Prospectus Supplement No. 1 dated May 27, 2013 to the Original Base Prospectus dated 20 September 2012

Crédit Mutuel-CIC Home Loan SFH

(duly licensed as a French *société de financement de l'habitat*)

€30,000,000,000 U.S. COVERED BOND PROGRAMME

FOR THE ISSUE OF OBLIGATIONS DE FINANCEMENT DE L'HABITAT

This Supplement (the "**Supplement**") is prepared in connection with the U.S. Covered Bond Programme (the "U.S. Programme") of Crédit Mutuel-CIC Home Loan SFH (the "**Issuer**"). Under the U.S. Programme, the Issuer, subject to compliance with all relevant laws, regulations and directives, may from time to time issue covered bonds (*obligations de financement de l'habitat*) to be governed by New York law (the "**New York Law Covered Bonds**"), benefiting from the statutory priority right of payment (*Privilège*) created by article L. 515-19 of the French Monetary and Financial Code (*Code monétaire et financier*).

This Supplement is supplemental to, and should be read in conjunction with, the Original Base Prospectus dated 20 September, 2012 relating to the U.S. Programme (the "**Original Base Prospectus**", and together with the Supplement, the "**Base Prospectus**"). Terms defined in the Original Base Prospectus have the same meanings when used in this Supplement.

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in, or incorporated by reference in, the Original Base Prospectus, the statements in this Supplement will prevail.

Application has been made to the *Autorité des marchés financiers* (the "**AMF**") for approval of this Supplement in its capacity as competent authority in France pursuant to article L. 621-8 of the French Monetary and Financial Code which implements the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 in France, as amended by Directive 2011/73/EU of 24 November 2010 (the "**Prospectus Directive**").

This Supplement, the Original Base Prospectus and any documents incorporated by reference herein and therein, and, with respect to New York Law Covered Bonds admitted to trading on any Regulated Market in accordance with the Prospectus Directive, the relevant Final Terms relating to such New York Law Covered Bonds will be available on the websites of the AMF (**www.amf-france.org**) and the Issuer (**http://www.cmcic-cb.com/en/covered-bonds/documentation/index-sfh.html**).

See "*Risk Factors*" on page 18 of the Original Base Prospectus and page 3 of this Supplement for certain information relevant to an investment in the New York Law Covered Bonds to be issued under the U.S. Programme.

In accordance with articles L. 412-1 and L. 621-8 of the French Monetary and Financial Code (*Code monétaire et financier*) and with the *Règlement général* of the AMF, in particular articles 212-31 to 212-33, the AMF has granted to this Supplement its visa N°13-239 on 27 May 2013. The Original Base Prospectus, as supplemented by this Supplement, may be used for the purposes of a financial transaction only if it is supplemented by final terms. The Original Base Prospectus, as supplemented by this Supplement, was prepared by the Issuer and its signatories assume responsibility for it. In accordance with article L. 621-8-1-I of the French Monetary and Financial Code, the visa was granted following an examination by the AMF of "whether the document is complete and understandable, and whether the information it contains is consistent". It does not imply that the AMF has verified the accounting and financial data set out herein. This visa has been granted subject to the publication of final terms in accordance with article 212-32 of the AMF's *Règlement général*, setting out the terms and conditions of the securities to be issued.

The New York Law Covered Bonds have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws, and are being offered only to Qualified Institutional Buyers ("**QIBs**"), within the meaning of, and in reliance on, Rule 144A under the Securities Act ("**Rule 144A**"), or in other transactions exempt from registration in accordance with Regulation S under the Securities Act ("**Regulation S**") and, in each case, in compliance with applicable securities laws. Prospective purchasers are hereby notified that sellers of the New York Law Covered Bonds may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Arranger
Citigroup

DEALERS

Barclays **BFCM** **BNP PARIBAS** **Citigroup**
Credit Suisse **Deutsche Bank Securities** **Goldman, Sachs & Co.** **J.P. Morgan** **Morgan Stanley**

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PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SUPPLEMENT

I declare, to the best of my knowledge (having taken all reasonable care to ensure that such is the case), that the information contained or incorporated by reference in this Supplement, other than that incorporated by reference through the 2012 Information Document, is in accordance with the facts and contains no omission likely to affect its import.

Paris, 27 May 2013

Mr. Christian ANDER
Directeur général

Crédit Mutuel-CIC Home Loan SFH
6, avenue de Provence
75452 Paris Cedex 9
France

I declare, to the best of my knowledge (having taken all reasonable care to ensure that such is the case), that the information contained in the 2012 Information Document is in accordance with the facts and contains no omission likely to affect its import.

The statutory auditors' report on the consolidated financial statements of BFCM for the year ended 31 December 2012 set out on pages 122 and 123 of the 2012 BFCM Annual Report incorporated by reference in the 2012 Information Document contains an observation.

The statutory auditors' report on the consolidated financial statements of the CM11-CIC Group for the year ended 31 December 2012 set out on pages 48 and 49 of the CM11-CIC 2012 Financial Statements incorporated by reference in the 2012 Information Document contains an observation.

Paris, 27 May 2013

Mr. Christian KLEIN
Directeur général adjoint

Banque Fédérative du Crédit Mutuel
34, rue du Wacken
67000 Strasbourg
France

DOCUMENTS INCORPORATED BY REFERENCE

The Original Base Prospectus, as supplemented by this Supplement, should be read and construed in conjunction with the following documents, which have been previously published and which are incorporated in, and will be deemed to form part of, the Base Prospectus as of the date hereof.

The following documents constitute the Documents Incorporated by Reference as of the date hereof and shall supersede and replace the Documents Incorporated by Reference in the Original Base Prospectus:

- the English translation of the audited financial statements of the Issuer for the financial year ended 31 December 2011 and the auditors' report thereon (the "**2011 Financial Statements**");

- the English translation of the audited financial statements of the Issuer for the financial year ended 31 December 2012 and the auditors' report thereon (the "**2012 Financial Statements**");

- the English translation of the investor report of the Issuer dated 7 December 2012 (the "**December Investor Report**");

- the English translation of the investor report of the Issuer dated 16 May 2013 (the "**May Investor Report**"); and

- the 2012 information document relating to the Banque Fédérative du Crédit Mutuel (the "**Borrower**" or "**BFCM**") and the CM11-CIC Group (the "**Group**"), dated 27 May 2013, and available on the Borrower's website at http://www.creditmutuelcic-sfh.com/en/covered-bonds/documentation/pdf/BFCM_INFORMATION_DOCUMENT_MAI2013.pdf (the "**2012 Information Document**").

For the avoidance of doubt, the "Overview", "Selected Financial Data for the Group" and "Selected Financial Data for the BFCM Group" sections of the Original Base Prospectus are superseded and replaced by the following sections of the 2012 Information Document: "Overview Description of BFCM and the CM11-CIC Group", "Selected Financial Data for the Group" and "Selected Financial Data for the BFCM Group".

Any statement contained in the Documents Incorporated by Reference shall be deemed modified or superseded for the purpose of the Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of the Base Prospectus.

All documents incorporated by reference in this Supplement may be obtained, without charge on request, at the principal office of the Issuer and the Paying Agents set out at the end of this Supplement during normal business hours so long as any of the New York Law Covered Bonds are outstanding. Such documents will be published on the website of the Issuer (http://www.cmcic-cb.com/en/covered-bonds/documentation/index-sfh.html) and have been filed with the AMF.

The information incorporated by reference in this Supplement should be read in connection with the cross reference list below. Any information not listed in the cross reference list but included in the documents incorporated by reference is given for information purposes only.

Cross-reference list

INFORMATION INCORPORATED BY REFERENCE (Annex VII of the European Regulation 809/2004/EC as modified by European Regulation 486/2012/EU)	**REFERENCE**
8. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
8.2 Historical financial information	
	2012 Financial Statements
- Balance sheet	Pages 5 to 6

INFORMATION INCORPORATED BY REFERENCE (Annex VII of the European Regulation 809/2004/EC as modified by European Regulation 486/2012/EU)	**REFERENCE**
- Profit and loss Account	Page 7
- Notes	Pages 8 to 13
- Auditor’s report relating to the above	Pages 1 to 3
	2011 Financial Statements
- Balance sheet	Pages 2 to 3
- Profit and loss Account	Page 4
- Notes	Pages 5 to 9
- Auditor’s report relating to the above	Pages 10 to 13

EXCHANGE RATE INFORMATION

In this Supplement, references to "euro," "EUR" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam. References to "$," "U.S.$" and "U.S. dollars" are to United States dollars. References to "cents" are to United States cents. Certain financial information contained herein and in any documents incorporated by reference herein is presented in euros. On 23 May 2013, the exchange rate as published by Bloomberg at approximately 11:59 p.m. (Paris time) was $1.2853 per one euro.

The following table shows the period-end, average, high and low Noon Buying Rates in New York City for cable transfers payable in foreign currencies as certified by the Federal Reserve Bank of New York (the "Noon Buying Rates") for the euro, expressed in dollars per one euro, for the periods and dates indicated.

	Noon Buying Rate			
	Period End	**Average[1]**	**High**	**Low**
Year:				
2008	1.3919	1.4695	1.6010	1.2446
2009	1.4332	1.3936	1.5100	1.2547
2010	1.3231	1.3276	1.3751	1.2970
2011	1.2973	1.3931	1.4875	1.2926
2012	1.3186	1.2858	1.3463	1.2062
2013 (through 17 May 2013)	1.2818	1.3134	1.3692	1.2782
Month:				
November 2012	1.3010	1.2837	1.3010	1.2715
December 2012	1.3186	1.3119	1.3260	1.2930
January 2013	1.3584	1.3304	1.3584	1.3047
February 2013	1.3079	1.3346	1.3692	1.3054
March 2013	1.2816	1.2953	1.3098	1.2782
April 2013	1.3200	1.3027	1.3200	1.2836
May 2013 (through 17 May 2013)	1.2818	1.3022	1.3192	1.2818

* The average of the Noon Buying Rates on the last business day of each month (or portion thereof) during the relevant period for annual averages; on each business day of the month (or portion thereof) for monthly average.

Source: Federal Reserve Bank of New York.

Fluctuations in exchange rates that have occurred in the past are not necessarily indicative of fluctuations in exchange rates that may occur at any time in the future. No representations are made herein that the euro or dollar amounts referred to herein could have been or could be converted into dollars or euros, as the case may be, at any particular rate.

SELECTED FINANCIAL AND OPERATING DATA FOR THE ISSUER

Investors should read the following selected financial and other data together with the historical financial statements of the Issuer, the related notes thereto and the other financial information included or incorporated by reference in the Base Prospectus. The financial statements of the Issuer have been prepared in accordance with French Generally Accepted Accounting Principles and have been audited by Ernst & Young et Autres and PricewaterhouseCoopers Audit.

Selected Data Regarding the Home Loans underlying the New York Law Covered Bonds

The table below presents selected data regarding the home loans that serve as Collateral Security for repayment of the Borrower Advances funded by both the New York Law Covered Bonds issued under this U.S. Programme as well as the covered bonds issued under the separate International Programme.

	As of 31 December 2012 (unaudited)	**As of 30 April 2013 (unaudited)**
Outstanding covered bonds (thousands of euros)	20,294,790	21,837,365
Cover Pool [(1)]		
Total Home Loan Balance (thousands of euros)	32,001,161	35,001,142
Average Home Loan Balance (euros)	82,127	82,643
Number of Home Loans	389,654	423,520
Weighted Average Seasoning (months)	63	62
Weighted Average Remaining Term (months)	181	181
Number of Borrowers	323,660	348,692
Number of Properties	338,881	365,982
Weighted Average Unindexed LTV [(2)]	0.67	0.68
Weighted Average Indexed LTV [(2)]	0.60	0.61

(1) Information is from the 7 December 2012 and the 16 May 2013 investor reports of the Issuer.
(2) Unindexed LTV is the ratio of the current loan balance to the original appraised value of the underlying property. Indexed LTV is the ratio of the current loan balance to the most recent appraised value of the underlying property.

Selected Balance Sheet Data of the Issuer

	At 31 December	
	2011	**2012**
	(in millions of euros)	
Assets		
Loans and receivables due from credit institutions	23,593.9	21,012.8
Held-to-maturity financial assets	0.0	-
Other assets	19.0	427.2
Total Assets	**23,612.9**	**21,440.0**
Liabilities and Shareholders' Equity		
Debt securities	23,351.2	20,669.8
Accruals and other liabilities	19.0	427.2
Subordinated debt	120.6	120.2
Shareholders' equity - Group share	**122.1**	222.8
Total Liabilities and Shareholders' Equity	**23,612.9**	**21,440.0**

Selected Profit and Loss Data of the Issuer

	Year ended 31 December		
	2010	**2011**	**2012**
	(in millions of euros)		
Net banking income	1.3	1.6	2.1
Gross operating income	0.2	0.8	1.1
Operating income/(loss)	0.2	0.8	1.1
Net income attributable to equity holders of the parent	0.2	0.7	0.7

RISK FACTORS

The Issuer believes that the factors described below, together with the risk factors described in the Original Base Prospectus and the risk factors relating to the Borrower and the Group in the 2012 Information Document incorporated by reference in the Base Prospectus (see "Documents Incorporated by Reference"), represent the principal risks inherent to investing in New York Law Covered Bonds issued under the U.S. Programme. However, the Issuer does not represent that the factors below, in the Original Base Prospectus and in the 2012 Information Document are exhaustive. Investors must be aware that other risks and uncertainties which, as of the date of this Supplement, are not known to the Issuer, or are considered immaterial, may have a significant impact on the Issuer, the Borrower, the Group, their activities, their financial condition or the New York Law Covered Bonds. Prospective investors should also read the detailed information set out elsewhere in the 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, the Borrower, the Group, their financial condition and New York Law Covered Bonds and consult their own financial or legal advisers about risks associated with investment in a particular Series of New York Law Covered Bonds and the suitability of investing in the New York Law Covered Bonds in light of their particular circumstances.

Words and expressions defined elsewhere in the Base Prospectus shall have the same meaning in the risk factors description below.

Risks related to New York Law Covered Bonds generally

The following is in addition to, but does not supersede, the section entitled "Risks related to the New York Law Covered Bonds generally" in the Original Base Prospectus.

The New York Law Covered Bonds may become subject to statutory loss absorption under currently pending bank regulatory initiatives

Pending initiatives proposed by the European Commission, the French Government and the Basel Committee on Banking Supervision may lead to new legislation or regulations that could adversely affect the rights of holders of the New York Law Covered Bonds. While the proposals differ in a number of respects, they generally provide that debt securities or hybrid capital instruments could be subject to mandatory conversion to equity or cancellation in whole or in part if certain trigger events occur in respect of the issuing bank or its group (such as failing to meet capital ratio requirements or a determination that an injection of capital from the State is needed). Some of the proposals apply only to subordinated debt securities, while others encompass all debt securities. See "Government Supervision and Regulation in France" in the 2012 Information Document for additional information on the current proposals.

It is not possible to predict whether any such proposals will be adopted, or if so what form they will ultimately take, what instruments will be subject to mandatory conversion or cancellation or whether securities issued prior to the effective date of the rules will be subject to write-down. If any such proposals are adopted, or if the market perceives that they are likely to be adopted, and if they apply to the Issuer and the New York Law Covered Bonds, then the market value of the New York Law Covered Bonds could be adversely affected, regardless of whether a trigger event occurs or is imminent.

Transactions on the New York Law Covered Bonds could be subject to a future European financial transaction tax.

The European Commission has proposed a directive that, if adopted in its current form, would subject transactions involving financial institutions in securities such as the New York Law Covered Bonds to a financial transaction tax. The proposed directive would call for eleven European member states, including France, to impose a tax of at least 0.1% on all such transactions, generally determined by reference to the amount of consideration paid. The mechanism by which the tax would be applied and collected is not yet known, but if the proposed directive or any similar tax is adopted, transactions in the New York Law Covered Bonds would be subject to higher costs, and the liquidity of the market for the New York Law Covered Bonds may be diminished.

TAXATION

The statements herein regarding taxation are based on the laws in force in the United States, the European Union, and the Republic of France as of the date of this Supplement and are subject to any change in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of, the New York Law Covered Bonds. Each prospective holder or beneficial owner of New York Law Covered Bonds should consult its own tax advisor as to the U.S., European or French tax consequences of any investment in, or ownership and disposition of, the New York Law Covered Bonds.

EU Savings Directive

This section shall supersede and replace the Taxation disclosure relating to the EU Savings Directive in the Original Base Prospectus.

Under the Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**Savings Directive**"), each Member State of the EU is required to provide to the tax authorities of another EU Member State, *inter alia*, details of interest payments within the meaning of the Savings Directive (including interest, premiums and other similar income) made by a paying agent established within its jurisdiction to, or secured by such a person for the benefit of, an individual resident in or certain limited types of entity established in, that other Member State.

However, for a transitional period, certain Member States (Luxembourg and Austria) will instead apply a withholding system in relation to interest payments, unless during such period they elect otherwise. The beneficial owner of the interest payment may, on meeting certain conditions, request that no tax be withheld and elect instead for an exchange of information procedure. The rate of withholding is 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to exchange of information procedures relating to interest and other similar income. The current Luxembourg government has announced its intention to elect out of the withholding system in favour of automatic exchange of information with effect from 1 January 2015.

A number of third countries and territories have adopted similar measures to the Savings Directive.

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive, once amended, on their investment.

French Taxation

The descriptions below are intended as a basic summary of certain French tax considerations that may be relevant to holders of New York Law Covered Bonds who do not concurrently hold shares of the Issuer. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

This section shall supersede and replace the Taxation disclosure relating to French Taxation in the Original Base Prospectus.

Taxation of Interest Income and Other Revenues

The Savings Directive was implemented into French law under Article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Pursuant to Article 125 A III of the French *Code général des impôts*, payments of interest and other revenues made by the Issuer on such New York Law Covered Bonds are not subject to withholding tax unless such payments are made outside of France in a non-cooperative State or territory within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"), in which case a 75% withholding tax is applicable subject to exceptions, certain of which are set forth below, and to more favourable provisions of any applicable double tax treaty. The 75% withholding tax is applicable irrespective of the tax residence of the New York Law Covered Bondholder. The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues are not deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest or other revenues may be recharacterised as constructive dividends pursuant to Articles 109 et seq. of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the same Code, at a rate of 30% or 75%, subject to more favourable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, none of the 75% withholding tax provided by Article 125 A III of the French *Code général des impôts*, the non-deductibility of the interest and other revenues or the withholding tax set out under Article 119 *bis* 2 that may be levied as a result of such non-deductibility, to the extent the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, will apply in respect of a particular issue of New York Law Covered Bonds provided that the Issuer can prove that the main purpose and effect of such issue of New York Law Covered Bonds is not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**").

In addition, under French tax administrative guidelines (*Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20120912) dated 12 September 2012, an issue of New York Law Covered Bonds benefits from the Exception without the Issuer having to provide any evidence supporting the main purpose and effect of such issue of New York Law Covered Bonds, if such New York Law Covered Bonds are:

i. offered by means of a public offer within the meaning of article L. 411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

ii. admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

iii. admitted, at the time of their issue, to the operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositaries or operators provided that such depositaries or operators are not located in a Non-Cooperative State.

As a result, payments of interest or other revenues made by the Issuer with respect to New York Law Covered Bonds cleared through a clearing system such as DTC, Euroclear Bank S.A. / N.V. and/or Clearstream Banking will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts*. The tax regime applicable to New York Law Covered Bonds which do not satisfy the conditions mentioned hereinabove will be set out in a supplement to this Base Prospectus.

Pursuant to Article 9 of the 2013 French Finance Law (*loi n°2012-1509 du 29 décembre 2012 de finances pour 2013*) subject to certain limited exceptions, interest received from 1 January 2013 by French tax resident individuals is subject to a 24% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5% on interest paid to French tax resident individuals.

Taxation on Sale or Other Disposition

Under article 244 *bis* C of the French *Code général des impôts*, a person that is not a resident of France for the purpose of French taxation generally is not subject to any French income tax or capital gains tax on any gain derived from the sale or other disposition of New York Law Covered Bonds, unless such New York Law Covered Bonds form part of the business property of a permanent establishment or a fixed base that such person maintains in France.

Stamp Duty and Other Transfer Taxes

Transfers of New York Law Covered Bonds outside France will not be subject to stamp duty or other transfer tax imposed in France, provided such transfer is not recorded or referred to in any manner whatsoever in a deed registered with the French tax authorities on a voluntary basis.

Estate and Gift Tax

France imposes estate and gift tax on securities of a French company that are acquired by inheritance or gift. According to article 750 *ter* of the French *Code général des impôts*, the taxation is triggered without regard to the residence of the transferor. However, France has entered into estate and gift tax treaties with a number of countries pursuant to which, assuming certain conditions are met, residents of the treaty country may be exempted from such tax or obtain a tax credit.

As a result from the combination of the French domestic tax law and the estate and gift tax convention between the United States and France, a transfer of New York Law Covered Bonds by gift or by reason of the death of a United States holder entitled to benefits under that convention will not be subject to French gift or inheritance tax, so long as, among other conditions, the donor or decedent was not domiciled in France at the time of the transfer and the New York Law Covered Bonds were not used or held for use in the conduct of a business or profession through a permanent establishment or fixed base in France.

Wealth Tax

French wealth tax (*impôt de solidarité sur la fortune*) generally does not apply to New York Law Covered Bonds owned by non-French residents according to article 885 L of the French *Code général des impôts*. Subject to certain exceptions, a United States holder that is resident in the United States within the meaning of the income tax convention between the United States and France generally is exempt from French wealth tax.

Prospective purchasers who are individuals are urged to consult with their own tax advisers.

United States Taxation

TO ENSURE COMPLIANCE WITH U.S. TREASURY DEPARTMENT CIRCULAR 230, NEW YORK LAW COVERED BONDHOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL INCOME TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY NEW YORK LAW COVERED BONDHOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON NEW YORK LAW COVERED BONDHOLDERS UNDER THE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) NEW YORK LAW COVERED BONDHOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The description below is intended as a basic summary of certain United States tax considerations that may be relevant to certain holders of New York Law Covered Bonds, and is intended to be read together with the discussion of those considerations in the Original Base Prospectus. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

This section shall supersede and replace the portion of the Taxation disclosure in the section United States Taxation under the heading "Foreign Account Tax Compliance Act" in the Original Base Prospectus.

Foreign Tax Account Compliance Act

Subject to a grandfathering rule that applies to these New York Law Covered Bonds, the Issuer and other non-U.S. financial institutions through which payments are made (including the Paying Agent) may be required pursuant to the foreign account provisions of the Hiring Incentives to Restore Employment Act of 2010 ("FATCA") to withhold U.S. tax on payments in respect of certain New York Law Covered Bonds to an investor who does not provide information sufficient for the Issuer or other non-U.S. financial institution through which payments are made (as the case may be) to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Issuer, or to an investor that is a non-U.S. financial institution that is not in compliance with FATCA. Under a grandfathering rule, the withholding tax described above will not apply to the New York Law Covered Bonds unless they are materially modified after the date that is six months after which final regulations implementing such withholding are filed by the U.S. Treasury Department. If the withholding described above were to apply, it would start at the earliest on 1 January 2017. In addition, France has announced an intention to enter into an intergovernmental agreement with the United States, which could modify the rules that would otherwise apply. If an amount of, or in respect of, such withholding taxes were to be deducted or withheld from interest or other payments on the New York Law Covered Bonds as a result of an investor's failure to comply with these rules, no additional amounts will be paid with respect to the New York Law Covered Bonds held by such investor as a result of the deduction or withholding of such tax. Holders should consult their own tax advisors on how the FATCA rules may apply to payments they receive in respect of New York Law Covered Bonds.

Issuer

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Arranger

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