigger Event, and within one hundred and twenty (120) days from the occurrence of such Level 2 Home Loan Guarantee Trigger Event, and provided that the CMH Guarantee has not been implemented at such time, any Home Loans Receivables (i) transferred as Collateral Security and secured by Home Loan Guarantees granted by *Cautionnement Mutuel de l'Habitat* (CMH) (ii) which is not secured by a mortgages 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 (see section "*Asset Monitoring – The Asset Cover Test*") and, as applicable, shall account for zero for the purpose of calculation of the Amortisation Test on any relevant Amortisation Test Date (see section "*Asset Monitoring – The Amortisation Test*"). In addition, the Collateral Security 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.

For such purposes,

"**Eligible CMH Guarantor**" means a financial institution which meets the following conditions:

- such financial institution is permitted under any applicable and relevant law to provide guarantees; and
- (i) the rating of its Relevant Rated Obligations under the CMH Guarantee is at least a CMH Guarantor Required Rating, or (ii) the rating of the Relevant Rated Obligations of the guarantor of its obligations under the CMH Guarantee is at least a CMH Guarantor Required Rating, or (iii) this

financial institution has provided collateral for its obligations and taken any remedial action as required under the relevant methodologies of the Rating Agencies.

"**CMH Guarantor Required Rating**" means, with respect to any guarantor granting a CMH Guarantee or, as applicable, its guarantor under the relevant guarantee, A- (long-term) (S&P) and A- (long-term) (Fitch) and A3 (long-term) (Moody's).

#### *Enforcement*

Upon the service by the Issuer (represented by the Administrator or the Substitute Administrator, or any representative or agent acting on its behalf) 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 Administrator or the Substitute Administrator, or any representative or agent acting on its behalf) shall be entitled to exercise 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 and to the Collateral Security Agent, acting in the name and on behalf of the Collateral Providers, of a Borrower Enforcement Notice:

- (a) the Issuer (represented by the Administrator or the Substitute Administrator, or any representative or agent acting on its behalf) shall be entitled to notify any debtor the transfer of any Collateral Security Assets made to its benefit in accordance with the provisions of the Collateral Security Agreement and the corresponding Transfer Certificate;
- (b) each such notice (a "**Notice to Debtor**") shall also mention, as applicable, the new payment instructions to be observed by the debtor with respect to the payment of sums due under the Collateral Security Assets and/or the related Asset Contractual Documentation. In any such case, any relevant debtor shall then pay the sums payable by it under each transferred receivables directly to the Issuer. Any payment made by any debtor to the Borrower as from the date of receipt of a Notice to Debtor will not discharge such debtor of its obligations under the relevant Collateral Security Assets and/or the related Asset Contractual Documentation;
- (c) the Issuer (represented by the Administrator or the Substitute Administrator, or any representative or agent acting on its behalf) shall exercise all its rights, discretions, privileges and remedies under the Collateral Security Assets, or any related Asset Records and related documents, including, without 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 such Collateral Security Assets (and, in particular, any and all relevant Home Loan Security) whatever the value of Collateral Security Assets at the time of the service of the Borrower Enforcement Notice and shall be entitled to dispose of, transfer, sale or cause to be sold, any or all of the Collateral Security Assets, but subject to the repayment claim (*créances de restitution*) of the Collateral Providers against the Issuer;
- (d) 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 the Issuer, the Administrator or any representative or agent acting on the Issuer's or the Administrator's behalf; and
- (e) upon the instructions of the Issuer (represented by the Administrator or the Substitute Administrator, or any representative or agent acting on its behalf), the Collateral Providers Agent, the Collateral Providers and the Borrower shall:
  - (i) deliver such Asset Records and related documents as well as the deeds, acts, agreements and contractual documents governing the Collateral Security Assets and Asset Contractual Documentation to the Issuer, (represented by the Administrator or the Substitute Administrator, or any representative or agent acting on its behalf) to such place as the same may reasonably designate;
  - (ii) grant the Issuer (represented by the Administrator or the Substitute Administrator, or any representative or agent acting on its behalf) reasonable access to its facilities, premises, computer and/or software systems; and
  - (iii) 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.

For the purpose hereof:

"**Asset Contractual Documentation**" means, in relation to any and all 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 Assets 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).

Pursuant to article L.211-40 of the French Monetary and Financial Code (*Code monétaire et financier*), no right of the Issuer to enforce the Collateral Security shall be in any manner affected or limited by any insolvency proceedings mentioned under the book VI of the French Commercial Code (*Livre VI du Code de Commerce*) which would have been opened with respect to the Collateral Providers or any of its assets.

#### *Application of proceeds*

Once the Issuer shall have been vested in all rights of title, discretions, benefits and other rights with respect to any and all the Collateral Security Assets following enforcement of the Collateral Security, 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.

Subject to the discharge in full of all the Secured Liabilities, the Collateral Security 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 Security Agent, acting in the name and on behalf of the Collateral Providers, shall be made 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 section "*Issuer's Activities – Limited Recourse*" and section "*Issuer's Activities –Non-Petition*".

#### *Amendment*

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 interest 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 Security 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.

#### *Governing Law – Jurisdiction*

The Collateral Security Agreement shall be governed by, and construed in accordance with, French law. The parties to the Collateral Security Agreement have agreed 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 Programme Date and made between (i) the Issuer in its capacity as Lender, and (ii) BFCM in its capacity as Cash Collateral Provider (the "**Cash Collateral Provider**"), Administrator and Issuer Calculation Agent (the "**Cash Collateral Agreement**").

#### *Secured Liabilities*

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 so as to secure the payments, as they become due and payable, of all and any amounts owed by the Borrower under the Borrower Facility Agreement, whether in principal, interest, as fees, as indemnities or as guarantees and whether present or future (the "**Secured Liabilities**").

### *Creation and Perfection*

Any Cash Collateral shall be created upon credit of the corresponding sums into the Cash Collateral 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.

Cash at any time standing to the credit of the Cash Collateral Account may be invested only in Permitted Investments whose maturity is earlier than the Final Maturity Date (or, as the case may be, with respect to Soft Bullet Covered Bonds, the Extended Final Maturity Date) of the relevant Series of Covered Bonds.

### *Pre-Maturity Test*

The Cash Collateral Provider shall be requested to fund the Cash Collateral Account with the relevant Cash Collateral and up to the required amount upon non compliance by the Borrower of certain pre-maturity ratings levels following the occurrence date of such non compliance and during a certain pre-maturity test period (as further described in "**Asset Monitoring – The Pre-Maturity Test**").

Failure by the Cash Collateral Provider to fund the Cash Collateral Account with the relevant Cash Collateral and up to the required amount within the required period following any non compliance with the relevant pre-maturity ratings levels and on any relevant test date following such non compliance shall constitute a Breach of Pre-Maturity Test under the Cash Collateral Agreement which breach shall in turn result in the occurrence of a Borrower Event of Default under the Borrower Facility Agreement.

### *Regulatory Liquidity Test*

In order to enable the Issuer to meet its obligation to cover its liquidity needs in accordance with the legal framework applicable to a *société de financement de l'habitat* and pursuant to the provisions of the Cash Collateral Agreement, at any time before the occurrence of a Borrower Event of Default under the Borrower Facility Agreement, the Cash Collateral Provider shall be requested to fund as Cash Collateral into the Cash Collateral Account an amount equal to, on each calendar day, the amount corresponding to the liquidity needs of the Issuer for the next following one hundred and eighty (180) days calculated in accordance with the provisions of articles L.513-9 and R.513-7 of the French Monetary and Financial Code (*Code monétaire et financier*) (as it may be amended from time to time) (as further described in "**Asset Monitoring – The Regulatory Liquidity Test**").

Failure by the Cash Collateral Provider to fund the Cash Collateral Account with the relevant Cash Collateral and up to the required amount within the required period following any non compliance with the amount required for compliance with the Regulatory Liquidity Test and on any relevant test date following such non compliance shall constitute a Breach of Regulatory Liquidity Test under the Cash Collateral Agreement which breach shall in turn result in the occurrence of a Borrower Event of Default under the Borrower Facility Agreement.

### *Representations, warranties and undertakings*

The Cash Collateral Provider has made the 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 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 Administrator or the Substitute Administrator, or any representative or agent acting on its behalf) shall be entitled to apply all sums standing to the credit of the Cash Collateral Account in satisfaction of all the Secured Liabilities.

Any sum remaining to the credit of the Cash Collateral Account after satisfaction in full of the Secured Liabilities shall be promptly repaid to the Borrower.

### *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 proceedings with respect to the Borrower.

### *Limited Recourse – Non Petition*

The Cash Collateral Agreement includes Limited Recourse and Non petition provisions, as described in section "*Issuer's Activities – Limited Recourse*" and section "*Issuer's Activities – Non – Petition*".

*Amendment*

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 to any successor;
- (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 Issuer and the Cash Collateral Provider have agreed 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

In accordance with articles L.513-23 and L.513-32 of the French Monetary and Financial Code (*Code monétaire et financier*), the specific controller (*Contrôleur spécifique*) ensures that the Issuer complies with the French Monetary and Financial Code (*Code monétaire et financier*) (in particular, verifying the quality and the eligibility of the assets and the cover ratios), monitors the balance between the Issuer's assets and liabilities in terms of rates and maturity (cash flow adequacy) and ensures that the Eligible Assets transferred as collateral security (*remis en pleine propriété à titre de garantie*) in order to secure Borrower Advances, comply with the provisions of articles L.513-28 and L.513-29 of the French Monetary and Financial Code (*Code monétaire et financier*) (for further description, see section "*The Issuer - Specific Controller (Contrôleur spécifique)*" and section "*Main features of the legislation and regulations relating to sociétés de financement de l'habitat*").

Without prejudice to the articles L.513-23 and L.513-32 of the French Monetary and Financial Code (*Code monétaire et financier*), under the Collateral Security Agreement and for so long as no Borrower Event of Default has occurred and been enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, the Collateral Security Agent and the Collateral Providers shall monitor the Collateral Security Assets so as to ensure compliance with an asset cover test (the "**Asset Cover Test**").

Under the 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 shall fund the Cash Collateral Account up to an amount sufficient so as to ensure compliance with a pre-maturity test (the "**Pre-Maturity Test**") and with a regulatory liquidity test (the "**Regulatory Liquidity Test**").

Under Condition 6(c) 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 the twentieth (20<sup>th</sup>) day of each calendar month and each issuance date of a Series or a Tranche of Covered Bonds. The first Asset Cover Test Date shall be 20 August 2007.

"**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 at each Asset Cover Test Date:

$$R = \left[ \frac{\text{AdjustedAggregateAssetAmount(AAAA)}}{\text{AggregateCovered Bond Outstanding Principal Amount}} \right]$$

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;

whereby:

"**Euro Equivalent**" means the euro equivalent amount of the relevant amount denominated in the Specified Currency (as defined in section "*Terms and Conditions of the French Law Covered Bonds*"), it being specified 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 or (ii) the final terms for the related Borrower Advance, as applicable, then the amount of Eligible Assets that will be required to be transferred by the Borrower in accordance with the relevant terms of the Collateral Security Agreement and which shall secure the "euro equivalent" amount of such Borrower Advance, shall be calculated using the above mentioned pre-agreed foreign exchange rate.

"**Adjusted Aggregate Asset Amount (AAAA)**" means, at any Asset Cover Test Date:

$$(AAAA) = A + B + C + D$$

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 Home Loans transferred as Collateral Security and excluding the Home Loans which have become Ineligible Home Loans (see section "*The Collateral Security*" for a description of the Home Loans Eligibility Criteria) during the applicable Asset Cover Test Calculation Period (the "**Relevant Home Loan**"), as such Adjusted Home Loan Outstanding Principal Amounts under Borrower Facility 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, 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, the aggregate sum of the financial losses incurred by the Collateral Providers with respect to the Relevant Home Loans 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 section "*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.

"**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 Cautionnement Mutuel de l'Habitat (CMH);
- (iii) a percentage which will be determined in accordance with the relevant methodologies of 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 relevant methodologies of the Rating Agencies, from time to time for each Relevant Home Loan not mentioned under (i) to (iii) above.

"**Index**" means the index of increases of house prices issued by PERVAL in relation to residential properties in France.

"**Indexed Valuation**" means at any date in relation to any Relevant Home Loan secured over any Property:

- (i) where the Original Market Value of that Property is equal to or greater than the Price Indexed Valuation as at that date, the Original Market Value less 106% of the difference between the Original Market Value and the Price Indexed Valuation; or
- (ii) where the Original Market Value of that Property is less than the Price Indexed Valuation as at that date, the Original Market Value plus eighty per cent. (80%) of the difference between the Price Indexed Valuation and the Original Market Value.

"**Original Foreclosure Value**" in relation to any Property means the purchase price of such Property or (as applicable) the most recent valuation of such Property, as disclosed to the relevant Collateral Provider by the relevant debtor under the related Relevant Home Loan.

"**Original Market Value**" in relation to any Property means the Original Foreclosure Value divided by 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.

"A2" is equal to the sum of all unadjusted Home Loan Outstanding Principal Amounts of all Relevant Home Loans minus the Applicable Deemed Reductions (as defined above) multiplied by the applicable Asset Percentage, whereby:

"**Asset Percentage**" means (i) 92.5 per cent. (92.5%) or (ii) such percentage figure as is determined on quarterly basis by the Issuer Calculation Agent pursuant to the relevant terms of the Collateral Security Agreement.

For the purpose of the calculation of the Asset Percentage referred to in (ii) above, the Issuer Calculation Agent will calculate, on a quarterly basis, the Weighted Average Recovery Rate ("**WARR**"), the Weighted Average Frequency of Foreclosure ("**WAFF**"), and the Weighted Average Loss Severity ("**WALS**") (and/or such figures calculated in accordance with such alternative methodologies as determined in accordance with relevant methodologies of Fitch and S&P) for all Relevant Home Loans or for a random sample of the same or as otherwise determined in accordance with relevant methodologies of Fitch and S&P. The WARR and WALS (or other relevant figures) so calculated will be incorporated by the Issuer Calculation Agent into one or more cash flow models determined in accordance with relevant methodologies of Fitch and S&P. 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 agreed 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 relevant methodologies of Fitch and S&P, the Asset Percentage will be adjusted in accordance with the various methodologies prescribed by S&P and Fitch provided that the Asset Percentage may not, at any time, exceed 92.5 per cent. (92.5%).

"**B**" is equal to the aggregate amount of cash standing to the credit of the Cash Collateral Account, as reported by the Collateral Security Agent in the relevant Asset Report.

"**C**" is equal to the aggregate value outstanding under all Eligible Substitution Assets (the "**Aggregate Substitution Asset Amount (ASAA)**") held by the Issuer provided that, the amount of the Aggregate Substitution Asset Amount (ASAA) (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 Substitution Asset Amount (ASAA) shall be reported by the Collateral Security Agent in the relevant Asset Report. 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 determined in accordance with the relevant methodologies of the Rating Agencies.

For the purposes of the above calculation, an "**Eligible Substitution Asset**" is:

- (a) any 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 Relevant Rated 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 A1+ (short-term) and AA- (long-term) by S&P, F1+ (short-term) or AA- (long-term) by Fitch and P-1 (short-term) and Aa3 (long-term) by Moody's; or
- (b) any 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 Substitution Asset which complies with the then applicable criteria determined in accordance with the methodologies published by the Rating Agencies.

"**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 determined in accordance with the relevant methodologies of the Rating Agencies.

#### *Calculation of the Asset Cover Ratio (R)*

On each Asset Cover Test Date, the Asset Cover Ratio (R) shall be calculated by the Issuer Calculation Agent according to the terms, definitions and calculation formula set forth above.

No later than three (3) Business Days following any Asset Cover Test Date, the Issuer Calculation Agent shall inform the Issuer, the Borrower and the Collateral Security Agent (with a copy to the Rating Agencies and to the Asset Monitors) of its calculation of the Asset Cover Ratio (R).

For the purposes of the calculation of any Asset Cover Ratio, Euro Equivalent with respect to Covered Bonds denominated in a Specified Currency shall be determined (i) before the entry into force of any hedging transaction(s) relating to such Covered Bonds, on the basis of the spot exchange rate applicable as of the relevant Asset Cover Test Date (or such other rate communicated by the Issuer Calculation Agent to the Rating Agencies

from time to time) or (ii) upon the entry into force of any hedging transaction(s) relating to such Covered Bonds, on the basis of the exchange rate provided for under such hedging transaction(s).

#### *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 less than 1.

#### *Remedies*

Upon Non Compliance with Asset Cover Test on any Asset Cover Test Date, the Collateral Security Agent shall:

- (i) cause the Collateral Providers to transfer additional or substitute Eligible Assets as Collateral Security pursuant to the relevant terms of the Collateral Security Agreement; and/or
- (ii) cause the Collateral Providers to substitute Collateral Security Assets from the Collateral Security pursuant to the relevant terms of the Collateral Security Agreement;

in each case, as necessary to cure such Non Compliance with Asset Cover Test.

A Non Compliance with Asset Cover Test will not constitute an Issuer Event of Default or a Borrower Event of Default. However, it will prevent the Issuer from issuing any further Covered Bonds as long as it remains unremedied.

#### *Breach of Asset Cover Test*

The failure by the Collateral Security Agent, acting in the name and on behalf of the Collateral Providers, to cure a Non Compliance with Asset Cover Test occurred on any Asset Cover Test Date prior to the next following Asset Cover Test Date shall constitute a "**Breach of Asset Cover Test**" within the meaning of the Collateral Security Agreement. The Issuer Calculation Agent will inform promptly the Issuer, the Borrower and the Collateral Security Agent (with a copy to the Rating Agencies and to the Asset Monitors) of the occurrence of a Breach of Asset Cover Test.

A Breach of Asset Cover Test will result in a Borrower Event of Default within the meaning of, and subject to, the relevant terms of the Borrower Facility Agreement.

A Breach of Asset Cover Test will not constitute an Issuer Event of Default but will prevent the Issuer from issuing any further Covered Bonds.

#### **The Pre-Maturity Test**

Compliance with the Pre-Maturity Test requires compliance with the ratings specified below with respect to the Borrower within each relevant Pre-Maturity Test Period.

For the purpose hereof:

**"Pre-Maturity Test Period"** means the period starting from, and including, the one hundred and eightieth (180th) Business Day preceding the Final Maturity Date (or, as the case may be, with respect to Soft Bullet Covered Bonds, the Extended Final Maturity Date) of each Series of Covered Bonds and ending on, and excluding, such Final Maturity Date (or, as the case may be, with respect to Soft Bullet Covered Bonds, the Extended Final Maturity Date).

#### *Pre-Maturity Ratings Required Levels*

The required ratings with respect to the Borrower (together, the "**Pre-Maturity Ratings Required Levels**") are the following credit ratings from any of S&P, Moody's or Fitch respectively at least A-1 (short-term) (S&P), P-1 (short-term) (Moody's) or F1+ (short-term) (Fitch).

#### *Pre-Maturity Test*

The Issuer Calculation Agent shall test compliance or non compliance by the Borrower with the Pre-Maturity Ratings Required Level subject to, and in accordance with, the relevant terms of the Calculation Services Agreement.

#### *Non Compliance with Pre-Maturity Test*

Upon downgrading of the Borrower below any of the Pre-Maturity Ratings Required Levels within a Pre-Maturity Test Period, the Issuer Calculation Agent shall inform the Cash Collateral Provider of the same within three (3) Business Days from such downgrading by written notice (the "**Non Compliance Notice**") delivered to the Cash Collateral Provider subject to, and in accordance with, the relevant terms of the Cash Collateral Agreement.

The downgrading of the Borrower below any of the Pre-Maturity Ratings Required Levels will not constitute an Issuer Event of Default nor a Borrower Event of Default.

### *Remedies*

If a Non Compliance Notice is received by the Cash Collateral Provider within a Pre-Maturity Test Period and with respect to a Pre-Maturity Test, 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 the amount of cash to be funded by the Cash Collateral Provider into the Cash Collateral Account with respect to the Series of Covered Bonds which will become due and payable within the next one hundred and eighty (180) Business Days (the "**Relevant Series of Covered Bonds**"), so as to ensure that the total amount of cash funded by the Cash Collateral Provider into the Cash Collateral Account (increased by the Permitted Investments made out of such funded cash) with respect to such Relevant Series of Covered Bonds (the "**Cash Collateral Required Total Amount (CCRTA)**") is equal to:

$$\text{CCRTA} = \text{Covered Bond Principal Amount}$$

whereby:

"**Covered Bond Principal Amount**" means the aggregate amount of principal (in euro or Euro Equivalent with respect to Covered Bonds denominated in a Specified Currency) scheduled to be redeemed at the Final Maturity Date (or, as the case may be, with respect to Soft Bullet Covered Bonds, the Extended Final Maturity Date) of the Relevant Series of Covered Bonds.

The Cash Collateral Provider shall fund the CCRFA in full within thirty (30) calendar days from the receipt of the Non Compliance Notice.

### *Breach of Pre-Maturity Test*

The failure by the Cash Collateral Provider to fund into the Cash Collateral Account the relevant Cash Collateral Required Funding Amount (CCRFA) subject to, and in accordance with, the above described conditions shall constitute a "**Breach of Pre-Maturity Test**" within the meaning of the Cash Collateral Agreement.

A Breach of Pre-Maturity Test will result in a Borrower Event of Default within the meaning of, and subject to, the relevant terms of the Borrower Facility Agreement. A Breach of Pre-Maturity Test will not constitute an Issuer Event of Default.

### **The Regulatory Liquidity Test**

The Regulatory Liquidity Test reflects the regulatory liquidity test provided for under articles L.513-8 and R.513-7 of the French Monetary and Financial Code (*Code monétaire et financier*) and applies at any time before the occurrence of any Borrower Event of Default.

In order to enable the Issuer to meet its obligation to cover its liquidity needs in accordance with the legal framework applicable to a *société de financement de l'habitat* and pursuant to the provisions of the Cash Collateral Agreement, at any time before the occurrence of a Borrower Event of Default under the Borrower Facility Agreement, the Cash Collateral Provider shall be requested to fund as Cash Collateral into the Cash Collateral Account an amount equal to, on each calendar day, the amount corresponding to the liquidity needs of the Issuer for the next following one hundred and eighty (180) days calculated in accordance with the provisions of articles L.513-9 and R.513-7 of the French Monetary and Financial Code (*Code monétaire et financier*) (as it may be amended from time to time) by taking into account expected principal and interests inflows due by all the debtors under the Eligible Assets and net flows under the Hedging Agreements as the case may be less, as the case may be, the amount of any Substitution Assets, including any Cash Collateral, held by the Issuer on such date and the value of any asset that are eligible as collateral to the credit transactions (*opérations de crédit*) of the Banque de France in accordance with the monetary policy and intra-day credit operations rules of the Eurosystem held by the Issuer on such date, to the extent that the regulatory cover ratio referred to in article L.513-12 of the French Monetary and Financial Code (*Code monétaire et financier*) remains satisfied.

At any time before the occurrence of any Borrower Event of Default, the Issuer Calculation Agent shall calculate and inform the Cash Collateral Provider of the amount required to comply with the Regulatory Liquidity Test within three (3) Business Days from such requirement has appeared, by written notice (the "**Non Compliance Notice**") delivered to the Cash Collateral Provider subject to, and in accordance with, the relevant terms of the Cash Collateral Agreement.

### *Remedies*

If a Non Compliance Notice is received by the Cash Collateral Provider at any time with respect to a Regulatory Liquidity Test, the Cash Collateral Provider shall fund the Cash Collateral Account up to an amount (the "**Liquidity Cash Collateral Required Funding Amount (LCCRFA)**") calculated by the Issuer Calculation Agent as being the amount of cash to be funded by the Cash Collateral Provider into the Cash Collateral Account so as to ensure that the total amount of cash funded by the Cash Collateral Provider into the Cash Collateral

Account (increased by the Permitted Investments made out of such funded cash) (the "**Liquidity Cash Collateral Required Total Amount (LCCRTA)**") is equal to the amount of the Issuer's liquidity needs (*besoins de trésorerie*) within the next following one hundred and eightieth (180<sup>th</sup>) (excluded) days after such day (as calculated in accordance with article L.513-9 and R.513-7 of the French Monetary and Financial Code (*Code monétaire et financier*)).

The Cash Collateral Provider shall fund the LCCRFA in full within thirty (30) Business Days from the receipt of the Non Compliance Notice.

#### *Breach of Regulatory Liquidity Test*

The failure by the Cash Collateral Provider to fund into the Cash Collateral Account the relevant Liquidity Cash Collateral Required Funding Amount (LCCFRA) subject to, and in accordance with, the above described conditions shall constitute a Breach of Regulatory Liquidity Test within the meaning of the Cash Collateral Agreement.

A Breach of Regulatory Liquidity Test will result in a Borrower Event of Default within the meaning of, and subject to, the relevant terms of the Borrower Facility Agreement. A Breach of Regulatory Liquidity Test will not constitute an Issuer Event of Default.

#### *Alternative funding upon Pre-Maturity Test and Regulatory Liquidity Test*

Any amount already funded by the Cash Collateral Provider following any non compliance with the amount required for compliance with the Regulatory Liquidity Test shall also be deemed to be funded for the purposes of funding following any non compliance with any Pre-Maturity Ratings Required Level, and any amount already funded by the Cash Collateral Provider following any non compliance with any Pre-Maturity Ratings Required Level shall also be deemed to be funded for the purposes of funding following any non compliance with the amount required for compliance with the Regulatory Liquidity Test. As a consequence, any amount to be funded by the Cash Collateral Provider following any non compliance with the amount required for compliance with the Regulatory Liquidity Test and/or following any non compliance with any Pre-Maturity Ratings Required Level, shall be calculated taking into account any amount already funded by the Cash Collateral Provider following any non compliance with any Pre-Maturity Ratings Required Level and/or following any non compliance with the amount required for compliance with the Regulatory Liquidity Test, and not yet released following variation of the amount of CCRFA or LCCRFA and/or the regain by BFCM of the Pre-Maturity Ratings Required Levels or the decrease of the amount required for compliance with Regulatory Liquidity Test.

#### **The Amortisation Test**

The following terms shall have the following definitions:

"**Amortisation Test Date**" means the twentieth (20<sup>th</sup>) day of each calendar month following the enforcement of a Borrower Event of Default.

"**Amortisation Test Calculation Period**" means, in relation to any Amortisation Test Date, each period starting on, and including, the immediately preceding Amortisation Test Date, and ending on, and excluding such Amortisation Test Date.

Compliance with the Amortisation Test requires compliance with the amortisation ratio RA specified below (the "**Amortisation Ratio (RA)**"). Such compliance is tested by the Issuer Calculation Agent from time to time throughout the period following the enforcement of a Borrower Event of Default subject to, and in accordance with the Condition 6(c) and the Calculation Services Agreement.

#### *The Amortisation Ratio*

"**RA**" means the following ratio which shall be at least equal to one 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:

$$(TAAA') = A' + B + C + D + E$$

whereby:

"**A'**" is equal to the sum of all Transferred Home Loan Outstanding Principal Amounts of all Relevant Home Loans, as such Adjusted 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 Home Loan, the amount of principal outstanding at the relevant Amortisation Test Date under such Relevant Home Loan.

"**Relevant Home Loan**" means, with respect to a given Amortisation Test Date, any Collateral Security Asset.

"**Transferred Home Loan Outstanding Principal Amount**" means, with respect to each Relevant Home Loan, the Home Loan Outstanding Principal Amount of such Relevant Home Loan multiplied by M, where for all the Relevant Home Loans that are less than three (3) months in arrear, M = 1 and for all the Relevant Home Loans that are three (3) months or more in arrear, M = 0.7.

"**B**", "**C**" and "**D**" 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, 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 Monitors) of its calculation of the Amortisation Ratio (RA).

For the purposes of the calculation of any Amortisation Ratio, Euro Equivalent with respect to Covered Bonds denominated in a Specified Currency shall be determined (i) before the entry into force of any hedging transaction(s) relating to such Covered Bonds, on the basis of the spot exchange rate applicable as of the relevant Amortisation Test Date (or such other rate communicated by the Issuer Calculation Agent to the Rating Agencies from time to time) or (ii) upon the entry into force of any hedging transaction(s) relating to such Covered Bonds, on the basis of the exchange rate provided for under such hedging transaction(s).

#### *Non Compliance with Amortisation Test*

A "**Non Compliance with Amortisation Test**" will result from the Amortisation Ratio (RA) being less than one.

A Non Compliance with Amortisation Test will not constitute an Issuer Event of Default. However, it will prevent the Issuer from issuing any further Covered Bonds.

#### *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, the holders of the Australian Law Covered Bonds, the Australian Registrar, the holders of German Law Covered Bonds, the German Fiscal Agent and the German Registrar (with a copy to the Rating Agencies and to the Asset Monitors) of the occurrence of a Breach of Amortisation Test.

A Breach of Amortisation Test will result in an Issuer Event of Default within the meaning of the Terms and Conditions.

## 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 Programme Date and entered into between (i) Crédit Mutuel Home Loan SFH, in its capacity as Lender and (ii) BFCM, in its capacity as Issuer Calculation Agent (the "**Issuer Calculation Agent**").

### *Purpose*

Under the Calculation Services Agreement, Crédit Mutuel Home Loan SFH, as Issuer, appoints BFCM as its servicer for the purposes of any calculation and determinations to be made under the Programme Documents (but excluding all calculation and determinations to be made with respect to the Series of Covered Bonds, such calculation and determinations to be made on behalf of the Issuer by the Calculation Agent under the Issuer Agency Agreement). The Issuer Calculation Agent will always act in the best and exclusive interest of Crédit Mutuel Home Loan SFH.

### *Duties of the Issuer Calculation Agent*

Pursuant to the Calculation Services Agreement, the Issuer Calculation Agent will *inter alia* undertake:

- (a) all and any 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) all and any calculation in relation to the Collateral Security Agreement, including, but not limited to, the Asset Cover Test (see section "*Asset Monitoring*");
- (c) all and any calculation in relation to the Cash Collateral Agreement, including, but not limited to, the Pre-Maturity Test and the Regulatory Liquidity Test (see section "*Asset Monitoring*");
- (d) all and any calculation in relation to the Amortisation Test (see section "*Asset Monitoring*");
- (e) all and any calculation necessary to comply with laws and regulations applicable to *sociétés de financement de l'habitat* (see section "*Main features of the legislation and regulations relating to sociétés de financement de l'habitat*").

### *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.

### *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 (180) days from the receipt by the Issuer of a notice from the Issuer Calculation Agent,

such resignation being effective on the date upon which (i) the event in paragraph (a) above occurs; or (ii) one hundred and eighty (180) days after the date of delivery of the notice referred to in paragraph (b) above and the date upon which the Issuer Calculation Agent becomes unable to act as Issuer Calculation Agent.

### *Issuer Calculation Agent's Defaults*

Issuer Calculation Agent's Defaults will occur upon *inter alia* 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;
- (c) 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;
- (d) an Insolvency Event occurs in respect of the Issuer Calculation Agent; or
- (e) 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.

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 *réglement amiable* pursuant to article 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 (or financial accelerated safeguard) of the relevant entity (*procédure de sauvegarde (ou sauvegarde financière accélérée)*), 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*); 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.

### *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 the Relevant Rated Obligations of the Administrator become rated below BBB by S&P or BBB by Fitch or Baa2 by Moody's.

#### *Termination*

"**Issuer Calculation Agent Termination Events**" under the Calculation Services Agreement will include the following events:

- (a) the termination of the Calculation Services Agreement in accordance with its scheduled term;
- (b) the occurrence and continuation of any Issuer Calculation Agent's Default;
- (c) the occurrence of the Issuer Calculation Agent Rating Trigger Event;
- (d) the occurrence of a Borrower Event of Default; or
- (e) the resignation of the Issuer Calculation Agent.

If an Issuer Calculation Agent Termination Event occurs and is continuing, the Issuer shall terminate 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 Calculation Services Agreement will terminate with effect:

- 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 a Borrower Event of Default or of an Issuer Calculation Agent Rating Trigger Event;
- 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.

(each a "**Service Termination Date**") and save for any continuing obligations of the Issuer Calculation Agent contained in the Calculation Services Agreement.

Upon the Service Termination Date, the Issuer will replace BFCM, as Issuer Calculation Agent, by any substitute entity (the "**Substitute Issuer Calculation Agent**"), the choice of which being subject to prior Rating Affirmation.

Notwithstanding the Service Termination Date, the Issuer Calculation Agent will continue to be bound by all its obligations under the Calculation Services Agreement until the appointment of the Substitute Issuer Calculation Agent is effective. The Issuer Calculation Agent undertakes to act in good faith to assist any Substitute Issuer Calculation Agent.

#### *Limited Recourse – Non Petition*

The Calculation Services Agreement includes Limited Recourse and Non petition provisions, as described in section "*Issuer's Activities – Limited Recourse*" and section "*Issuer's Activities – Non-Petition*".

#### *Amendment*

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 interest 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 Issuer and the Issuer Calculation Agent have agreed 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 and the Engagement Letter

### *Background*

The "**Asset Monitor Agreement**" refers to the agreement dated on or prior to the Programme Date and made between (i) the Issuer and (ii) BFCM as the Issuer Calculation Agent or, as the applicable, the Administrator. The "**Engagement Letter**" refers to the letter dated on or prior to the Programme Date, issued by Ernst & Young et Autres and PricewaterhouseCoopers Audit as Asset Monitors (the "**Asset Monitors**") and duly accepted by the Issuer, pursuant to which Ernst & Young et Autres and PricewaterhouseCoopers Audit are appointed as Asset Monitors.

Under the Asset Monitor Agreement and the Engagement Letter, Ernst & Young et Autres and PricewaterhouseCoopers Audit have been appointed as Asset Monitors by the Issuer to carry out, subject to due receipt of the information to be provided by the Issuer Calculation Agent to the Asset Monitors, various testing and notification duties in relation to the calculations performed by the 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 Monitors*

If the Asset Cover Test Date immediately preceding an anniversary of the Programme 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 Monitors 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 Programme Date, as applicable, with a view to reporting on the arithmetic accuracy or otherwise of such calculations.

On each Amortisation Test Date (it being provided that the first Amortisation Test Date shall be the 20<sup>th</sup> day of the calendar month immediately following the enforcement 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 Amortisation Test, the Asset Monitors 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 Monitors have been notified of the occurrence of a Non Compliance with Asset Cover Test or of a Non Compliance with Amortisation Test (see section "*Asset Monitoring*"), and subject to receipt of the information to be provided to the Asset Monitors, the Asset Monitors 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 "The Asset Monitor Agreement and the Engagement Letter", "**Calculation Monitoring Rating Trigger Event**" means the event in which the Relevant Rated Obligations of BFCM become rated below BBB by S&P or BBB by Fitch or Baa2 by Moody's.

If the tests conducted by the Asset Monitors in accordance the provisions above, reveal arithmetic errors in the relevant calculations performed by the Issuer Calculation Agent such that:

- 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
- 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 Monitors, for a period of six (6) months thereafter, the Asset Monitors shall conduct the tests of the Issuer Calculation Agent's calculations referred to above, in respect of every Asset Cover Test Date or each Amortisation Test Date, as applicable, occurring during such six (6)-month period.

The Asset Monitors shall notify the Issuer, 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 Administrator have not been performed correctly, the Asset Monitors will report the correct calculation of the Asset Cover Test or Amortisation Test, as applicable. The Issuer shall transfer any notifications and reports received from the Asset Monitors to the parties to the Asset Monitor Agreement (with copy to the Rating Agencies), promptly upon receipt of such notifications and reports.

The Asset Monitors are entitled, in the absence of manifest error, to assume that all information provided to the Asset Monitors is true and correct and is complete and not misleading and are 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 Monitors hereunder upon providing the Asset Monitors 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 Monitors set out in the Asset Monitor Agreement.

Each Asset Monitor may, at any time, resign from its appointment under the Engagement Letter upon providing the Issuer with sixty (60) days' prior written notice. If a replacement asset monitor has not been found by the Issuer within sixty (60) days of notice of resignation by the relevant Asset Monitor, such Asset Monitor shall immediately use its best endeavours to appoint a replacement which agrees to perform the duties (or substantially similar duties) of such Asset Monitor set out in the Asset Monitor Agreement.

#### *Fees*

Under the terms of the Asset Monitor Agreement, the Issuer will pay to the Asset Monitors a fee for the tests to be performed by the Asset Monitors.

#### *Limited Recourse – Non Petition*

The Asset Monitor Agreement includes Limited Recourse and Non petition provisions, as described in section "*Issuer's Activities – Limited Recourse*" and section "*Issuer's Activities – Non-Petition*". The Engagement Letter also refers to such Limited Recourse and Non petition provisions.

#### *Amendment*

Except as further described under the Asset Monitor Agreement, any material amendment to the Asset Monitor Agreement and/or to the Engagement Letter is subject to the Rating Affirmation.

#### *Governing Law – Jurisdiction*

The Asset Monitor Agreement shall be governed by, and construed in accordance with, French law. Each party to the Asset Monitor Agreement and the Asset Monitors irrevocably submit to the exclusive jurisdiction of the French courts in any action or proceeding arising out of or relating to the Asset Monitor Agreement and/or to the Engagement Letter, 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 Programme Documents.

Pursuant to the Administrative Agreement and, subject to and, in accordance with the Terms and Conditions, the Administrator will invest any cash standing from time to time to the credit of the Issuer Cash Accounts pending application in accordance with the priority payment order then applicable in accordance with section "Cash Flow" (see section "Cash Flow – Priority Payment Orders"), in instruments which qualify as Permitted Investments (as defined in section "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 section "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;
  - (ii) cash from Permitted Investments and/or Substitution Assets (if any) standing to the credit of the Issuer General Account; and
  - (iii) payment proceeds from the hedging agreement(s) (if any).
- (b) following the service of a Borrower Enforcement Notice and enforcement of the Collateral Security (and whether an Issuer Enforcement Notice has been served to the Fiscal Agent and the Issuer or not):
  - (i) payment proceeds, whether in interest, principal or otherwise, received by the Issuer following service of a notice to any or all debtors under the Home Loans mentioning the new payment instructions to be observed by the same with respect to the payment of sums due under the Home Loans and/or the related Asset Contractual Documentation and standing to the credit of the Issuer General Account;
  - (ii) insurance proceeds and other proceeds (other than that proceeds mentioned in (i) above) received entities by the Issuer under the Home Loans and standing to the credit of the Issuer General Account;
  - (iii) payment proceeds, whether in interest, principal or otherwise, received by the Issuer from the debtors under the Substitution Assets and standing to the credit of the Issuer General Account;
  - (iv) proceeds from disposal of, transfer, sale or refinancing (by way of securitisation or otherwise) of the Home Loans and standing to the credit of the Issuer General Account;
  - (v) proceeds from the enforcement of any Home Loan Security (if any) and standing to the credit of the Issuer General Account;
  - (vi) cash from Permitted Investments (if any) standing to the credit of the Issuer General Account;
  - (vii) cash standing to the credit of the Cash Collateral Account;
  - (viii) payment proceeds from the hedging agreement(s) (if any); and
  - (ix) cash standing to the credit of the Share Capital Proceeds Account.

### Priority Payment Orders

#### *Pre-Enforcement Priority Payment Order*

In the absence of service 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, as the case may be, with respect to Soft Bullet Covered Bonds, the Extended Final Maturity Date) of each relevant Series of Covered Bonds, the Administrator (on behalf of the Issuer) will give the appropriate instructions to the Issuer Accounts Bank to debit

the relevant Issuer Cash Accounts and (as the case may be) the relevant Issuer Securities Accounts (other than the Issuer General Account) from the cash that shall constitute the Available Funds of the Issuer on such date and shall credit the same into the Issuer General Account. The Administrator (on behalf of the Issuer) shall then give the appropriate instructions on such date to the Issuer Accounts Bank and the Paying Agent to apply the Available Funds of the Issuer to the following payments owed by the Issuer on such date, in the following Pre-Enforcement Priority Payment Order:

- (i) **first**, in or towards payment or discharge *pari passu* and *pro rata* of any and all amounts (including in particular but without limitation any termination costs) then due and payable by the Issuer, if any, as the case may be, after any applicable netting, under article L.513-10 of the French Monetary and Financial Code (*Code monétaire et financier*) under the Issuer Hedging Agreements (if any), (other than the Issuer Hedging Subordinated Termination Costs, as defined below (together, the "**Issuer 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 Agreements (if any) as a result of an event of default under the same in respect of which the relevant hedge counterparty of the Issuer is the defaulting party or following a termination event of the same in respect of which the hedge counterparty of the Issuer is the affected party (together, the "**Issuer Hedging Subordinated 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 the Administrative Agreement, if any, and (b) the servicer under any servicing agreement pursuant to which the servicing of the Collateral Security Assets would be carried out in accordance with article L.513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), as the case may be and to the extent such amounts benefit from the *Privilège* referred to in article L.513-11 of the French Monetary and Financial Code (*Code monétaire et financier*);
- (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, if any, under the Borrower Hedging Agreements (if any) (including termination costs)(the "**Borrower Hedging Costs**");
- (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**"), and, as applicable, in accordance with any statutory or preference right they may benefit from the then applicable general law, in or towards payment or discharge of (a) the Issuer's liability, if any, to taxation, (b) any costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts payable by the Issuer to any relevant entity in connection with the holding of any meeting of holders of Covered Bonds, to any stock exchange and other listing entities where the Covered Bonds are admitted to trading, any clearing systems entities where the Covered Bonds are cleared, BFCM (with respect to any insurance premium, regulatory, professional and legal fees, costs and other expenses paid by BFCM on behalf of the Issuer and to be repaid by the Issuer to BFCM subject to, and in accordance with, the relevant terms of the *Convention d'Externalisation et de Mise à Disposition de Moyens*), the Administrator, the Issuer Calculation Agent, the Asset Monitors, the Issuer Accounts Bank, the Paying Agents, the Australian Registrar, the German Registrar, the Dealers, the dealers appointed by the Issuer under the U.S. Programme, the Issuer's Auditors, the Representatives and the Rating Agencies in respect of the monitoring fees (together, the "**Administrative and Tax Costs**"), (c) any and all amounts then due and payable by the Issuer to the Cash Collateral Provider under the Cash Collateral Agreement and (d) any and all amounts then due and payable by the Issuer with respect to any other resources raised by the Issuer, if any, in accordance with article L.513-30 of the French Monetary and Financial Code (*Code monétaire et financier*) and which do not benefit from the *Privilège*;
- (viii) **eighthly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer with respect to (a) any dividend to be then distributed to the Issuer's shareholders, and (b) interest, principal and other payments then due and payable under the Subordinated Loans.

#### *Controlled Post-Enforcement Priority Payment Order*

In the event of service of a Borrower Enforcement Notice and thereafter unless and until no Issuer Enforcement Notice has been served, on any Payment Date and (as applicable) Final Maturity Date (or, as the case may be, with respect to Soft Bullet Covered Bonds, the Extended Final Maturity Date) of each relevant Series of Covered Bonds, the Administrator (on behalf of the Issuer) will give the appropriate instructions to the Issuer Accounts Bank to

debit the relevant Issuer Cash Accounts (and as the case may be) the relevant Issuer Securities Accounts (other than the Issuer General Account) from the cash that shall constitute the Available Funds of the Issuer on such date and shall credit the same into the Issuer General Account. The Administrator (on behalf of the Issuer) shall then give the appropriate instructions on such date to the Issuer Accounts Bank and the Paying Agent to apply the Available Funds of the Issuer to the following payments owed by the Issuer on such date, in the following Controlled Post-Enforcement Priority Payment Order:

- (i) **first**, in or towards payment or discharge *pari passu* and *pro rata* of any and all Issuer Hedging Costs then due and payable by the Issuer;
- (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 the amounts then due and payable by the Issuer to (a) the Administrator under the Administrative Agreement, if any, and (b) the servicer under any servicing agreement pursuant to which the servicing of the Collateral Security Assets would be carried out in accordance with article L.513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), as the case may be and to the extent such amounts benefit from the *Privilège* referred to in article L.513-11 of the French Monetary and Financial Code (*Code monétaire et financier*);
- (v) **fifthly**, only after and subject to the full repayment of any outstanding Covered Bonds, in or towards payment or discharge *pari passu* and *pro rata* of any and all Issuer Hedging Subordinated Termination Costs then due and payable by the Issuer (if any); and
- (vi) **sixthly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all Borrower Hedging Costs then due and payable by the Issuer, if any;
- (vii) **sevently**, (a) only after and subject to the full repayment of any outstanding Covered Bonds, and, as applicable, in accordance with any statutory or preference right they may benefit from the then applicable general law, in or towards payment or discharge of (a) any and all Administrative and Tax Costs then due and payable by the Issuer and (b) any and all amounts then due and payable by the Issuer with respect to any other resources raised by the Issuer, if any, in accordance with article L.513-30 of the French Monetary and Financial Code (*Code monétaire et financier*) and which do not benefit from the *Privilège*;
- (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 any and all amounts then due and payable by the Issuer to the Cash Collateral Provider under the Cash Collateral Agreement, (b) only after and subject to the full repayment of any outstanding Covered Bonds and sums referred to in (a) above, in or towards payment *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer to any third parties (with respect to any dividend already voted and to be then distributed to the Issuer's shareholders, and interest, principal and other payments then due and payable under the Subordinated Loans).

#### *Accelerated Post-Enforcement Priority Payment Order*

In the event of service by the relevant Administrator of an Issuer Enforcement Notice and thereafter (whether a Borrower Enforcement Notice shall have been served to the Borrower by the Administrator or not), the Administrator (on behalf of the Issuer) will promptly and no later than three (3) Business Days after receipt by the Issuer of such Issuer Enforcement Notice give the appropriate instructions to the Issuer Accounts Bank to debit all the Issuer Accounts (other than the Issuer General Account) from the cash that shall constitute the Available Funds of the Issuer on such date and shall credit the same into the Issuer General Account. The Administrator (on behalf of the Issuer) shall then give the appropriate instructions on such date 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 Accelerated Post-Enforcement Priority Payment Order:

- (i) **first**, in or towards payment or discharge *pari passu* and *pro rata* of (a) any and all Issuer Hedging Costs then due and payable by the Issuer and remaining unpaid at such date, (b) any and all amounts then due and payable by the Issuer under the relevant Series of Covered Bonds, *it being provided that* in case of insufficient available funds to pay all the sums then due under the Covered Bonds, with respect to amounts due under a Series of Covered Bonds, if an amount of interests is due on the same day of an amount of principal under the same series of Covered Bonds, the payment is made first on the interests amounts due and (c) any and all amounts then due and payable by the Issuer to (x) the Administrator under the

Administrative Agreement, if any, and/or (y) the servicer under any servicing agreement pursuant to which the servicing of the Collateral Security Assets would be carried out in accordance with article L.513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), as the case may be;

- (ii) **secondly**, after and subject to the full repayment of any and all sums referred to in (i) above, in or towards payment or discharge *pari passu, pro rata* and in full of any and all Issuer Hedging Subordinated Termination Costs then due and payable by the Issuer and remaining unpaid at such date;
- (iii) **thirdly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all Borrower Hedging Costs then due and payable by the Issuer, if any;
- (iv) **fourthly**, after and subject to the full repayment of any and all sums referred to in (i) and (ii) above, and, as applicable, in accordance with any statutory or preference right they may benefit from the then applicable general law, in or towards payment or discharge of (a) any and all Administrative and Tax Costs then due and payable by the Issuer and (b) any and all amounts then due and payable by the Issuer with respect to any other resources raised by the Issuer, if any, in accordance with article L.513-30 of the French Monetary and Financial Code (*Code monétaire et financier*) and which do not benefit from the *Privilège*;
- (v) **fifthly**, (a) after and subject to the full repayment of any and all sums referred to in (i) to (iii) above, as applicable, 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) after and subject to the full repayment of any and all sums referred to in (i) to (iii) above and any sums referred to in (a) above, in or towards payment *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer to any third parties (with respect to any dividend already voted and to be then distributed to the Issuer's shareholders, and interest, principal and other payments then due and payable under the Subordinated Loans).

## ORIGINATION OF THE HOME LOANS

### Procedure for the granting of Home Loans

The Caisses de Crédit Mutuel and the CIC entities offer a full range of housing loans in order to meet the financing needs of their clients. Almost all of these loans are granted by Caisses de Crédit Mutuel or CIC entities.

#### *The loan application*

The loan application provides all the required information regarding the borrower and the loan. The IT system supports and controls the process of loan origination, the assessment of risks and the financing proposal. The IT system is common to all of the entities of the group.

#### *The analysis of the loan application*

The analysis of a loan application entails looking at the following:

- the "risk group", which is the set of parties who have inter-related economic interests (e.g. a family group or an individual and a business for which he has some liability);
- any other use of credit by the borrower.

A bespoke credit approval program automatically collects all available information (income, outstanding loans, expenses, behaviour of the current account) and assigns a credit rating (from A+ to F). This credit rating is used to assess the credit risk of the relevant borrower or risk group and to assign an approval limit to the client relationship managers.

The analysis of the asset to be financed is made on the basis of the information contained in the loan application.

#### *Financing plan*

Depending on the borrower and the description of the financed assets, the credit approval program proposes a suitable financing plan, taking into account all regulatory aspects, the client's requests (maximum monthly payments, maximum duration) as well as aspects relating to the financial costs.

No approval of the loan financing is possible without the credit risk of the borrower having been assessed and approved. Such approval is made within the approval limit of the client relationship manager.

#### *The approval limits*

The approval limit of each Caisse de Crédit Mutuel is determined, with regard to the commitment it may undertake, on the basis of an approval or delegation of the relevant Fédération de Crédit Mutuel or relevant CIC entity.

For each Caisse de Crédit Mutuel or CIC branch, the approval limit of such entity is based on:

- criteria relating to financings granted by such Caisse de Crédit Mutuel or CIC branch (outstanding financings under the structure, changes in information relating to credit risks including bad debt risks and litigation risks, overrun accounts, sensitive risks and deteriorated outstanding principal);
- criteria relating to the quality of credit applications recently processed by such Caisse de Crédit Mutuel or CIC branch (including the number of applications submitted for approval and the percentage of approvals obtained);
- the typology, the rating by Internal Audit, the organisation and the environment of each Caisse de Crédit Mutuel or CIC branch; and
- for the Caisse de Crédit Mutuel, the financial criteria of that Caisse de Crédit Mutuel (equity, gross operating results, net cash flow less dividends margin, recourse or non recourse to a solidarity fund).

#### *The commitment reference document*

A commitment reference document has been created within the Crédit Mutuel Alliance Fédérale. This commitment reference document describes the procedures to be followed by each relevant entity. It is currently being extended to all of the CM-CIC entities, in order to ensure the consistent and controlled growth of the credit activities of the Crédit Mutuel Alliance Fédérale.

The commitment reference document is regularly updated on the basis of regulatory or statutory changes. In particular, in order to meet the constraints of the Basel III reform, the Crédit Mutuel Alliance Fédérale has implemented an internal rating system in order to derive an internal credit rating scale. The credit rating scale is used in a number of operational processes and programs (the credit decision, payments, sensitive risks, collection, control, etc). In particular, the credit rating scale will be used to weight the approval limits and the related delegations to grant loans.

### *Decision process*

The statutory and/or regulatory provisions specific to each Fédération de Crédit Mutuel detail the terms and conditions applicable to the setting of the approval limits of the relevant Caisse de Crédit Mutuel. The criteria for assigning these levels are the same for all of the Fédérations de Crédit Mutuel. Equivalent rules are implemented within the CIC entities.

The delegations for credit decisions are granted:

- to the directors of the relevant Caisse de Crédit Mutuel or CIC branch; or
- to the client managers of the relevant Caisse de Crédit Mutuel or CIC branch,

depending on the internal organisation of the Caisse de Crédit Mutuel (including the rules relating to the Fédération de Crédit Mutuel) or of the relevant CIC entity.

The approval limits of the Caisses de Crédit Mutuel and of the CIC branches and the delegations to their staff are weighted depending on the internal credit rating of the relevant borrower.

For the Caisses de Crédit Mutuel only, decisions relating to commitments are under the responsibility of the each Caisse de Crédit Mutuel, within their approval limits as weighted by the credit risk score of the borrower. Approval or agreement of the relevant Fédération de Crédit Mutuel is required with respect to credits granted to private individuals and/or professionals in the event that the consolidated authorizations of the borrower or of its risk group exceed the global approval limit of the relevant Caisse de Crédit Mutuel as weighted by the credit risk score of the borrower.

### **Servicing of Home Loans**

The servicing of Home Loans is based on specific triggers and automated processes which occur at different stages and which, depending on the level of trigger, will subject the relevant Home Loan to commercial recovery and/or amicable recovery and/or, as the case may be, recovery through legal action.

#### *Commercial recovery*

With respect to the accounts of its clients (current accounts, loans...), each Caisse de Crédit Mutuel or CIC branch is responsible for dealing with irregular situations as soon as they are detected. Each director of a Caisse de Crédit Mutuel or CIC branch is responsible for the procedures followed to rectify such irregular situations and delegates, as appropriate, all or part of these procedures to his employees.

The management of the debtor accounts is carried out in accordance with the level of credit risk and of urgency. A review is carried out, at least daily with respect to sensitive accounts, weekly with respect to the processing of outstanding payments on loans and periodically with respect to any other situation.

Finally, the decisions made in the context of the management of irregular situations shall respect the internal and external rules in force and in particular those relating to the storage of information, the authority levels of the staff concerned and the regulatory constraints.

#### *Amicable recovery*

The management system for recovering unpaid receivables due by an individual is based on:

- objective criteria relating to the irregularity on the account, the overdue amount and the internal credit rating;
- automated triggers and processing.

If, after a fixed period of time following the first occurrence of an overdue payment or an overrun on an account, the defaulted client has not rectified the situation, the management of all of his accounts is promptly transferred from the usual client manager to a recovery manager. This latter, situated in a Caisse de Crédit Mutuel, a CIC branch or on a collection platform, is responsible for the prompt recovery of the sums outstanding or unpaid, and at the lowest possible cost, while maintaining both the commercial relationship with the client and the image of Crédit Mutuel Alliance Fédérale.

In the event of failure of the amicable recovery phase (and with the exception of files transferred directly by the CMRC function to external service providers), the relevant Caisse de Crédit Mutuel or CIC branch undertakes to enter promptly into a procedure for recovery by way of legal action.

#### *Processing by the CMRC function*

Individual person's accounts which satisfy the predefined criteria are, after validation, automatically transferred to the Crédit Mutuel Client Recovery function (*Crédit Mutuel Recouvrement Clientèle* or CMRC). This function is responsible for the amicable recovery of these accounts. The intervention of CMRC is intended to improve the

quality and the efficiency of the management of the client account, through the transfer of the account to a recovery specialist.

*Processing by a Caisse de Crédit Mutuel or by a CIC branch*

When there is no available function specifically dedicated to amicable recovery with respect to individuals, amicable recovery is kept at the level of the relevant Caisse de Crédit Mutuel or CIC branch. Whenever such function is available, amicable recovery may be kept at the level of the Caisse de Crédit Mutuel or CIC branch benefiting from the necessary internal skills and organisation for the processing of risks in an efficient manner, in agreement with the relevant originating department.

*Recovery through legal action*

The recovery must involve legal action when:

- amicable recovery has failed;
- key deadlines for any legal process are reached;
- the debtors and guarantors have left without leaving an address and do not respond to communication;
- proceedings have been undertaken by another creditor (seizure of real estate, forced sale (*cession forcée*), etc.);
- safeguard proceedings, bankruptcy proceedings or liquidation proceedings have been initiated.

This list is not comprehensive and other events may cause the relevant lender to initiate legal action. At this stage, the main objective is to obtain the repayment of the home loan receivables, in particular through legal proceedings. The preservation of the client relationship is no longer a priority for the relevant lender.

## FORM OF FINAL TERMS

*(This form of Final Terms will only apply to the French Law Covered Bonds. The form of final terms applicable to the Australian Law Covered Bonds is included in the Deed Poll. The form of final terms applicable to the German Law Covered Bonds is included in the Agency Agreement.)*

**[PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended ("**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU of the European Parliament and of the Council of 20 January 2016 on insurance distribution, as amended [(the "**Insurance Distribution Directive**")], where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>1</sup>

**[UK PRIIPs REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing MiFID II as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement [Directive 2016/97/EU of the European Parliament and of the Council of 20 January 2016 on insurance distribution, as amended / the Insurance Distribution Directive], where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA [{"**UK MiFIR**"}]; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]<sup>2</sup>

**[[MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the determination of the type of clients in the context of the target market assessment taking into account the five (5) categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority on 5 February 2018 in respect of the Covered Bonds has led to the conclusion that: (i) the type of clients to whom the Covered Bonds are targeted is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended ("**MiFID II**") / MiFID II]; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]<sup>3</sup>. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the manufacturer[s/s'] type of clients assessment; however, a distributor subject to MiFID II is responsible for

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<sup>1</sup> Legend to be included if (i) the Covered Bonds potentially constitute "packaged" products and no key information document will be prepared or (ii) the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the "Prohibition of Sales to EEA Retail Investors" in Part A, item 29 should also be specified to be "Applicable".

<sup>2</sup> Legend to be included if (i) the Covered Bonds potentially constitute "packaged" products and no key information document will be prepared or (ii) the Issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the "Prohibition of Sales to UK Retail Investors" in Part A, item 30 should also be specified to be "Applicable".

<sup>3</sup> ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that Covered Bonds are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]<sup>4</sup>

**UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in [UK MiFIR / Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments] as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]<sup>5</sup>. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]<sup>6</sup>

**OR**

**[MiFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPs TARGET MARKET** – Solely for the purposes of [the/each] manufacturer['s/s'] product approval process, the determination of the type of clients in the context of the target market assessment taking into account the five (5) categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority on 5 February 2018 in respect of the Covered Bonds has led to the conclusion that: (i) the type of clients to whom the Covered Bonds are targeted is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended ("**MiFID II**") / MiFID II]; *EITHER* <sup>7</sup>[and (ii) all channels for distribution of the Covered Bonds are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]<sup>8</sup>] *OR* <sup>9</sup>[(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Covered Bonds to retail clients are appropriate - investment advice[, and] portfolio management[, and] non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]<sup>10</sup>. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the manufacturer['s/s'] type of clients assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.]<sup>11</sup>

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<sup>4</sup> Legend to be included following completion of the target market assessment in respect of the Covered Bonds, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018.

<sup>5</sup> ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that Covered Bonds are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

<sup>6</sup> Legends to be included if the Covered Bonds are not intended to be sold to retail clients.

<sup>7</sup> Include for Covered Bonds that are not ESMA complex

<sup>8</sup> This list may not be necessary, especially for bonds that are not ESMA complex where all channels of distribution may be appropriate. It reflects the list used in the examples in the ESMA Guidelines.

<sup>9</sup> Include for certain ESMA complex bonds. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the Covered Bonds constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

<sup>10</sup> ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that Covered Bonds are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

<sup>11</sup> Legend to be included following completion of the target market assessment in respect of the Covered Bonds, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018.

**UK MiFIR PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is retail clients, as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing MiFID II as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") and professional clients, as defined in [UK MiFIR / Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments] as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); **EITHER**<sup>12</sup> [and (ii) all channels for distribution of the Covered Bonds are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]<sup>13</sup>] **OR**<sup>14</sup> [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Covered Bonds to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][ non-advised sales ][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under FCA Handbook Conduct of Business Sourcebook ("**COBS**"), as applicable]]. [*Consider any negative target market*]<sup>15</sup>. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable].]<sup>16</sup>.

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<sup>12</sup> Include for Covered Bonds that are not ESMA complex (in the UK context, as reflected in COBS).

<sup>13</sup> This list may not be necessary, especially for bonds that are not ESMA complex (in the UK context, as reflected in COBS) where all channels of distribution may be appropriate. It reflects the list used in the examples in the ESMA Guidelines.

<sup>14</sup> Include for certain ESMA complex bonds (in the UK context, as reflected in COBS). This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the Covered Bonds constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness.

<sup>15</sup> ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that Covered Bonds are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

<sup>16</sup> Legends to be included if the Covered Bonds are intended to be sold to retail clients.

Final Terms dated [ ● ]



Crédit Mutuel Home Loan SFH

Legal Entity Identifier (LEI): 9695009KQA7MMTQL8E07

Issue of [Aggregate Nominal Amount of Tranche] *obligations de financement de l'habitat*  
(the "Covered Bonds")

under the €50,000,000,000 International Covered Bond Programme  
for the issue of *obligations de financement de l'habitat* and other covered bonds

Series No.: [ ● ]  
Tranche No.: [ ● ]

Issue Price: [ ● ] per cent.

[Name(s) of Dealer(s)]

## PART A – CONTRACTUAL TERMS

*(The following language applies only with respect to Covered Bonds with a specified denomination of less than €100,000 and where a Non-exempt Offer is contemplated.)*

[The Base Prospectus referred to below (as completed by these Final Terms, together the "**Prospectus**") has been prepared on the basis that, except as provided in sub-paragraph (i) below, any offer of Covered Bonds in any member state of the European Economic Area (each a "**Relevant Member State**") will be made pursuant to an exemption under [Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**") / the Prospectus Regulation], as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Covered Bonds. Accordingly, any person making or intending to make an offer of Covered Bonds may only do so:

- (i) in France, provided such person is an Authorised Offeror (as defined below) and that such offer is made during the Offer Period (as defined below) and that any conditions relevant to the use of the Prospectus are complied with; or
- (ii) otherwise in circumstances in which no obligation arises for the Issuer or the Dealer[s] to publish a prospectus pursuant to Article 1 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

With respect to any subsequent resale or final placement of Covered Bonds as provided in sub-paragraph (i) above, the Issuer consents to the use of the Prospectus and accepts responsibility for the content of the Prospectus. Neither the Issuer nor the Dealer[s] has authorised, nor do they authorise, the making of any offer of Covered Bonds in any other circumstances.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Covered Bonds in any other circumstances.]

*(The following language applies only where an offer of Covered Bonds, other than a Non-exempt Offer, is contemplated.)*

[The Base Prospectus referred to below (as completed by these Final Terms, together the "**Prospectus**") has been prepared on the basis that any offer of Covered Bonds in any member state of the European Economic Area (each a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Regulation, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers to the public of Covered Bonds. Accordingly, any person making or intending to make an offer of Covered Bonds in any Relevant Member State may only do so in circumstances in which no obligation arises for the Issuer or the Dealer[s] to publish a prospectus pursuant to Article 1 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor the Dealer[s] has authorised, nor do they authorise, the making of any offer of Covered Bonds in any other circumstances.]

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Terms and Conditions**") set forth in the base prospectus dated 21 April 2021 which received approval no. 21-115 from the Autorité des marchés financiers (the "**AMF**") on 21 April 2021 [, as supplemented by the supplement dated [●] which received approval no. [●] from the AMF on [●]] ([together,] the "**Base Prospectus**") which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation.

This document constitutes the final terms (the "**Final Terms**") relating to the Covered Bonds described herein for the purposes of Article 8.4 of the Prospectus Regulation and must be read in conjunction with such Base Prospectus in order to obtain all the relevant information. [An issue specific summary is however attached to these Final Terms.]<sup>17</sup> The Base Prospectus [and these Final Terms]<sup>18</sup> [is] [are] available for viewing on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of the Issuer ([www.creditmutuel-homeloansfh.eu](http://www.creditmutuel-homeloansfh.eu)) and during normal business hours at the registered office of the Issuer where copies may be obtained. [In addition, the Base Prospectus and these Final Terms are available for viewing [on/at] [●].]<sup>19</sup>

*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.*

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<sup>17</sup> Only applicable when an offer to the public pursuant to a Non-exempt Offer is contemplated.

<sup>18</sup> If the Covered Bonds are admitted to trading on a Regulated Market.

<sup>19</sup> If the Covered Bonds are listed on a Regulated Market other than Euronext Paris.

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") that are the [2010/2011/2012/2013/2014/2015/2016/2017/2018/2019] Conditions and that are incorporated by reference in the base prospectus dated 21 April 2021 which received approval no. 21-115 from the Autorité des marchés financiers (the "**AMF**") on 21 April 2021 [, as supplemented by the supplement dated [●] which received approval no. [●] from the AMF on [●]] ([together,] the "**Base Prospectus**") which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation.

This document constitutes the final terms (the "**Final Terms**") relating to the Covered Bonds described herein for the purposes of Article 8.4 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus, save in respect of section "*Terms and Conditions of the French Law Covered Bonds*" which is replaced by the [2010/2011/2012/2013/2014/2015/2016/2017/2018/2019] Conditions in order to obtain all the relevant information. The Base Prospectus [and these Final Terms]<sup>20</sup> [is] [are] available for viewing on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and on the website of the Issuer ([www.creditmutuel-homeloansfh.eu](http://www.creditmutuel-homeloansfh.eu)) and during normal business hours at the registered office of the Issuer where copies may be obtained. [In addition, the Base Prospectus and these Final Terms are available for viewing [on/at] [●].]<sup>21</sup>

*[Include whichever of the following apply or specify as "Not Applicable". 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.]*

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<sup>20</sup> If the Covered Bonds are admitted to trading on a Regulated Market.

<sup>21</sup> If the Covered Bonds are listed on a Regulated Market other than Euronext Paris.

1. (i) **Series Number:** [●]
- (ii) **Tranche Number:** [●]
- (iii) **Date on which Covered Bonds become fungible:** [Not Applicable/The Covered Bonds will be assimilated (*assimilées*) and form a single series and be interchangeable for trading purposes with the (*insert description of the relevant Series*) (the "**Existing Covered Bonds**") on [●] (the "**Exchange Date**") as from the date of assimilation which is expected to be on or about forty (40) calendar days after the Issue Date.]
2. **Specified Currency:** [●]
3. **Aggregate nominal amount of Covered Bonds:**
- (i) **Series:** [●]
- (ii) **Tranche:** [●]
4. **Issue Price:** [●] per cent. of the Aggregate Nominal Amount of the Tranche [plus an amount corresponding to accrued interest of [●] per cent. of such Aggregate Nominal Amount for the period from, and including, the Interest Commencement Date to, but excluding, the Issue Date (*if applicable*)]
5. **Specified Denomination(s):** [●] (*one (1) denomination only for Dematerialised Covered Bonds*)<sup>22</sup>
6. (i) **Issue Date:** [●]
- (ii) **Interest Commencement Date:** [[●] (*specify*)/Issue Date/Not Applicable]
7. **Final Maturity Date:** [●] (*specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to the relevant month and year*)
8. **Extended Final Maturity Date:** [[●] (*if applicable, specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling on or nearest to the relevant month and year*)/Not Applicable]
9. **Interest Basis:** [[●] per cent. Fixed Rate]  
 [[*EURIBOR, LIBOR or other*] +/- [●] per cent. Floating Rate]  
 [Fixed/Floating Rate]  
 [Fixed/Fixed Rate]  
 [Floating/Floating Rate]  
 [Zero Coupon Covered Bonds]  
 (*Further particulars specified below*)

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<sup>22</sup> Unless permitted by then current laws and regulations, Covered Bonds (including Covered Bonds denominated in Sterling) which have a maturity of less than one (1) year and in respect of which the issue proceeds are to be accepted in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000, as amended, must have a minimum redemption amount of £100,000 (or its equivalent in any other currency).

- 10. Redemption/Payment Basis:** [Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Final Maturity Date [or, as the case may be, the Extended Final Maturity Date] at [[100]/[●]] per cent. per Specified Denomination]  
[Instalment]  
*(Further particulars specified below)*
- 11. Change of Interest Basis:** [Applicable - Fixed/Floating Rate/Applicable - Fixed/Fixed Rate/ Applicable - Floating/Floating Rate/Not Applicable]  
  
*[(Further particulars specified in item 16 below (Fixed/Floating Rate Covered Bonds, Fixed/Fixed Rate Covered Bonds or Floating/Floating Rate Covered Bonds Provisions))]*
- 12. Put/Call Options:** [Bondholder Put]  
[Issuer Call]  
*(Further particulars specified below)*  
[Not Applicable]
- 13. Date of corporate authorisations:** (i) Decision of the Board of Directors (*Conseil d'administration*) of the Issuer dated [●] authorising, *inter alia*, the issue of covered bonds and authorising [●] to sign and execute all documents in relation to the issue of such covered bonds, (ii) decision of the Board of Directors (*Conseil d'administration*) of the Issuer dated [●] authorising the quarterly programme of borrowings which benefit from the *Privilège* up to and including Euro [●] billion for the [●] quarter of 20[●] and (iii) decision of [●] dated [●], deciding the issue of the Covered Bonds.

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 14. Fixed Rate Covered Bonds Provisions:** [Applicable/Applicable [before/after/before and after] the Switch Date/Not Applicable]  
  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
  
*(If applicable before and after the Switch Date with different Rates of Interest consider the following sub-paragraphs only for the period before the Switch Date and replicate the following sub-paragraphs for the period after the Switch Date)*
- (i) Rate(s) of Interest: [●] per cent. *per annum* [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear]
- (ii) Interest Payment Date(s): [●] in each [year/month] up to and including the Final Maturity Date [or, as the case may be, the Extended Final Maturity Date]  
  
*(This may need to be amended in the case of long or short coupon)*
- (iii) Fixed Coupon Amount(s): [●] per [[●] in] Specified Denomination [subject to the Broken Amount[s] referred to in subparagraph (iv) below]

- (iv) Broken Amount(s): [[Not Applicable]/[●]] (*insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)*)
- (v) Day Count Fraction: [Actual/365  
Actual/365-FBF  
Actual/Actual-ISDA  
Actual/Actual-ICMA  
Actual/Actual-FBF  
Actual/365 (Fixed)  
Actual/360  
30/360  
360/360  
Bond Basis  
30/360-FBF  
Actual 30A/360 (American Bond Basis)  
30E/360  
Eurobond Basis  
30E/360-FBF  
RBA Bond Basis]
- (vi) Determination Dates: [●] in each year  
*(Insert regular Interest Payment Dates, ignoring Issue Date or Final Maturity Date (or, as the case may be, the Extended Final Maturity Date) in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- 15. Floating Rate Covered Bonds Provisions:** [Applicable/Applicable [before/after/before and after] the Switch Date/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
*(If applicable before and after the Switch Date with different Rates of Interest consider the following sub-paragraphs only for the period before the Switch Date and replicate the following sub-paragraphs for the period after the Switch Date)*
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●] (*subject to adjustment in accordance with the Business Day Convention set out in subparagraph (v) below*)
- (iii) First Specified Interest Payment Date: [●]
- (iv) Interest Period Dates: [Specified Interest Payment Date/[●] (*specify*)]
- (v) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]  
*(Insert "unadjusted" if the application of the relevant business day convention is not intended to affect the Interest Amount)*
- (vi) Business Centre(s): [●]

- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/FBF Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [[ ● ] (*specify*)/Not Applicable]
- (ix) Screen Rate Determination: [Applicable/Not Applicable]
- Benchmark: [ ● ]  
*(Specify Benchmark [EURIBOR, LIBOR or other] and months [e.g. EURIBOR 3 months]) (additional information if necessary)*  
*(If the Rate of Interest is determined by linear interpolation in respect of the first and/or last long or short Interest Accrual Period, insert the relevant Interest Accrual Period (s) and the relevant two rates used for such dertermination)*
  - Relevant Rate: [ ● ]
  - Relevant Time: [ ● ]
  - Interest Determination Date(s): [ ● ]
  - Primary Source: [Page/Reference Banks]
  - Page (if Primary Source for Floating Rate is "Page"): [ ● ] (*specify relevant screen page*)
  - Reference Banks (if Primary Source for Floating Rate is "Reference Banks"): [[ ● ] (*specify four*) / As per Condition 7(a)]
  - Relevant Financial Centre: [Paris/London/Euro-zone/[ ● ] (*specify the financial centre most closely connected to the Benchmark*)]
  - 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) FBF Determination: [Applicable/Not Applicable]
- Floating Rate (*Taux Variable*): [ ● ]  
*(Specify Benchmark [EURIBOR, LIBOR or other] and months [e.g. EURIBOR 3 months]) (additional information if necessary)*  
*(If the Rate of Interest is determined by linear interpolation in respect of the first and/or last long or short interest period, insert the relevant interest period(s) and the relevant two rates used for such dertermination)*
  - Floating Rate Determination Date (*Date de Détermination du Taux Variable*): [ ● ]
- (xi) ISDA Determination: [Applicable/Not Applicable]

- Floating Rate Option: [●]  
*(Specify Benchmark [EURIBOR, LIBOR or other] and months [e.g. EURIBOR 3 months]) (additional information if necessary)*  
*(If the Rate of Interest is determined by linear interpolation in respect of the first and/or last long or short Accrual Interest Period, insert the relevant Accrual Interest Period (s) and the relevant two rates used for such determination)*
- Designated Maturity: [●]
- Reset Date: [●]
- (xii) Margin(s): [+/-] [●] per cent. *per annum*
- (xiii) Rate Multiplier: [Not Applicable/[●]]
- (xiv) Minimum Rate of Interest: [0/[●] per cent. *per annum*]
- (xv) Maximum Rate of Interest: [Not Applicable/[●] per cent. *per annum*]
- (xvi) Day Count Fraction: [Actual/365  
Actual/365-FBF  
Actual/Actual-ISDA  
Actual/Actual-ICMA  
Actual/Actual-FBF  
Actual/365 (Fixed)  
Actual/360  
30/360  
360/360  
Bond Basis  
30/360-FBF  
Actual 30A/360 (American Bond Basis)  
30E/360  
Eurobond Basis  
30E/360-FBF  
RBA Bond Basis]

**16. Fixed/Floating Rate Covered Bonds, Fixed/Fixed Rate Covered Bonds or Floating/Floating Rate Covered Bonds Provisions:**

- [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Issuer Change of Interest Basis: [Applicable/Not Applicable]
  - (ii) Automatic Change of Interest Basis: [Applicable/Not Applicable]
  - (iii) Rate of interest applicable to the Interest Periods preceding the Switch Date:  
Determined in accordance with [Condition 7(b) as further described in line item 14 above/Condition 7(c) as further described in line item 15 above]
  - (iv) Rate of interest applicable to the Interest Periods following the Switch Date:  
Determined in accordance with [Condition 7(b) as further described in line item 14 above/Condition 7(c) as further described in line item 15 above]

- (v) Switch Date: [●]
- (vi) Minimum notice period required for notice from the Issuer: [[●] Business Days prior to the Switch Date/Not Applicable (in the case of Automatic Change of Interest Basis)]

**17. Zero Coupon Covered Bonds Provisions:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Amortisation Yield: [●] per cent. *per annum*
- (ii) Day Count Fraction: [Actual/365  
 Actual/365-FBF  
 Actual/Actual-ISDA  
 Actual/Actual-ICMA  
 Actual/Actual-FBF  
 Actual/365 (Fixed)  
 Actual/360  
 30/360  
 360/360  
 Bond Basis  
 30/360-FBF  
 Actual 30A/360 (American Bond Basis)  
 30E/360  
 Eurobond Basis  
 30E/360-FBF  
 RBA Bond Basis]

**PROVISIONS RELATING TO REDEMPTION**

**18. Call Option:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Covered Bond: [●] per [[●] in] Specified Denomination
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [[●] per [[●] in] Specified Denomination/Not Applicable]
- (b) Maximum Redemption Amount: [[●] per [[●] in] Specified Denomination/Not Applicable]
- (iv) Option Exercise Date(s): [●]
- (v) Notice period (if other than as set out in the Terms and Conditions): [Not Applicable/Other (specify)]  
*(If setting notice periods which are different to those provided for in the Terms and Conditions, consider the practicalities of distribution of information throughout intermediaries, for instance clearing systems, as well as any other notice requirements which may apply, for example as between the Issuer and the Fiscal Agent.)*

- 19. 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 [[●] in] Specified Denomination
- (iii) Option Exercise Date(s): [●]
- (iv) Notice period (if other than as set out in the Terms and Conditions): [Not Applicable/Other (*specify*)]  
*(If setting notice periods which are different to those provided for in the Terms and Conditions, consider the practicalities of distribution of information throughout intermediaries, for instance clearing systems, as well as any other notice requirements which may apply, for example as between the Issuer and the Fiscal Agent.)*
- 20. Final Redemption Amount of each Covered Bond:** [[●] per [[●] in] Specified Denomination
- 21. Redemption by Instalment:** [Applicable/Not Applicable]  
*(If not applicable, delete the following sub-paragraphs)*
- (i) Instalment Date(s): [●]
- (ii) Instalment Amount(s) in respect of each Covered Bond and, if necessary, method of calculating such amount(s): [●] per Covered Bond of [●] in Specified Denomination
- (iii) Minimum Instalment Amount: [[●]/Not Applicable]
- (iv) Maximum Instalment Amount: [[●]/Not Applicable]
- 22. Early Redemption Amount:**  
 Early Redemption Amount(s) of each Covered Bond payable on redemption for taxation reasons or on event of default or other early redemption as set out in the Terms and Conditions:  
 [●] per [[●] in] Specified Denomination
- 23. Purchases (Condition 8(h)):** The Covered Bonds purchased by the Issuer [may be held and resold or cancelled/shall be cancelled] as set out in the Terms and Conditions

#### GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

- 24. Governing law:** French law

- 25. Form of Covered Bonds:** [Dematerialised Covered Bonds/Materialised Covered Bonds] (*Materialised Covered Bonds are only in bearer form*)  
(Delete as appropriate)
- (i) Form of Dematerialised Covered Bonds: [Not Applicable/Bearer form (*au porteur*)/Registered form (*au nominatif*)]
- (ii) Registration Agent: [Not Applicable/Applicable (*if applicable give name and address*)] (*note that a Registration Agent must be appointed in relation to fully registred Dematerialised Covered Bonds only*)
- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Covered Bonds on the Exchange Date, being forty (40) calendar days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
- (iv) Option to request identification information of the Bondholders (Condition 2(c)): [Applicable/Not Applicable]
- 26. Financial Centre(s) or other special provisions relating to payment dates for the purposes of Condition 9(g):** [Not Applicable/(*give details*)] (*note that this paragraph relates to the date and place of payment, and not Interest Periods end dates, to which sub-paragraph 14(v) relate*)
- 27. Talons for future Receipts or Coupons 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*)
- 28. Masse (Condition 13):** (*note that (i) in respect of any Tranche of French Law Covered Bonds with a denomination of at least €100,000 (or its equivalent in any other currency at the date of the issue), Condition 13(a) to 13(h) shall apply and (ii) in respect of any Tranche of French Law Covered Bonds with a denomination of less than €100,000 (or its equivalent in any other currency at the date of the issue), Condition 13(a) to 13(i) shall apply*)
- (i) Representative: [[As per Condition 13]/[●]/[No Representative has been appointed in relation to the French Law Covered Bonds as at the Issue Date]<sup>23</sup>]
- (ii) Alternative representative: [As per Condition 13/Not Applicable/[●]] (*Insert name and address of the Alternative representative*)
- (iii) Remuneration of the Representative: [As per Condition 13/ the Representative will receive a remuneration of [●]]

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<sup>23</sup> Only applicable to Covered Bonds with a specified denomination of at least €100,000.

29. **Prohibition of Sales to EEA Retail Investors**<sup>24</sup>: [Applicable/Not Applicable]  
*(If the Covered Bonds clearly do not constitute "packaged" products or the Covered Bonds do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Covered Bonds may constitute "packaged" products and no KID will be prepared in the EEA, "Applicable" should be specified.)*
30. **Prohibition of Sales to UK Retail Investors**<sup>25</sup>: [Applicable/Not Applicable]  
*(If the Covered Bonds clearly do not constitute "packaged" products or the Covered Bonds do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Covered Bonds may constitute "packaged" products and no KID will be prepared in the UK, "Applicable" should be specified.)*

## GENERAL

The aggregate principal amount of Covered Bonds issued has been translated into Euro at the rate of [ ● ] per cent. producing a sum of: [Not Applicable/[ ● ] (only applicable for Covered Bonds not denominated in euro)]

## RESPONSIBILITY

I accept responsibility for the information contained in these Final Terms.

*[(Relevant third party information), has been extracted from (specify source). I 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.]*<sup>26</sup>

Signed on behalf of Crédit Mutuel Home Loan SFH:

By: .....

Duly authorised

<sup>24</sup> The expression "Retail Investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU of the European Parliament and of the Council of 20 January 2016 on insurance distribution, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in the Prospectus Regulation.

<sup>25</sup> The expression "Retail Investor" means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing MiFID II as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA.

<sup>26</sup> Include if third party information is provided.

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing(s): [Euronext Paris/other (*specify*)/Not Applicable]
- (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 [Euronext Paris/other (*specify*)] 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 [Euronext Paris/other (*specify other relevant regulated market, third country market, SME Growth Market or MTF*)] with effect from [●]]
- [Not Applicable]
- (Where documenting a fungible issue, need to indicate that Existing 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: [[●]/Not Applicable]
- (Where documenting a fungible issue need to indicate that original Covered Bonds are already admitted to trading)*
- (iii) Estimate of total expenses related to admission to trading: [[●]/Not Applicable]

### 2. RATINGS

- Ratings: [Not Applicable/The Covered Bonds to be issued [have been rated/are expected to be rated]:
- Fitch: [●]
- Moody's: [●]
- S&P: [●]
- [Other]: [●]]
- [[●]/[Each of the above rating agencies] is established in the [European Union/United Kingdom], registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended [(the "**CRA Regulation**")] [as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and included in the list of [registered credit rating agencies published on the website of the European Securities and Markets Authority ([www.esma.europa.eu](http://www.esma.europa.eu)) in accordance with the CRA Regulation/credit rating agencies published on the website of the Financial Conduct Authority (<https://register.fca.org.uk>) in accordance with the UK CRA Regulation.].]

[[[●]/[None of the above rating agencies] is [not] established in the [European Union/United Kingdom] and has [not] applied for registration under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended [(the "CRA Regulation")]] [as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "UK CRA Regulation").]

[The rating given by [●] [has been/will be] endorsed by [●] which is established in the [European Union/United Kingdom], registered in accordance with the [CRA Regulation/UK CRA Regulation] and included in the list of [registered credit rating agencies published on the website of the European Securities and Markets Authority (www.esma.europa.eu) in accordance with the CRA Regulation/credit rating agencies published on the website of the Financial Conduct Authority (https://register.fca.org.uk) in accordance with the UK CRA Regulation.].]

[Not Applicable]

[[●] (include a brief explanation of the meaning of the ratings if this has been previously published by the rating provider)]<sup>27</sup>

### 3. [USE OF AND ESTIMATED NET PROCEEDS<sup>28</sup>

(i) Reasons for the offer: [See section "Use of Proceeds" of the Base Prospectus/[●] (Give details)]

*(See "Use of Proceeds" wording in Base Prospectus – if the reasons for the offer are different from what is disclosed in the Base Prospectus, give details here.)*

(ii) Estimated net proceeds: [●]

*(If proceeds are intended for more than one use, split out and present in order of priority. If proceeds are insufficient to fund all proposed uses, state amount and sources of other funding.)*

### 4. [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES<sup>29</sup>

(i) Reasons for the offer and use of proceeds: [See section "Use of Proceeds" of the Base Prospectus/[●] (Give details)]

*(See "Use of Proceeds" wording in Base Prospectus – if the reasons for the offer are different from what is disclosed in the Base Prospectus, give details here.)*

(ii) Estimated net proceeds: [●]

*(If proceeds are intended for more than one use, split out and present in order of priority. If proceeds are insufficient to fund all proposed uses, state amount and sources of other funding.)*

(iii) Estimated total expenses: [●]

*(Include breakdown of expenses)]*

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<sup>27</sup> Only applicable when an offer to the public pursuant to a Non-exempt Offer is contemplated.

<sup>28</sup> Only applicable when no offer to the public pursuant to a Non-exempt Offer is contemplated.

<sup>29</sup> Only applicable when an offer to the public pursuant to a Non-exempt Offer is contemplated.

#### 4. [NOTIFICATION]

The AMF, which is the competent authority in France for the purpose of the Prospectus Regulation [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the update of the International Programme and the second alternative for subsequent issues*] the [include names of competent authorities of host member states of the EEA] with [a] certificate[s] of approval attesting that the Base Prospectus [and the supplement(s) to the Base Prospectus] [has/have] been drawn up in accordance with the Prospectus Regulation.]

#### 5. [SPECIFIC CONTROLLER]

The specific controller (*contrôleur spécifique*) of the Issuer has certified that the value of the assets of the Issuer will be greater than the value of its liabilities benefiting from the *Privilège* after settlement of this issue and of the issues which have been the subject of previous attestations.]<sup>30</sup>

#### 6. [OTHER ADVISORS]

*If advisors are mentioned in these Final Terms, include a declaration which specifies the capacity in which the advisors have acted.*]

#### 7. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]

*Need to include a description of any interest, including a conflict of interest, that is material to the issue of the Covered Bonds, 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 Joint Lead Managers in connection with the issue of the Covered Bonds and save as discussed in section "Subscription and Sale" of the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer." 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 Base Prospectus under Article 23 of the Prospectus Regulation]*

#### 8. [FIXED RATE COVERED BONDS ONLY – YIELD]

Indication of yield: [●] per cent. per annum  
[Yield gap of [●] per cent. in relation to [tax free French government bonds (obligations assimilables du trésor) (OAT)] of an equivalent duration]/[●]<sup>31</sup>]

#### 9. [FLOATING RATE COVERED BONDS ONLY – PAST AND FUTURE PERFORMANCE OF INTEREST RATE]<sup>32</sup>

[Details on the past and future performance and volatility of [EURIBOR/LIBOR/(other)] rates can be obtained from [Thomson Reuters].]

Benchmark: [Amounts payable under the Covered Bonds will be calculated by reference to [●] which is provided by [●]. As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds [(the "Benchmark Regulation")] [[As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the Financial Conduct Authority in the United Kingdom pursuant to Article 36 of the Benchmarks Regulation as it forms part of UK domestic law by virtue of the EUWA.]] [As far as the Issuer is aware, the transitional provisions in

<sup>30</sup> Only applicable if the amount of Covered Bonds issued equals or exceeds €500,000,000 or its equivalent in any other currency.

<sup>31</sup> Only applicable when an offer to the public pursuant to a Non-exempt Offer is contemplated.

<sup>32</sup> Only applicable when an offer to the public pursuant to a Non-exempt Offer is contemplated.

Article 51 of the Benchmark Regulation apply, such that [●] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]]"

## 10. OPERATIONAL INFORMATION

ISIN Code: [●]

Common Code: [●]

Depositories:

(i) Euroclear France to act as Central Depository: [Yes/No]

(ii) Common Depository for Euroclear Bank and Clearstream Banking, S.A.: [Yes/No]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable/(give name(s) and number(s) and address(es))]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [●]

## 11. DISTRIBUTION AND UNDERWRITING

Method of distribution: [Syndicated/Non-Syndicated]

If syndicated:

(i) [Names and addresses of the coordinator(s) of the global offer: [Not Applicable/(specify names and addresses)]<sup>34</sup>

(ii) Names[, addresses and quotas]<sup>33</sup> of the Managers: [●]/(give names, addresses and quotas of the entities agreeing to underwrite the issue and of the entities agreeing to place the issue without a firm commitment or under 'best efforts' arrangements, and where not all of the issue is underwritten on a firm commitment basis, specify the portion not covered)]

(iii) Date of the Subscription Agreement: [Not Applicable/(specify date)]

Stabilising Manager(s) (if any): [Not Applicable/(specify name)]<sup>35</sup>

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<sup>33</sup> Only applicable when an offer to the public pursuant to a Non-exempt Offer is contemplated.

<sup>34</sup> Only applicable when an offer to the public pursuant to a Non-exempt Offer is contemplated.

<sup>35</sup> Only applicable when an offer to the public pursuant to a Non-exempt Offer is contemplated.

If non-syndicated, name [and address]<sup>36</sup>  
of Dealer:

[Not Applicable/(*specify name [and address]*)]

[Indication of the overall amount of the  
underwriting commissions and of the  
placing commission:

[] of the Aggregate Nominal Amount of the Tranche]<sup>37</sup>

U.S. selling restrictions (*categories of  
potential investors to which the  
Covered Bonds are offered*):

Regulation S compliance Category 2 applies to the Covered  
Bonds;

[TEFRA C/TEFRA D/TEFRA rules Not Applicable]

(*TEFRA rules are not applicable to Dematerialised Covered  
Bonds*)

## 12. [TERMS AND CONDITIONS OF THE OFFER]<sup>38</sup>

Non-exempt Offer:

[Not Applicable/An offer of the Covered Bonds in France (the  
"**Non-exempt Offer Jurisdiction**") may be made by the  
Dealers [and (*specify the name of any financial intermediary*)]  
other than pursuant to Article 1(4) of the Prospectus  
Regulation during the period from [] to [] (the "**Offer  
Period**")]

Consent of the Issuer to use the Base  
Prospectus during the Offer Period:

[Not Applicable/Applicable with respect to any Authorised  
Offeror specified below]

Authorised Offeror(s) in the Non-  
exempt Offer Jurisdiction:

[Not Applicable/(*specify name(s) and address(es) of the  
financial intermediary(ies) authorised by the Issuer to act as  
Authorised Offeror*)/Any financial intermediary which  
satisfies the conditions set out in the paragraph below]

Conditions attached to the consent of  
the Issuer to use the Prospectus:

[Not Applicable/(*where the Issuer has given a general consent  
to any financial intermediary to use the Base Prospectus,  
indicate "See conditions set out in the Base Prospectus" and/or  
specify any additional conditions to or any condition replacing  
those set out in the Base Prospectus. Where an Authorised  
Offeror has been designated herein, specify any condition that  
such Authorised Offeror has to comply with*)]

Expected price at which Covered  
Bonds will be offered or method of  
determining the price and method for its  
disclosure:

[)

Description of the application process  
(including the time period during which  
the offer will be open and any possible  
amendments):

[)

Details of the minimum and/or  
maximum amount of the application  
(whether in number of securities or  
aggregate amount to invest):

[)

Description of the possibility to reduce  
subscriptions and the manner for

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<sup>36</sup> Only applicable when an offer to the public pursuant to a Non-exempt Offer is contemplated.

<sup>37</sup> Only applicable when an offer to the public pursuant to a Non-exempt Offer is contemplated.

<sup>38</sup> Only applicable when an offer to the public pursuant to a Non-exempt Offer is contemplated.

refunding amounts paid in excess by applicants: [●]

Method and time limits for paying up and delivery of the Covered Bonds: [●]

Manner in and date on which results of the offer are to be made public: [●]

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [●]

Category of potential investors to whom the Covered Bonds are offered and if one or more Tranches are reserved for some countries: [●]

Procedure for notifying the allocated amount and an indication whether the distribution can begin before the notification is made: [●]

Amount of any expenses and taxes charged to the subscriber or purchaser: [●]

*(If the Issuer is subject to MiFID II and/or PRIIPs such that it is required to disclose information relating to costs and charges, also include that information)*

Name(s) and address(es), as they are known by the Issuer, of the dealers in the various countries where the offer takes place: [●]

## **ANNEX –ISSUE SPECIFIC SUMMARY<sup>39</sup>**

*[Insert Issue Specific Summary]*

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<sup>39</sup> Only applicable to French Law Covered Bonds with a denomination of less than €100,000.

**ANNEXE –RESUME SPECIFIQUE DE L'EMISSION**

*[Insert Issue Specific Summary]*

## SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 21 April 2021 between the Issuer, the Arranger and the Permanent Dealers (as supplemented and amended from time to time, the "**Dealer Agreement**"), the International Covered Bonds will be offered by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell International Covered Bonds directly on its own behalf to Dealers that are not Permanent Dealers. The International Covered Bonds may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer(s). The International Covered Bonds may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for International 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 International Covered Bonds subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the International Programme and the Dealers for certain of their activities in connection with the International Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the International Covered Bonds. The Dealers have agreed to indemnify the Issuer against certain liabilities in connection with the offer and sale of the International Covered Bonds. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe International Covered Bonds in certain circumstances prior to payment for such International Covered Bonds being made to the Issuer.

### 1. General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers in particular following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

Each Dealer has agreed that it will comply, to the best of its knowledge, with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers International Covered Bonds or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefore.

### 2. Jurisdictions outside the EEA and the UK

#### *United States of America*

The International Covered Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and subject to certain exceptions, may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. Persons except in certain transactions exempt from 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.

Each Dealer has represented and agreed that it will not offer or sell the International Covered Bonds of any identifiable Tranche within the United States of America (i) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after completion of the distribution of any identifiable Tranche, as determined and certified to the Issuer by the Fiscal Agent, or in the case of International Covered Bonds issued on a syndicated basis, the Lead Manager, 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 International Covered Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the International Covered Bonds within the United States or to, or for the account of, U.S. Persons. Terms used in this paragraph have the meanings given to them by Regulation S.

Materialised Covered Bonds having a maturity of more than one (1) year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States of America 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.

In addition, until forty (40) calendar days after the commencement of the offering of any identifiable Tranche, an offer or sale of International Covered Bonds within the United States of America by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the International Covered Bonds outside the United States of America. The Issuer and the Dealers reserve the right to reject any offer to purchase the International 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. Distribution of this Base Prospectus by

any non-U.S. Person (as defined in Regulation S) outside the United States of America to any U.S. Person or to any other person within the United States of America is unauthorised 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 of America is prohibited.

### ***Japan***

The International 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**"). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any International Covered Bonds in Japan or to, or for the benefit of, a resident of Japan, or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEL and any other relevant laws, regulations and guidelines in force in Japan. As used in this paragraph, "resident of Japan" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### ***Switzerland***

Each Dealer has agreed that it will comply with any laws, regulations or guidelines in Switzerland from time to time, including, but not limited to, any regulations made by the Swiss National Bank, in relation to the offer, sale, delivery or transfer of the International Covered Bonds or the distribution of any offering material in respect of such International Covered Bonds.

### ***Australia***

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia, as amended (the "**Australian Corporations Act**")) in relation to the International Programme or any International Covered Bonds has been, or will be, lodged with Australian Securities and Investments Commission ("**ASIC**"). This Base Prospectus is neither a prospectus nor a disclosure document for the purposes of the Australian Corporations Act. Each Dealer has represented and agreed that unless the relevant Final Terms (or another supplement to any Base Prospectus) otherwise provides, it:

- (a) has not made or invited, and will not make or invite, an offer of the International 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, any Base Prospectus or any other offering material or advertisement relating to any International 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 any other applicable laws, regulations or directives in Australia; and
- (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

In addition, each Dealer has agreed that it will comply with the directive issued by the Australian Prudential Regulation Authority dated 21 March 2018 as contained in Banking exemption No. 1 where the Dealer offers International Covered Bonds for sale in relation to an issuance. This exemption requires all offers and transfers to be in parcels of not less than A\$500,000 in aggregate principal amount. Banking exemption No. 1 does not apply to offers for sale and transfers which occur outside Australia.

## **3. Jurisdictions within the EEA**

### ***France***

Each of the Dealers and the Issuer has represented and agreed that:

#### ***Non-exempt Offers in France***

it has not offered or sold and will not offer or sell, directly or indirectly, any International 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, the Base Prospectus, the relevant Final Terms or any other offering material

relating to the International Covered Bonds, except (a) in the context of an exempt offer in France as described below and (b) in the period beginning and ending on the dates specified for such purpose in the Final Terms relating to such International Covered Bonds and provided that the Final Terms have been duly published and specify that such Non-Exempt Offers in France may be made to the public, all as defined in, and in accordance with, Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "**Prospectus Regulation**") and any applicable French law and regulation; or

#### *Exempt offers in France*

it has not offered or sold and will not offer or sell, directly or indirectly, any International 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, the Base Prospectus, the relevant Final Terms or any other offering material relating to the International Covered Bonds, except to qualified investors (*investisseurs qualifiés*) in the context of an offer exempted from the obligation to publish a prospectus, all as defined in, and in accordance with, the Prospectus Regulation and any applicable French law and regulation (including article L.411-2 of the French *Code monétaire et financier*).

#### **The Netherlands**

Each Dealer has represented and agreed that it has not made nor will it make any offers of International Covered Bonds to the public in The Netherlands in reliance on article 1(4) of the Prospectus Regulation unless:

- (a) such offer is made exclusively to legal entities which are qualified investors in The Netherlands as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "**DFSA**"); or
- (b) standard exemption wording is disclosed as required by article 5:20(5) of the DFSA; or
- (c) such offer is otherwise made in circumstances in which article 5:20(5) of the DFSA is not applicable,

provided that no such offer of International Covered Bonds shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 1 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

#### **Italy**

This Base Prospectus has not been, nor will be, published in the Republic of Italy in connection with the offering of the International Covered Bonds and no application has been or will be filed with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") to obtain the registration/authorisation for the public offering (*offerta al pubblico*) of the International Covered Bonds 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**"). Accordingly, no International Covered Bonds may be offered, sold or delivered, directly or indirectly, to the public in the Republic of Italy nor may, or will, copies of this Base Prospectus, the relevant Final Terms or any other offering material relating to the International Covered Bonds be distributed in the Republic of Italy except:

- (a) to qualified investors (*investitori qualificati*), as defined by article 2, letter e) of the Prospectus Regulation and by Article 34-ter, paragraph 1(b) of the Issuers' Regulation; or
- (b) in any other circumstances where an exemption from the rules on offers to the public applies, as provided under Article 1, paragraph 4 of the Prospectus Regulation, Article 100 of the Financial Services Act and its implementing regulations, including Article 34-ter of the Issuers' Regulation.

Each Dealer has also represented and agreed that any offer, sale or delivery of the International Covered Bonds or distribution of copies of this Base Prospectus, the relevant Final Terms or any other offering material relating to the International 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:

- (i) 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, Legislative Decree no. 385 of 1 September 1993 (the "**Banking Act**"), CONSOB Regulation no. 20307 of 15 February 2018, all as amended from time to time;
- (ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time (pursuant to which the Bank of Italy may request information on the International Covered Bonds in the Republic of Italy); and
- (iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB, the Bank of Italy or any other Italian authority.

Any investor purchasing the International Covered Bonds in the offering is solely responsible for ensuring that any offer and resale of the International Covered Bonds it purchased in the offering occurs in compliance with applicable 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, the Final Terms or any other offering material relating to the International Covered Bonds.

#### ***Federal Republic of Germany***

No action has been or will be taken in any jurisdiction by the Issuer or any Dealer that would permit an offer of the German Law Covered Bonds to the public, or possession or distribution of this Base Prospectus or any other offering material, in any country (including Germany) or jurisdiction where such further action for that purpose is required.

This Base Prospectus has not been, and will not be, filed with the German Financial Supervisory Authority.

In particular, the German law Covered Bonds may not be offered, sold or publicly promoted or advertised in Germany other than in compliance with the provisions of the German Asset Investment Act (*Vermögensanlagegesetz*) exempting such offering, sale or public promotion from the requirement to publish a prospectus, or any laws replacing the *Vermögensanlagegesetz* or any other laws applicable in Germany governing the issue, offering and sale of registered bonds (*Namenschuldverschreibungen*).

The Issuer assumes no responsibility and makes no representation regarding the suitability of International Covered Bonds as an investment product for any investor. In particular, the Issuer assumes no responsibility for the eligibility of any International Covered Bonds as investment for any International 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 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 International Covered Bonds for the Bondholders.

#### ***EEA***

##### *Prohibition of sales to EEA retail investors*

If the Final Terms in respect of any International Covered Bonds specify the "Prohibition of Sales to EEA Retail Investors" as "Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the International Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any International Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area (the "EEA").

For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended ("**MiFID II**");
  - (ii) a customer within the meaning of Directive 2016/97/EU of the European Parliament and of the Council of 20 January 2016 on insurance distribution, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the International Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the International Covered Bonds.

##### *Public offer selling restriction under the Prospectus Regulation*

If the Final Terms in respect of any International Covered Bonds specify "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the International Programme will be required to represent and agree, that it has not made and will not make an offer of International Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms to the public in a member state of the European Economic Area (each a "**Relevant Member State**") except that it may make an offer of such International Covered Bonds to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the International Covered Bonds specify that an offer of those International Covered Bonds in France may be made other than pursuant to Article 1(4) of the Prospectus Regulation (a "**Non-exempt Offer**"), following the date of publication of a base prospectus in relation to such International Covered Bonds which has been approved by the competent authority in France or, where appropriate, approved in another Relevant Member State and notified to the competent authority in France, provided that any such base prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such base prospectus or Final Terms, as applicable;
  - (b) at any time to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
  - (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
  - (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,
- provided that no such offer of International Covered Bonds referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

#### **4. United Kingdom**

##### *Prohibition of sales to UK Retail Investors*

Unless the Final Terms in respect of any International Covered Bonds specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any International Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom (the "**UK**"). For the purposes of this provision:

- (a) the expression "retail" investor means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation (as defined below); and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the International Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the International Covered Bonds.

##### *Public offer selling restriction under the UK Prospectus Regulation*

If the Final Terms in respect of any International Covered Bonds specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of International Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such International Covered Bonds to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of International Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA<sup>40</sup> or supplement a prospectus pursuant to Article 23 of Article 2 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "an offer of International Covered Bonds to the public" in relation to any International Covered Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the International Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the International Covered Bonds and the expression "**UK Prospectus Regulation**" means the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA.

*Other regulatory restrictions*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any International Covered Bonds which have a maturity of less than one 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 International Covered Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as 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 International Covered Bonds would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any International 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 International Covered Bonds in, from or otherwise involving the United Kingdom.

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<sup>40</sup> The cornerstone provisions of the UK prospectus regime are set out in Article 3 UK Prospectus Regulation and in section 85 FSMA. Section 85 FSMA has been used here, as it is where the criminal offence lies. It also ties in with the use of section 86 FSMA (which not only cross-refers to the Article 1(4) UK Prospectus Regulation exemptions, but also includes the €8,000,000 exemption).

## GENERAL INFORMATION

- (1) This document has been approved as a base prospectus by the *Autorité des marchés financiers* (the "AMF") in its capacity as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**") and has received approval number 21-115 on 21 April 2021. The AMF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the International Covered Bonds that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the International Covered Bonds.

Application will be made in certain circumstances to admit the French Law Covered Bonds on Euronext Paris and application may be made for the listing and/or admission to trading of French Law Covered Bonds on any other Regulated Market in a Member State of the European Economic Area ("EEA") or any other stock exchange.

- (2) The Legal Entity Identifier (LEI) of the Issuer is 9695009KQA7MMTQL8E07.
- (3) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the update of the International Programme.

Any issuance of International Covered Bonds under the International Programme, to the extent that such International Covered Bonds constitute *obligations* or *instruments financiers équivalents de droit étranger* 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 (*conseil d'administration*), to the managing director (*directeur général*), to any of the deputy managing director (*directeur général délégué*), or to any other person.

On 27 November 2020, the Board of Directors (*conseil d'administration*) of the Issuer has authorised the issue of Covered Bonds for a maximum nominal amount of €15,000,000,000 (or its equivalent in any other currency) and delegated the power to issue such Covered Bonds to Alexandre Saada, chairman of the board of directors (*président du conseil d'administration*) of the Issuer, such delegation being valid for a period of one year from 27 November 2020.

- (4) Except as otherwise provided in the risk factor entitled "*Risks related to the Covid-19 pandemic*" on page 26 of this Base Prospectus, there has been no significant change in the financial performance or financial position of the Issuer since 31 December 2020.
- (5) Except as otherwise provided in the risk factor entitled "*Risks related to the Covid-19 pandemic*" on page 26 of this Base Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2020.
- (6) As of the date of this Base Prospectus, 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 the last twelve (12) months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.
- (7) 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 International Covered Bonds being issued.
- (8) Application may be made for French Law 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 (42 avenue JF Kennedy, L-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 French Law Covered Bonds will be set out in the relevant Final Terms.
- (9) PricewaterhouseCoopers Audit (63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France) and Ernst & Young et Autres (Tour First, TSA 1444 4, 92037 Paris-La Défense Cedex, France) (both entities regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux comptes*) have been appointed as *Commissaires aux comptes* to the Issuer as from 16 April 2007 and have audited and rendered unqualified audit reports on the financial statements of the Issuer for the fiscal years ended 31 December 2019 and 31 December 2020. PricewaterhouseCoopers Audit and Ernst & Young et Autres are registered with the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

- (10) The specific controller (*Contrôleur spécifique*) of the Issuer is Fides Audit (11, rue Marie Laurencin, 75012 Paris, France), represented by Mr. Stéphane Massa.
- (11) The Issuer does not intend to provide post-issuance transaction information regarding the International Covered Bonds to be admitted to trading and the performance of the underlying collateral, except if required by any applicable laws and regulations.
- (12) In relation to any Tranche of Fixed Rate Covered Bonds, an indication of the yield of such International Covered Bonds will be specified in the relevant Final Terms. The yield is calculated at the Issue Date of the Fixed Rate Covered Bonds on the basis of the relevant Issue Price.
- (13) In connection with the issue of any Tranche of French Law Covered Bonds, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms may over-allot French Law Covered Bonds or effect transactions with a view to supporting the market price of the French Law Covered Bonds at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the Final Terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) calendar days after the issue date of the relevant Tranche and sixty (60) calendar days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.
- (14) This Base Prospectus, any supplement thereto that may be published from time to time and, so long as French Law Covered Bonds are admitted to trading on any Regulated Market in a member state of the EEA and/or offered to the public in France pursuant to a non-exempt offer in accordance with the Prospectus Regulation, the Final Terms relating to such French Law Covered Bonds will be published on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of the Issuer ([www.creditmutuel-homeloansfh.eu](http://www.creditmutuel-homeloansfh.eu)).

In addition, should the French Law Covered Bonds be admitted to trading on a Regulated Market of a member state of the EEA other than Euronext Paris in accordance with the Prospectus Regulation, the Final Terms related to those French Law Covered Bonds will provide whether this Base Prospectus and the relevant Final Terms will be published on the website of (x) the relevant Regulated Market or (y) the relevant competent authority.

- (15) For so long as International Covered Bonds may be issued pursuant to this Base Prospectus, copies of the following documents will, when published, be available upon request and free of charge during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the registered office of the Issuer and, except for the documents referred to in sub-paragraph (c) below, on the website of the Issuer ([www.creditmutuel-homeloansfh.eu](http://www.creditmutuel-homeloansfh.eu)):
  - (a) the up to date by-laws (*statuts*) of the Issuer;
  - (b) the audited financial statements of the Issuer in respect of the financial years ended 31 December 2019 and 31 December 2020;
  - (c) the Agency Agreement (which includes the form of the *lettre comptable*, the Temporary Global Certificate, the Definitive Materialised Covered Bonds, the Coupons, the Talons, the Receipts and the Terms and Conditions of the German Law Covered Bonds);
  - (d) the Final Terms for French Law Covered Bonds that are admitted to trading on Euronext Paris or on any other Regulated Market of the EEA and/or offered to the public in France pursuant to a non-exempt offer;
  - (e) a copy of this Base Prospectus together with any supplement thereto that may be published from time to time or further base prospectus and any document incorporated by reference therein; and
  - (f) 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, including the certificate of the *contrôleur spécifique* in respect of each issue of French Law Covered Bonds in a principal amount equal to or above €500,000,000 (or its equivalent in any other currency at the date of the issue of such French Law Covered Bonds).
- (16) So long as Australian Law Covered Bonds are outstanding, documents referred to in paragraphs 15 (a), (b), (c), (e) and (f) above, together with copies of the Deed Poll and the Australian Agency Agreement are available for inspection during normal business hours at the specified office of the Issuer and the Australian Registrar.

- (17) So long as German Law Covered Bonds are outstanding, documents referred to in paragraphs 15 (a), (b), (c), (e) and (f) above are available for inspection during normal business hours at the specified office of the Issuer and the German Fiscal Agent.
- (18) Amounts payable under the International Covered Bonds may be calculated by reference to EURIBOR, LIBOR or any other rate as specified in the Final Terms. EURIBOR and LIBOR are respectively provided by the European Money Markets Institute and ICE Benchmark Administration Limited ("**ICE**"). As at the date of this Base Prospectus, the EMMI and ICE appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**"). The relevant Final Terms will specify the administrator of any other benchmark used as a reference under the Floating Rate Covered Bonds and whether or not such administrator appears on the above-mentioned register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmark Regulation or in the FCA's register of administrators under Article 36 of Benchmark Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.
- (19) Conflicts of interest may arise during the life of the International Programme. These include, for example, conflicts that may arise as a result of BFCM's several roles in different capacities under the Programme Documents, including as Borrower.
- Also, during the course of their business activities, the parties to the Programme 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 services may differ from, and conflict with, the interests of the Issuer or of the Bondholders. The International Covered Bonds may be distributed by institutions in charge of collecting subscription orders from investors and such institutions may, as the case may be, be related to BFCM. Consequently, during the offer period of the International Covered Bonds, some conflicts of interest may arise between the interests of such distributors and/or BFCM and those of the Bondholders.
- (20) Potential purchasers and sellers of the International Covered Bonds may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the jurisdiction where the International Covered Bonds are transferred, or other jurisdictions (including France). In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the International Covered Bonds. Potential investors are advised not to rely upon the tax overview contained in this Base Prospectus and any supplement thereto that may be published from time to time, but to ask for their own tax adviser's advice on their individual taxation with respect to the subscription, acquisition, holding, sale and redemption of the International Covered Bonds.
- (21) The information contained on any website included in this Base Prospectus does not form part of this Base Prospectus unless that information is incorporated by reference into this Base Prospectus.

## **RESPONSIBILITY AND APPROVAL FROM THE *AUTORITE DES MARCHES FINANCIERS***

### **1. Person responsible for the information contained in the Base Prospectus**

#### **Crédit Mutuel Home Loan SFH**

6, avenue de Provence  
75452 Paris Cedex 9  
France

### **2. Responsibility statement**

I declare that the information contained or incorporated by reference in this Base Prospectus is, to my knowledge, in accordance with the facts and contains no omission likely to affect its import.

Paris, 21 April 2021

Mr. Alexandre Saada, *Président du conseil d'administration*

#### **Crédit Mutuel Home Loan SFH**

6, avenue de Provence  
75452 Paris Cedex 9  
France

### **3. Approval from the Autorité des marchés financiers**



This Base Prospectus has been approved on 21 April 2021 under the approval number 21-115 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Base Prospectus after having verified that the information it contains is complete, coherent and comprehensible.

This approval is not a favourable opinion on the Issuer and on the quality of the International Covered Bonds described in this Base Prospectus. Investors should make their own assessment of the opportunity to invest in such International Covered Bonds.

It is valid until 21 April 2022 and shall be completed by a supplement to the Base Prospectus in the event of new material facts or substantial errors or inaccuracies.

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