



**Euro 45,000,000,000**  
**Euro Medium Term Note Programme**  
**Due from 7 days from the date of original issue**

Under the Euro Medium Term Note Programme described in this Base Prospectus (the "**Programme**"), Banque F d rative du Cr dit Mutuel ("**BFCM**" or the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate principal amount of Notes outstanding will not at any time exceed euro 45,000,000,000 (or the equivalent in other currencies). This Base Prospectus (the "**Base Prospectus**") supersedes and replaces the Base Prospectus dated 16 March 2007.

Notes will be issued in one or more series (each a "**Series**"). Notes of each Series shall be in bearer form and may be issued in one or more tranches (each a "**Tranche**") on different issue dates and on terms otherwise identical (except in relation to the interest commencement dates and matters related thereto).

Application has been made (i) the *Commission de Surveillance du Secteur Financier* ("**CSSF**"), in its capacity as competent authority in Luxembourg under Article 7 of the Luxembourg Law on Prospectuses for Securities implementing Directive 2003/71/EC (the "**Prospectus Directive**") for approval of this Base Prospectus and (ii) to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange during the period of 12 months from the date of publication of this Base Prospectus. The Regulated Market of the Luxembourg Stock Exchange is a regulated market for the purposes of Directive 93/22/EC (the "**Investment Services Directive**") (each such market being an "**ISD Regulated Market**"). Application may be made for such Notes to be listed and admitted to trading on any other ISD Regulated Market (as defined below) in a Member State of the European Economic Area ("**EEA**"). The Issuer may also issue Notes under the Programme that are listed or admitted to trading on a market, such as the EuroMTF Market of the Luxembourg Stock Exchange ("**EuroMTF**"), which is not an ISD Regulated Market, or that are not listed or admitted to trading. The relevant Final Terms (as defined below) in respect of each issue of Notes will specify whether such Notes will be listed and, if so, the relevant ISD Regulated Market or stock exchange(s).

Notes of each Tranche of each Series will initially be represented by a temporary global note in bearer form (each, a "**Temporary Global Note**") or a permanent global note in bearer form (each, a "**Permanent Global Note**" and, collectively with any Temporary Global Note, the "**Global Notes**"), each without interest coupons. Interests in a Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note on or after the date 40 days after the date of the commencement of the offering and the relevant issue date, upon certification as to non-U.S. beneficial ownership. If the Global Notes are stated in the applicable Final Terms to be issued in new global note ("**NGN**") form they are intended to be eligible collateral for Eurosystem monetary policy and the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream banking, soci t  anonyme ("**Clearstream, Luxembourg**").

Notes which are not issued in NGN form ("**Classic Global Notes**" or "**CGNs**") will be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg or as otherwise agreed between the Issuer and the relevant Dealer (as defined herein). The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of Provisions Relating to the Notes while in Global Form".

Tranches of Notes (as defined in "General Description of the Programme - Method of Issue") may be rated or unrated (as described under "General Description of the Programme - Ratings"). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Arranger for the Programme**  
**BNP PARIBAS**

**Dealers**  
**BANQUE F D RATIVE DU CR DIT MUTUEL**  
**ABN AMRO**  
**BNP PARIBAS**  
**GOLDMAN SACHS INTERNATIONAL**  
**HSBC**  
**LEHMAN BROTHERS**

*This Base Prospectus, containing all relevant information with regard to the Issuer and the Issuer and its subsidiaries and affiliates taken as a whole (the “Group”) as well as the base terms and conditions of the Notes to be issued under the Programme together with (i) any supplements to this Base Prospectus from time to time (each, a “Supplement” and together the “Supplements”) and (ii) the final terms issued in relation to each Tranche of Notes, substantially in the form of the pro forma final terms set out in this Base Prospectus (the “Final Terms”) constitutes a Prospectus for the purposes of Article 5.4 of the Prospectus Directive. In relation to each separate issue of Notes, the final offer price and the amount of such Notes will be determined by the Issuer and the relevant Dealers at the time of the issue of the Notes and will be set out in the relevant Final Terms.*

*This Base Prospectus is to be read in conjunction with any document and/or information which is or may be incorporated herein by reference in accordance with Article 28 of Commission Regulation (“EC”) no. 809/2004 (the “Prospectus Regulation”), as described in “Documents Incorporated by Reference” below. This Base Prospectus shall be read and construed on the basis that such documents are so incorporated and form part of this Base Prospectus.*

*No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in “General Description of the 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 or the Group 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 or the Group since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

*The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of the Notes in the EEA and certain member states thereof, the United Kingdom, Japan and the United States. See “Subscription and Sale” below.*

*The Notes 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 and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S Internal Revenue Code of 1986, as amended and regulations thereafter). For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see “Subscription and Sale”.*

*This Base Prospectus does not constitute and may not be used in connection with, an offer, or an invitation to any person to whom it is unlawful to make such offer or invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.*

*The Arranger and the Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers (other than Banque Fédérative du Cr dit Mutuel in its capacity as Dealer) or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers (other than Banque F d rative du Cr dit Mutuel in its capacity as Dealer) or the Arranger 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 potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.*

*In connection with the issue of any Tranche (as defined in "General Description of the Programme") of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) in the applicable Final Terms (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes (provided that, in the case of any Tranche to be admitted to trading on any ISD Regulated Market, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but such action must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.*

*In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "euro" and "€" are to the single currency which was introduced in the participating member states of the European Union on 1st January 1999, references to "£", "pounds sterling" and "Sterling" are to the lawful currency of the United Kingdom and references to "U.S.\$" "USD" and "dollars" are to the lawful currency of the United States of America.*

### **RESPONSIBILITY STATEMENT**

The Issuer accepts responsibility for the information contained in this Base Prospectus. The Issuer declares, having taken all reasonable care to ensure that such is the case, that to the best of the knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

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## SUMMARY

*This summary must be read as an introduction to this Base Prospectus. Any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated herein by reference, by any investor. The Issuer may have civil liability in respect of this summary, if it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to information contained in this Base Prospectus is brought before a court in an EEA Member State, the plaintiff may, under the national legislation of the EEA Member State where the claim is brought, be required to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.*

*Words and expressions defined in "Terms and Conditions of the Notes" below and in the applicable Final Terms shall have the same meanings in this summary.*

### Issuer

Banque Fédérative du Crédit Mutuel ("**BFCM**")

### Description of the Issuer

BFCM is a specialised financial institution established under the French *Code Monétaire et Financier* and is subject to its provisions.

BFCM forms part of the Crédit Mutuel Centre Est Europe Group (the "**CMCEE Group**") and, together with the Crédit Mutuel Sud-Est Group, the Crédit Mutuel Ile de France and the Crédit Mutuel Savoie Mont Blanc referred to below, the "**CEE Group**", which forms part of the French mutualist banking group, the Crédit Mutuel group (the "**Crédit Mutuel Group**"). The CEE Group operates in 32 *départements* in eastern France (covering the Alsace, Lorraine, Franche-Comté, Bourgogne, Champagne, Lyonlle de France and Savoie Mont Blanc regions) and is the largest regional banking group in France, with around 3.9 million clients and 649 local branches.

BFCM conducts certain activities in its own right, which include acting as central treasury to the CEE Group and undertaking capital and money market activities on behalf of the CEE Group as well as providing financing to a number of its customers. As an extension of its role as central treasury, BFCM hedges interest rate and exchange risks for the whole CEE Group and places the funds of the CEE Group on deposit in the capital and money markets.

As a holding company, BFCM coordinates and develops the BFCM Group's business activities which are mainly banking and insurance. BFCM holds, directly or indirectly, a 92.71 per cent. shareholding in Crédit Industriel et Commercial ("**CIC**"), the holding company of the CIC group (the "**CIC Group**"), a commercial banking network of 6 mainly regional banks active throughout France and with international branches in New York, London and Singapore.

BFCM's financial resources originate from deposits collected by the network of local branches (*caisses locales*), equity funds from the Caisse Fédérale and other credit institutions and funds raised in the capital and money markets. BFCM also refinances loans granted by the *caisses locales*. In 2006 it refinanced a total of euro42 billion of such loans (compared to 33.5 billion in 2005).

BFCM is also involved in trading securities and arranges interest and exchange rate hedging transactions on behalf of its clients.

BFCM manages payment flows and processes transactions on behalf of CEE Group entities in the Paris

Net Settlement System, in the euro Banking Association and the German Real Time Gross System.

As a holding company, BFCM coordinates and develops the BFCM Group's business activities undertaken through its minority and majority holdings in financial establishments, insurance, real estate and service companies.

#### Financial Summary:

At 31 December 2006, BFCM had consolidated assets of €339.0 billion (compared to €298.86 billion as at 31 December 2005), shareholders' equity of €8.36 billion (compared to €6.56 billion as at 31 December 2005). Net profit on ordinary activities before taxation for the year ended 31 December 2006 was €2,606 million (compared to €1,440 million for the year ended 31 December 2005). Net profit, Group share, for the year ended 31 December 2006 was €1,642 million (compared to €944 million for the year ended 31 December 2005). These figures have been prepared in accordance with IFRS standards.

#### **Risk Factors**

There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "**Risk Factors**" below and include the following risk factors related to the Issuer and its industry:

- (i) Unforeseen events can interrupt the Issuer's operations and cause substantial losses and additional costs.
- (ii) Four main categories of risks are inherent to the Issuer's activities:
  - *Credit Risk*. Credit risk is the risk of financial loss relating to the failure of an obligor to honour its contractual obligations.
  - *Market and Liquidity Risk*. Market risk is the risk related to earnings, which arises primarily from adverse movements of trading and non-trading market parameters. Liquidity risk, which is also referred to as funding risk, is the inability of the Issuer to meet its obligations at an acceptable cost in a given currency and location.
  - *Operational Risk*. Operational risk corresponds to the risk of losses due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences.
  - *Insurance Risk*. Insurance risk is the risk to earnings due to mismatches between expected and actual claims.
- (iii) An interruption in or a breach of the Issuer's information systems may result in lost business and other losses.
- (iv) The Issuer is subject to extensive supervisory and regulatory regimes in France, elsewhere in Europe, the US, the Asia Pacific region and in the many countries around the world in which it operates.
- (v) The Issuer's businesses and earnings can be affected by the fiscal or other policies and other actions of various regulatory authorities of France, other European Union or foreign governments and

international agencies. The nature and impact of future changes in such policies and regulatory action are not predictable and are beyond the Issuer's control.

In addition, there are certain factors which are material for the purpose of assessing the risks associated with Notes issued under the Programme, including the following:

- (i) The trading market for debt securities may be volatile and may be adversely impacted by many events;
- (ii) An active trading market for the Notes may not develop;
- (iii) The Notes may be redeemed prior to maturity;
- (iv) A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs;
- (v) A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes;
- (vi) Fixed Rate Notes may change in value due to changes in interest rates;
- (vii) Investors will not be able to calculate in advance their rate of return on Floating Rate Notes;
- (viii) Zero coupon bonds are subject to higher price fluctuations than non-discounted bonds;
- (ix) Foreign currency bonds expose investors to foreign-exchange risk as well as to issuer risk;
- (x) Holders of Subordinated Notes risk receiving payments on any outstanding Subordinated Notes only after senior Noteholders and other senior creditors have been repaid in full, if and to the extent that there is still cash available for those payments;
- (xi) Investments in Index Linked Notes entail significant risks and may not be appropriate for investors lacking financial expertise; and
- (xii) Holders of Notes of less than €50,000 (or its equivalent in another currency) in principal amount may not receive definitive Notes where the minimum Specified Denomination is €50,000 (or its equivalent in another currency).

Please see "**Risk Factors**" below for further details.

**Programme Amount**

Up to €45,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time. As provided in the Agency Agreement, the Programme Amount may be further increased.

**Currencies**

Notes may be denominated in any currency or currencies agreed between the Issuer and the relevant Dealer(s), subject to compliance with all applicable legal and/or regulatory restrictions.

**Maturities**

Subject to compliance with all relevant laws, regulations and directives, any maturity greater than seven days.

**Form of Notes**

Notes will be issued in bearer form only. Each Tranche of Notes will initially be represented by interests in a temporary Global Note, if (i) definitive Notes are to be made available to Noteholders following expiry of 40 days

after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in “**Selling Restrictions**” below). Otherwise, such Tranche will be represented by a permanent Global Note in bearer form without interest coupons.

#### **Initial Delivery of Notes**

On or before the issue date for each Tranche, if the relevant Global Note is intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations, the Global Note will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is not intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations, the Global Note representing Notes may (or, in the case of Notes listed on the Luxembourg Stock Exchange, shall) be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Global Notes relating to Notes that are not listed on the Luxembourg Stock Exchange may also be deposited 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. In the case of NGNs, any such other clearing system must be authorised to hold such notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations.

#### **Fixed Rate Notes**

Fixed rate interest will be payable in arrear on the date or dates in each year as specified in the applicable Final Terms.

#### **Floating Rate Notes**

Floating Rate Notes will bear interest separately for each Series calculated by reference to EURIBOR, LIBOR, LIBID, LIMEAN (or such other benchmark as may be specified in the applicable Final Terms), as adjusted for any applicable margin.

Interest on Floating Rate Notes will be payable on such dates, and will be calculated in the manner specified prior to issue in the applicable Final Terms.

#### **Interest Periods and Rates of Interest:**

The length of interest periods for the Notes and applicable rate of interest or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum rate of interest, a minimum rate of interest, or both. Interest periods will be specified in the applicable Final Terms. Interest will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the applicable Final Terms. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period.

#### **Dual Currency Notes**

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies and based upon such rates of exchange as are agreed between the Issuer and the relevant Dealer(s) prior to issue and set out in the applicable Final Terms.

#### **Index Linked Notes**

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Index Linked Notes will be calculated by reference to such Index and/or Formula as are agreed between the Issuer and the relevant Dealer(s) prior to issue and set out in the applicable Final Terms.



<b>Variable Coupon Amount Notes</b>	The basis for calculating the amounts of interest payable, which may be by reference to a stock index or formula or otherwise, shall be specified in the Final Terms issued in respect of each issue of variable coupon amount Notes.
<b>Variable Redemption Amount Notes</b>	The basis for calculating the redemption amounts payable, which may be by reference to a stock index or formula or otherwise, will be provided in the Final Terms issued in respect of each issue of Variable Redemption Amount Notes. Unless otherwise permitted by the current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 will have a minimum redemption value of £100,000 (or its equivalent in another currency).
<b>Zero Coupon Notes</b>	Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest other than in the case of late payment.
<b>Other Notes</b>	Terms applicable to any other type of Note which the Issuer and any Dealer or Dealers may agree from time to time to issue under the Programme will be set out in the relevant Final Terms.
<b>Redemption by Instalments</b>	The dates on which and the amounts in which Notes redeemable in two or more instalments may be redeemed will be set out in the Final Terms issued in respect of such Notes.
<b>Optional Redemption</b>	The applicable Final Terms will state whether Notes may be redeemed prior to their stated maturity at the option of the Issuer and/or the holders and if so, the terms applicable to such redemption. Unless otherwise specified in the Final Terms issued in relation to an issue of Notes, Notes will be redeemable at the option of the Issuer prior to maturity only for taxation reasons.
<b>Denominations of Notes</b>	<p>Notes will be issued in such denominations as may be specified in the applicable Final Terms, save that:</p> <p>(i) (as this Base Prospectus has not been approved by the relevant competent authority of the Issuer's country of incorporation for the purposes of the Prospectus Directive), in the case of any Notes admitted to trading on an ISD Regulated Market or offered to the public within the territory of any EEA State in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum denomination shall be €1,000 (or its equivalent in any other currency or currencies as at the date of issue of those Notes); and</p> <p>(ii) the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.</p> <p>Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000, will have a minimum denomination of £100,000 (or its equivalent in another currency).</p>
<b>Taxation</b>	Payments of interest and other revenues with respect to

the Notes constituting *obligations* under French law will be made without withholding or deduction for, or on account of, the withholding tax set out under Article 125 A III of the French *Code général des impôts*, as provided for in Article 131 *quater* of the French *Code général des impôts*, to the extent that the Notes are issued (or deemed to be issued) outside the Republic of France.

Notes constituting *obligations* under French law will be issued (or deemed to be issued) outside the Republic of France (i) in the case of syndicated or non-syndicated issues of Notes, if such Notes are denominated in euro, (ii) in the case of syndicated issues of Notes denominated in currencies other than euro, if, *inter alia*, the Issuer and the relevant Dealers agree not to offer the Notes to the public in the Republic of France and such Notes are offered in the Republic of France through an international syndicate only to qualified investors (*investisseurs qualifiés*) as described in Article L. 411-2 of the French *Code monétaire et financier*, or (iii) in the case of issues of Notes denominated in currencies other than euro that are not offered and sold through an international syndicate, if each of the subscribers of the Notes is domiciled or resident for tax purposes outside the Republic of France and does not act through a permanent establishment or fixed base therein, in each case as more fully set out in the Circular 5 I-11-98 of the *Direction générale des impôts* dated 30 September 1998.

However, if so provided in the relevant Final Terms, Notes constituting *obligations* under French law denominated in currencies other than euro may be offered without an international syndicate and may be placed with subscribers not all of whom are resident outside the Republic of France. In such cases, the Notes will not benefit from the exemption from deduction of tax at source provided for in Article 131 *quater* of the French *Code général des impôts* and interest payments under such Notes made to a non-French resident will be exempt from withholding or deduction of tax at source only if the beneficiary of the payment provides certification that he is not resident in the Republic of France, all in accordance with the provisions of Article 125 A III of the French *Code général des impôts*, as more fully described in “Terms and Conditions of the Notes - Taxation”.

The tax regime applicable to Notes which do not constitute *obligations* under French law will be set out in the relevant Final Terms.

#### **Status of the Notes**

Notes issued under the Programme may be unsubordinated (“**Unsubordinated Notes**”) or subordinated (“**Subordinated Notes**”). Unsubordinated Notes will constitute direct, unconditional unsubordinated and unsecured obligations of the Issuer, and Subordinated Notes will constitute direct, unconditional subordinated and unsecured obligations of the Issuer, as described in the Terms and Conditions of the Notes. The Issuer may issue Subordinated Notes which constitute Ordinarily Subordinated Notes, Deeply Subordinated Notes, Dated Subordinated Notes or Undated Subordinated Notes, all as set out and defined in Condition 2(b) of the Terms and Conditions of the Notes.

#### **Negative Pledge**

The terms of the Unsubordinated Notes will contain a negative pledge provision as described under Condition 3 of the Terms and Conditions of the Notes.

<b>Cross Default</b>	There will be a cross-default provision applicable to the Notes as set out in Condition 9(a)(iii) of the Terms and Conditions of the Notes.
<b>Ratings</b>	<p>Tranches of Notes (as defined in “General Description of the Programme”) may be rated or unrated (as described under “General Description of the Programme – Ratings”). Details of the rating, if any, attributable to an issue of Notes will be set out in the applicable Final Terms.</p> <p>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.</p>
<b>Listing and admission to trading</b>	Notes of any particular Series may be listed on the official list of the Luxembourg Stock Exchange and traded on the Regulated Market of the Luxembourg Stock Exchange, the EuroMTF or on such other or additional ISD Regulated Markets or stock exchanges as may be specified in the applicable Final Terms and references to listing shall be construed accordingly. A Series of Notes need not be listed on any stock exchange. The applicable Final Terms will state whether or not the relevant Notes are to be listed and, if so, on which ISD Regulated Market(s) or stock exchange(s).
<b>Governing Law</b>	English law, other than provisions in respect of Subordinated Notes, which, if applicable, will be governed by, and construed in accordance with, the laws of France.
<b>Selling Restrictions</b>	<p>There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions, including the EEA and certain of its Member States, the United Kingdom, France, Japan and the United States, as described under “Subscription and Sale”. In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the applicable Final Terms.</p> <p>The Issuer is Category 2 for the purposes of Regulation S under the Securities Act.</p> <p>The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5'(2)(i)(D) (the “<b>D Rules</b>”) unless (i) the relevant Final Terms state that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5'(2)(i) (the “<b>C Rules</b>”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“<b>TEFRA</b>”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.</p>

## RISK FACTORS

*Prospective purchasers of Notes should consider carefully, in light of their financial circumstances and investment objectives, all of the information in this Base Prospectus and, in particular, the risk factors set forth below in making an investment decision.*

### Factors Relating to the Issuer and its Operations

*Unforeseen events can interrupt the Issuer's operations and cause substantial losses and additional costs*

Unforeseen events like severe natural catastrophes, terrorist attacks or other states of emergency can lead to an abrupt interruption of the Issuer's operations, which can cause substantial losses. Such losses can relate to property, financial assets, trading positions and to key employees. Such unforeseen events can also lead to additional costs (such as relocation of employees affected) and increase the Issuer's costs (such as insurance premiums). Such events may also make insurance coverage for certain risks unavailable and thus increase the Issuer's risk.

*Four main categories of risks are inherent to the Bank's activities*

- **Credit Risk.** Credit risk is the risk of financial loss relating to the failure of an obligor to honour its contractual obligations. Credit risk arises in lending activities and also in various other activities where the Issuer is exposed to the risk of counterparty default, such as its trading, capital markets and settlement activities.
- **Market and Liquidity Risk.** Market risk is the risk related to earnings, which arises primarily from adverse movements of trading and non-trading market parameters. Trading market parameters include, but are not limited to, foreign exchange rates, bond prices, security and commodity prices, derivatives prices and prices of other marketable assets such as real estate or cars. Trading market parameters also include derivations of the items previously mentioned, such as interest rates, credit spreads, implied volatility or implied correlation. Non-trading market parameters include parameters based on assumptions or on statistical analysis, such as models and statistical correlation, respectively.

Liquidity is also an important component of market risk. In instances of little or no liquidity, a market instrument or transferable asset may not be negotiable at its estimated value. A lack of liquidity can arise due to a lack of volume, legal restrictions or a one-way market.

Market risk arises in trading portfolios and in non-trading portfolios. In non-trading portfolios, it encompasses:

- The risk associated with asset and liability management, which is the risk to earnings arising from asset and liability mismatches in the banking book or in the insurance business. This risk is driven primarily by interest rate risk.
- The risk associated with investment activities, which is directly connected to changes in the value of invested assets within equity portfolios.
- The risk associated with certain other activities, such as real estate or car leasing, which is indirectly affected by changes in the value of negotiable assets held during the normal course of business.

Liquidity risk, which is also referred to as funding risk, is the inability of the Issuer to meet its obligations at an acceptable cost in a given currency and location.

- **Operational Risk.** Operational risk corresponds to the risk of losses due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. Internal processes include, but are not limited to, human resources and information systems. External events include floods, fires, earthquakes or terrorist attacks.
- **Insurance Risk.** Insurance risk is the risk to earnings due to mismatches between expected and actual claims. Depending on the insurance product, this risk is influenced by macroeconomic changes, changes in customer behaviour, changes in public health, pandemics and catastrophic events (such as earthquakes, industrial disasters or terrorism).

It is important to distinguish between the different categories of risk because each category requires specific measuring and monitoring systems. Nevertheless, the growing complexity of the Group's businesses and products means that the categories of risk increasingly overlap.

*An interruption in or breach of the Issuer's information systems may result in lost business and other losses.*

As with most other banks, the Issuer relies heavily on communications and information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Issuer's customer relationship management, general ledger, deposit, servicing and/or loan organisation systems. The Issuer cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions could have a material adverse effect on the Issuer's financial condition and results of operations.

*The BFCM Group is subject to extensive supervisory and regulatory regimes in France and other jurisdictions in which it operates.*

Regulatory compliance risk arises from a failure or inability to comply fully with the laws, regulations or codes applicable specifically to the financial services industry. Non-compliance could lead to fines, public reprimand, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorisation to operate.

The BFCM Group's businesses and earnings can be affected by the fiscal or other policies and other actions of various regulatory authorities of France or of foreign governments and international agencies. The nature and impact of future changes in such policies and regulatory action are not predictable and are beyond the BFCM Group's control.

*Other areas where changes could have an impact include, inter alia:*

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which the Issuer operates;
- general changes in regulatory requirement, for example, prudential rules relating to the capital adequacy framework;
- changes in the competition and pricing environment;
- changes in the financial reporting environment;
- expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; and
- other unfavourable political, military or diplomatic developments producing social instability or legal uncertainty which in turn may affect demand for the BFCM Group's products and services.

Each of France's and the global financial services market remains highly competitive and innovative competition comes both from incumbent players and a steady stream of new market entrants. The landscape is expected to remain highly competitive in all the BFCM Group's businesses, which could adversely affect the BFCM Group's profitability.

*The introduction of Basel II will change banks' capital adequacy ratios.*

The introduction in 2007 of the general agreement of the Basel Committee for Bank Supervision for the International Convergence of Capital Measurement and Capital Standards of June 2004, or Basel II, is likely to bring changes to banks' capital ratios, including those of the Issuer. The direction and magnitude of the impact of Basel II will depend on the particular asset structures of each bank and its precise impact on the Issuer cannot be quantified with certainty at this time. The Issuer expects to incur costs in complying with the new guidelines. The new guidelines may also require the Issuer to operate its business in ways that may be less profitable than its present operations.

## **Factors Relating to the Notes**

*The trading market for debt securities may be volatile and may be adversely impacted by many events.*

The market for debt securities issued by banks is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

*An active trading market for the Notes may not develop.*

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. The Issuer or its affiliates are entitled to buy and sell the Notes for their own account or for the account of others, and to issue further Notes. Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

*Any early redemption at the option of the Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield anticipated by Noteholders to be considerably less than anticipated.*

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. Such right of termination is often provided for bonds or notes in periods of high interest rates. If the market interest rates decrease, the risk to Noteholders that the Issuer will exercise its right of termination increases. As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

*A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.*

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

*A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.*

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on Noteholders generally in France and Luxembourg is described under "Taxation" below; however, the tax impact on an individual Noteholder may differ from the situation described for Noteholders generally. BFCM advises all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

*The value of Fixed Rate Notes may change*

Investors in Fixed Rate Notes are exposed to the risk that subsequent changes in interest rates may adversely affect the value of such Notes.

*Investors will not be able to calculate in advance their rate of return on Floating Rate Notes.*

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the notes provide for frequent interest payment dates, investors are exposed to reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the Issuer's ability to also issue Fixed Rate Notes may affect the market value and the secondary market (if any) of the Floating Rate Notes (and vice versa).

*Zero coupon bonds are subject to higher price fluctuations than non-discounted bonds.*

Changes in market interest rates have a substantially stronger impact on the prices of zero coupon bonds than on the prices of ordinary bonds because the discounted issue prices are substantially below par. If market interest rates increase, zero coupon bonds can suffer higher price losses than other bonds

having the same maturity and credit rating. Due to their leverage effect, zero coupon bonds are a type of investment associated with a particularly high price risk.

*Foreign currency bonds expose investors to foreign-exchange risk as well as to issuer risk.*

As purchasers of foreign currency bonds, investors are exposed to the risk of changing foreign exchange rates. This risk is in addition to any performance risk that relates to the issuer or the type of bond being issued.

*Holders of Subordinated Notes face a significantly increased risk that the Notes will not perform as anticipated.*

In the event of any insolvency or liquidation of the Issuer, holders of Subordinated Notes would receive payments on any outstanding Subordinated Notes only after senior Noteholders and other senior creditors have been repaid in full, if and to the extent that there is still cash available for those payments. Thus, holders of Subordinated Notes generally face a higher performance risk than holders of senior Notes.

*Investments in Index Linked Notes entail significant risks and may not be appropriate for investors lacking financial expertise.*

Index Linked Notes are debt securities which do not provide for predetermined redemption amounts and/or interest payments but amounts due in respect of principal and/or interest which will be dependent upon the performance of an index, which itself may have substantial inherent credit, interest rate or other risks. An investment in Index Linked Notes entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. BFCM believes that Index Linked Notes should only be purchased by investors who are, or who are purchasing under the guidance of, financial institutions or other professional investors that are in a position to understand the special risks that an investment in these instruments involves. These risks include, among other things, the possibility that:

- such index or indices may be subject to significant changes, whether due to the composition of the index itself, or because of fluctuations in value of the indexed assets;
- the resulting interest rate will be less (or may be more) than that payable on a conventional debt security issued by the Issuer at the same time;
- the repayment of principal can occur at times other than that expected by the investor;
- the holder of an Index Linked Note could lose all or a substantial portion of the principal of such Note (whether payable at maturity or upon redemption or repayment), and, if the principal is lost, interest may cease to be payable on the Index Linked Note;
- the risks of investing in an Index Linked Note encompass both risks relating to the underlying indexed securities or commodities and risks that are unique to the Note itself;
- any Index Linked Note that is indexed to more than one type of underlying asset, or on formulas that encompass the risks associated with more than one type of asset, may carry levels of risk that are greater than Notes that are indexed to one type of asset only;
- it may not be possible for investors to hedge their exposure to these various risks relating to Index Linked Notes; and
- a significant market disruption could mean that the index on which the Index Linked Notes are based ceases to exist.

In addition, the value of Index Linked Notes on the secondary market is subject to greater levels of risk than is the value of other Notes. The secondary market, if any, for Index Linked Notes will be affected by a number of factors, independent of the creditworthiness of the Issuer and the value of the applicable currency, commodity, stock, interest rate or other index, including the volatility of the applicable currency, commodity, stock, interest rate or other index, the time remaining to the maturity of such Notes, the amount outstanding of such Notes and market interest rates. The value of the applicable currency, commodity, stock or interest rate index depends on a number of interrelated factors, including economic, financial and political events, over which the Issuer has no control. Additionally, if the formula used to determine the amount of principal, premium and/or interest payable with respect to Index Linked Notes contains a multiplier or leverage factor, the effect of any change in the applicable currency, commodity, stock, interest rate or other index will be increased. The historical experience of the relevant currencies, commodities, stocks, interest rates or indices should not be taken as an indication of future performance of such currencies, commodities, stocks, interest rates or other indices during the term of any Index Linked Note. Additionally, there may be regulatory and other ramifications associated with the ownership by certain investors of certain Index Linked Notes.

Various transactions by the Issuer could impact the performance of any Index Linked Notes, which could lead to conflicts of interest between the Issuer and holders of its Index Linked Notes.

The Issuer is active in the international securities, currency and commodity markets on a daily basis. It may thus, for its own account or for the account of customers, engage in transactions directly or indirectly involving assets that are “reference assets” under Index Linked Notes and may make decisions regarding these transactions in the same manner as it would if the Index Linked Notes had not been issued. The Issuer and its affiliates may on the issue date of the Index Linked Notes or at any time thereafter be in possession of information in relation to any reference assets that may be material to holders of any Index Linked Notes and that may not be publicly available or known to the Noteholders. There is no obligation on the part of the Issuer to disclose any such business or information to the Noteholders.

*Holders of Notes of less than €50,000 in principal amount may not receive definitive Notes where the minimum Specified Denomination is €50,000*

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination of €50,000 (or its equivalent in another currency) plus higher integral multiple(s) of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €50,000 (or its equivalent in another currency) that are not integral multiples of €50,000 (or its equivalent in another currency). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations in order to receive definitive Notes.



## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Base Prospectus and/or have been filed with the CSSF as competent authority in Luxembourg for purposes of the Prospectus Directive and shall be incorporated in, and form part of, this Base Prospectus:

- (a) the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2005 and the related notes thereto (such financial statements and notes being at pages 24 to 79 of the Issuer's 2005 Annual Report);
- (b) the report of the statutory auditors of the Issuer in respect of the consolidated annual financial statements of the Issuer for the financial year ended 31 December 2005 (being at pages 80 to 82 of the Issuer's 2005 Annual Report);
- (c) the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2006 and the related notes thereto (such financial statements and notes being at pages 46 to 97 of the Issuer's 2006 Annual Report);
- (d) the report of the statutory auditors of the Issuer in respect of the consolidated annual financial statements of the Issuer for the financial year ended 31 December 2006 (being at pages 43 to 46 of the Issuer's 2006 Annual Report);

The Issuer will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which, or portions of which, are incorporated herein by reference. Written or oral requests for such documents should be directed to the Issuer at its principal office set out at the end of this Base Prospectus. In addition, such documents will be available free of charge from the principal office in Luxembourg of BNP Paribas Securities Services — Luxembourg Branch (the “**Luxembourg Listing Agent**”) set out at the end of this Base Prospectus during normal business hours so long as any of the Notes are outstanding, and will also be posted on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

**CROSS-REFERENCE LIST IN RESPECT OF THE FINANCIAL INFORMATION  
OF BFCM INCORPORATED BY REFERENCE**

<b>Prospectus Regulation – Annex 11</b>	<b>Page Reference</b>
<b>11.11.1 Historical financial information</b>	
<i>Audited consolidated financial statements of the Issuer for the financial year ended 31 December 2005:</i>	Pages 24 to 79 of the 2005 Annual Report
➤ Consolidated balance sheet	Pages 24 to 25 of the 2005 Annual Report
➤ Consolidated statement of income	Page 26 of the 2005 Annual Report
➤ Consolidated cash flow statement	Page 27 of the 2005 Annual Report
➤ Notes to the consolidated financial statements	Pages 28 to 79 of the 2005 Annual Report
➤ Auditors' report on the consolidated financial statements for the financial year ended 31 December 2005	Pages 80 to 82 of the 2005 Annual Report
<i>Audited consolidated financial statements of the Issuer for the financial year ended 31 December 2006:</i>	
➤ Consolidated balance sheet	Pages 49 to 50 of the 2006 Annual Report
➤ Consolidated statement of income	Page 51 of the 2006 Annual Report
➤ Consolidated cash flow statement	Page 52 of the 2006 Annual Report
➤ Statement of changes in shareholders' equity	Page 53 of the 2006 Annual Report
➤ Notes to the consolidated financial statements	Pages 54 to 87 of the 2006 Annual Report
➤ Auditors' report on the consolidated financial statements for the financial year ended 31 December 2006	Pages 43 to 46 of the 2006 Annual Report

The information contained in the documents incorporated by reference other than the information listed in the table above is for information purposes only and does not form part of this Base Prospectus.

## GENERAL DESCRIPTION OF THE PROGRAMME

*The following description of the Programme does not purport to be complete and is qualified by the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined under “Terms and Conditions of the Notes” shall have the same meanings in this section.*

<b>ISSUER:</b>	Banque Fédérative du Crédit Mutuel
<b>DESCRIPTION:</b>	Euro Medium Term Note Programme (the “ <b>Programme</b> ”)
<b>SIZE:</b>	Up to euro 45,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time.
<b>ARRANGER:</b>	BNP Paribas
<b>DEALERS:</b>	Banque Fédérative du Crédit Mutuel, ABN AMRO Bank N.V., BNP Paribas, Goldman Sachs International, HSBC Bank plc and Lehman Brothers International (Europe).

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

At the date of this Base Prospectus, only credit institutions and investment firms incorporated in a member state of the European Union (“**EU**”) and which are authorised by the relevant authorities of such member home state to lead-manage bond issues in such member state may (a) act as Dealers with respect to non-syndicated issues of Notes denominated in euro and (b) as lead managers of issues of Notes denominated in euro issued on a syndicated basis.

<b>FISCAL AGENT AND PRINCIPAL PAYING AGENT:</b>	BNP Paribas Securities Services, Luxembourg Branch.
<b>PAYING AGENTS:</b>	Citibank N.A., London office, The Bank of New York, Brussels and BNP Paribas Securities Services in Paris.
<b>METHOD OF ISSUE:</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued on a continuous basis in series (each a “ <b>Series</b> ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “ <b>Tranche</b> ”) on the same or different issue dates. Further Notes may be issued as part of an existing Series. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Final Terms.

<b>ISSUE PRICE:</b>	Notes may be issued at their principal amount or at a discount or premium to their principal amount. Partly-paid Notes may be issued, the issue price of which will be payable in two or more instalments.
<b>FORM OF NOTES:</b>	The Notes may be issued in bearer form only. Each Tranche of Notes will be represented on issue by interests in a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined below under “ <b>Selling Restrictions</b> ”). Otherwise, such Tranche will be represented by a permanent Global Note in bearer form without interest coupons.
<b>INITIAL DELIVERY OF NOTES</b>	On or before the issue date for each Tranche, if the relevant Global Note is intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations, the Global Note will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is not intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations, the Global Note representing Notes may (or, in the case of Notes listed on the Luxembourg Stock Exchange, shall) be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes relating to Notes that are not listed on the Luxembourg Stock Exchange may also be deposited 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. In the case of NGNs, any such other clearing system must be authorised to hold such notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations.
<b>CLEARING SYSTEMS:</b>	Clearstream, Luxembourg, Euroclear, Euroclear France and, in relation to any Tranche, such other clearing system as may be required or agreed between the Issuer, the Fiscal Agent and the relevant Dealer.
<b>CURRENCIES:</b>	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.
<b>MATURITIES:</b>	Subject to compliance with all relevant laws, regulations and directives, any maturity greater than seven days. Subordinated Notes, the proceeds of which constitute Tier 1 Capital or Upper Tier 2 Capital (each as defined below) will have no fixed maturity date. The maturity of Subordinated Notes, the proceeds of which constitute Lower Tier 2 Capital (as defined below), will not be less than five years, and the maturity of Subordinated Notes, the proceeds of which constitute Tier 3 Capital (as defined below) will not be less than two years, or in either case such other minimum maturity as may be required by applicable legal and regulatory requirements.
<b>DENOMINATION:</b>	<p>Notes will be issued in such denominations as may be specified in the relevant Final Terms save that:</p> <p>(i) (as this Base Prospectus has not been approved by the relevant competent authority of the Issuer’s country of incorporation for the purposes of the Prospectus Directive), in the case of any Notes admitted to trading on an ISD Regulated Market or offered to the public within the territory of any EEA Member State in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum denomination shall be €1,000 (or its equivalent in any other currency or currencies as at the date of issue of those Notes);</p> <p>(ii) the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or</p>

equivalent body) or any laws or regulations applicable to the relevant Specified Currency; and

(iii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in another currency).

**FIXED INTEREST RATE NOTES:**

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

**FLOATING RATE NOTES:**

Floating Rate Notes will bear interest set separately for each Series by reference to EURIBOR, LIBOR, LIBID, or LIMEAN (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms.

**ZERO COUPON NOTES:**

Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.

**VARIABLE COUPON AMOUNT NOTES:**

The Final Terms issued in respect of each issue of variable coupon amount Notes will specify the basis for calculating the amounts of interest payable, which may be by reference to a stock index or formula or as otherwise provided in the relevant Final Terms.

**INDEX LINKED NOTES**

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Index Linked Notes will be calculated by reference to such Index and/or Formula as agreed between the Issuer and the relevant Dealer(s) prior to issue and set out in the applicable Final Terms.

**SPECIFIED INTEREST PAYMENT DATES, INTEREST PERIODS AND RATES OF INTEREST:**

The relevant Final Terms will specify the dates on which interest shall be payable. The length of the interest periods for the Notes and the applicable rate of interest or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum rate of interest, a minimum rate of interest, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

**VARIABLE REDEMPTION AMOUNT NOTES:**

The Final Terms issued in respect of each issue of variable redemption amount Notes will specify the basis for calculating the redemption amounts payable, which may be by reference to a stock index or formula or as otherwise provided in the relevant Final Terms. Unless otherwise permitted by the current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 will have a minimum redemption value of £100,000 (or its equivalent in another currency).

**REDEMPTION BY INSTALMENTS:**

The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

**OTHER NOTES:**

Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, dual currency Notes, reverse dual currency Notes, optional dual currency Notes, partly-paid Notes and any other type of Note that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms.

<b>OPTIONAL REDEMPTION:</b>	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
<b>STATUS OF NOTES:</b>	<p>Notes issued under the Programme may be unsubordinated (“<b>Unsubordinated Notes</b>”) or subordinated (“<b>Subordinated Notes</b>”). Unsubordinated Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and Subordinated Notes will constitute direct, unconditional, subordinated and unsecured obligations of the Issuer, all as described in “<b>Terms and Conditions of the Notes – Status</b>”.</p> <p>The Issuer may issue Subordinated Notes which constitute Ordinarily Subordinated Notes, Deeply Subordinated Notes, Dated Subordinated Notes or Undated Subordinated Notes, all as set out and defined in Condition 2(b).</p> <p>The proceeds of the Subordinated Notes may or may not constitute (i) <i>fonds propres de base</i> within the meaning of Article 2 of the <i>Comité de la Réglementation Bancaire et Financière</i> (the “<b>CRBF</b>”) Regulation no. 90-02 of 23 February 1990, as amended (“<b>Tier 1 Capital</b>”); (ii) <i>fonds propres complémentaires</i> within the meaning of Article 4(c) of the CRBF Regulation no. 90-02 of 23 February 1990 as amended (“<b>Upper Tier 2 Capital</b>”); (iii) <i>fonds propres complémentaires</i> within the meaning of Article 4 (d) of the CRBF Regulation no. 90-02 of 23 February 1990 as amended (“<b>Lower Tier 2 Capital</b>”, together with Upper Tier 2 Capital “<b>Tier 2 Capital</b>”); and (iv) <i>fonds propres surcomplémentaires</i> within the meaning of Article 3.3 of the CRBF Regulation no. 95-02 of 21 July 1995 as amended (“<b>Tier 3 Capital</b>”), if such Regulation is applicable, as described in the applicable Final Terms – see “<b>Terms and Conditions of Notes – Status</b>”.</p> <p>If so specified in the relevant Final Terms, the payment of interest in respect of Subordinated Notes without a specified maturity date (“<b>Undated Subordinated Notes</b>”) may be deferred in accordance with the provisions of Condition 4(g) – see “<b>Terms and Conditions of Notes – Interest and Other Calculations</b>”.</p>
<b>NEGATIVE PLEDGE:</b>	There will be a negative pledge in respect of Unsubordinated Notes as set out in Condition 3 – see “ <b>Terms and Conditions of the Notes – Negative Pledge</b> ”.
<b>CROSS DEFAULT:</b>	There will be a cross-default as set out in Condition 9(a)(iii) – see “ <b>Terms and Conditions of the Notes – Events of Default</b> ”.
<b>EARLY REDEMPTION:</b>	Except as provided in “ <b>Optional Redemption</b> ” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See “ <b>Terms and Conditions of the Notes – Redemption, Purchase and Options</b> ”.
<b>WITHHOLDING TAX:</b>	<p>Payments of interest and other revenues with respect to the Notes constituting <i>obligations</i> under French law will be made without withholding or deduction for, or on account of, the withholding tax set out under Article 125 A III of the French <i>Code général des impôts</i>, as provided for in Article 131 <i>quater</i> of the French <i>Code général des impôts</i>, to the extent that the Notes are issued (or deemed to be issued) outside the Republic of France.</p> <p>Notes constituting <i>obligations</i> under French law will be issued (or deemed to be issued) outside France (i) in the case of syndicated or non-syndicated issues of Notes, if such Notes are denominated in euro, (ii) in the case of syndicated issues of Notes denominated in currencies other than euro, if, <i>inter alia</i>, the Issuer and the relevant Dealers agree</p>

not to offer the Notes to the public in the Republic of France and such Notes are offered in the Republic of France only through an international syndicate to qualified investors (*investisseurs qualifiés*) as described in Article L. 411-2 of the French *Code monétaire et financier*, or (iii) in the case of issues of Notes denominated in currencies other than euro that are not offered and sold through an international syndicate, if each of the subscribers of the Notes is domiciled or resident for tax purposes outside the Republic of France and does not act through a permanent establishment or fixed base therein, in each case as more fully set out in the Circular 5 I-11-98 of the *Direction Générale des Impôts* dated 30 September 1998.

However, if so provided in the relevant Final Terms, Notes constituting *obligations* under French law denominated in currencies other than euro may be offered without an international syndicate and may be placed with subscribers not all of whom are resident outside the Republic of France. In such cases, the Notes will not benefit from the exemption from deduction of tax at source provided for in Article 131 *quater* of the French *Code général des impôts* and interest payments under such Notes made to a non-French resident will be exempt from withholding or deduction of tax at source only if the beneficiary of the payment provides certification that he is not resident in the Republic of France, all in accordance with the provisions of Article 125 A III of the French *Code général des impôts*, as more fully described in “Terms and Conditions of the Notes - Taxation”.

The tax regime applicable to Notes which do not constitute *obligations* under French law will be set out in the relevant Final Terms.

#### **RATINGS**

Notes issued under the Programme may be rated or unrated. Details of the rating, if any, attributable to an issue of Notes will be set out in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

#### **GOVERNING LAW:**

English law, except with regard to provisions in respect of Subordinated Notes, which shall be governed by French law.

#### **LISTING AND ADMISSION TO TRADING:**

The Notes issued under the Programme may be listed on the official list of the Luxembourg Stock Exchange and traded on the Regulated Market of the Luxembourg Stock Exchange, EuroMTF or as otherwise specified in the relevant Final Terms. A Series of Notes need not be listed on any stock exchange.

#### **SELLING RESTRICTIONS:**

There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions, including the EEA and certain of its Member States, the United Kingdom, France, Japan and the United States. See “**Subscription and Sale**”. In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the relevant Final Terms.

The Issuer is Category 2 for the purposes of Regulation S under the Securities Act.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5'(2)(i)(D) (the “**D Rules**”) unless (i) the relevant Final Terms state that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5'(2)(i)' (the “**C Rules**”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes 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.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. Those definitions will be endorsed on the definitive Notes. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are issued by Banque Fédérative du Crédit Mutuel (the “**Issuer**”) pursuant to an amended and restated agency agreement dated 11 July 2007 (as amended and/or supplemented as at the date of issue of the Notes (the “**Issue Date**”), the “**Agency Agreement**”) between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as fiscal agent and principal paying agent (the “**Fiscal Agent**”) and as initial calculation agent (the “**Calculation Agent**”) and Citibank, N.A., London office, The Bank of New York, Brussels and BNP Paribas Securities Services, as paying agents (together with the Fiscal Agent and any additional or other paying agents in respect of the Notes from time to time appointed and, where the context so admits, the “**Paying Agents**”). If a Calculation Agent is not specified on the Notes and the terms and conditions require that a Calculation Agent be appointed then the Fiscal Agent shall act as Calculation Agent. The Noteholders (as defined below), the holders of the interest coupons (the “**Coupons**”) appertaining to interest bearing Notes and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Notes of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them. The Notes are issued with the benefit of a deed of covenant (as amended and/or supplemented as at the Issue Date, the “**Deed of Covenant**”) dated 11 July 2007 executed by the Issuer in relation to the Notes.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents.

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

### 1. **Form, Denomination and Title**

The Notes are issued in bearer form.

Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest, in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Any Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Title to the Notes, Receipts, Coupons and Talons shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust 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.

In these Conditions, “**Noteholder**” means the bearer of any Note and the Receipts relating to it, “**holder**” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Note, Receipt, Coupon or Talon and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

### 2. **Status**

#### (a) **Status of Unsubordinated Notes:**

Unsubordinated Notes (“**Unsubordinated Notes**”) (being those Notes the status of which the applicable Final Terms specify as Unsubordinated Notes) and the Receipts and Coupons relating



to them constitute (subject to Condition 3) direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* and rateably without any preference among themselves and save for statutorily preferred exceptions, at least equally with all other unsecured and unsubordinated obligations (including deposits), present and future, of the Issuer.

**(b) Status of Subordinated Notes:**

(i) General

Subordinated notes ("**Subordinated Notes**") comprise Ordinarily Subordinated Notes, Deeply Subordinated Notes, Dated Subordinated Notes and Undated Subordinated Notes (all as defined below).

(ii) Ordinarily Subordinated Notes

Ordinarily subordinated notes and, if the applicable Final Terms specify that the payment obligations of the Issuer under the Coupons are subordinated, the Coupons relating to them ("**Ordinarily Subordinated Notes**"), constitute direct, unconditional and unsecured obligations of the Issuer and rank *pari passu* among themselves and with all other present and future unsecured, unconditional and subordinated indebtedness of the issuer but in priority to the *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer.

(iii) Deeply Subordinated Notes

Deeply subordinated notes and, if the applicable Final Terms specify that the payment obligations of the Issuer under the Coupons are subordinated, the Coupons relating to them ("**Deeply Subordinated Notes**") constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and (unless otherwise specified in the relevant Final Terms) *pari passu* with all other present and future Deeply Subordinated Notes, but behind *prêts participatifs* granted to, and *titres participatifs* issued by the Issuer and Ordinarily Subordinated Notes.

(iv) Dated Subordinated Notes

Subordinated Notes (which terms, for the avoidance of doubt, include both Ordinarily Subordinated Notes and Deeply Subordinated Notes) may have a specified maturity date ("**Dated Subordinated Notes**"). Unless otherwise specified in the relevant Final Terms, payments of interest relating to Dated Subordinated Notes constitute obligations which rank equally with the obligations of the Issuer in respect of Unsubordinated Notes issued by the Issuer in accordance with Condition 2(a).

(v) Undated Subordinated Notes

Subordinated Notes (which terms, for the avoidance of doubt, include both Ordinarily Subordinated Notes and Deeply Subordinated Notes) may not have a specified maturity date ("**Undated Subordinated Notes**"). Unless otherwise specified in the relevant Final Terms, payments of interest relating to Undated Subordinated Notes will be deferred in accordance with the provisions of Condition 4(e).

The use of the proceeds of issues of Undated Subordinated Notes will be set out in the applicable Final Terms.

The net proceeds of the issue of Undated Subordinated Notes may count as Upper Tier 2 Capital. In the event of the Issuer incurring losses, such losses will be charged first against accumulated profits ("*report à nouveau*"), then against reserve, and capital, and finally, to the extent necessary, against the subordinated loans (including interest on such Notes) of the Issuer, in order to allow the Issuer to comply with the regulatory requirements applicable to banks in France, especially those relating to solvency ratios, and in order to allow the Issuer to continue its activities.

(vi) Payment of Subordinated Notes in the event of liquidation of the Issuer

Subject to applicable law in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings or any other similar proceeding affecting the Issuer or in the event of transfer of the whole of its business (*cession totale de l'entreprise*) or if the Issuer is liquidated for any other reason, the payments of the creditors of the Issuer shall be made in the following order of priority (in each case subject to the payment in full of priority creditors):

- (a) unsubordinated creditors of the Issuer
- (b) holders of Ordinarily Subordinated Notes
- (c) lenders in relation to *prêts participatifs* granted to the Issuer
- (d) holders of *titres participatifs* issued by the Issuer, and
- (e) holders of Deeply Subordinated Notes.

In the event of incomplete payment of unsubordinated creditors on the *liquidation judiciaire* of the Issuer, the obligations of the Issuer in connection with the Ordinarily Subordinated Notes and the Receipts and, if the applicable Final Terms specify that the payment obligations of the Issuer under the Coupons are subordinated, the Coupons will be terminated by operation of law (then subsequently the lenders in relation to *prêts participatifs*, holders of *titres participatifs* and holders of Deeply Subordinated Notes).

(vii) Capital Adequacy

The relevant Final Terms may provide for additions or variations to the Conditions applicable to the Subordinated Notes for the purposes *inter alia* of enabling the proceeds of the issue of such Subordinated Notes to count as (i) *fonds propres de base* within the meaning of Article 2 of Regulation no. 90-02 dated 23 February 1990, as amended, of the *Comité de la Réglementation Bancaire et Financière* (“**CRBF**”), (in which case such Subordinated Notes will need to be Deeply Subordinated Notes) (“**Tier 1 Capital**”); (ii) *fonds propres complémentaires* within the meaning of Article 4(c) of the CRBF Regulation no. 90-02 of 23 February 1990 (“**Upper Tier 2 Capital**”); (iii) *fonds propres complémentaires* within the meaning of Article 4(d) of the CRBF Regulation no. 90-02 of 23 February 1990 as amended (“**Lower Tier 2 Capital**”, together with Upper Tier 2 Capital “**Tier 2 Capital**”) or (iv) *fonds propres surcomplémentaires* within the meaning of Article 3.3 of the CRBF Regulation no. 95-02 of 21 July 1995 as amended (“**Tier 3 Capital**”), if such Regulation is applicable.

Article 2 of the CRBF Regulation no. 90-02 dated 23 February 1990 should be read in conjunction with the press release of the Bank for International Settlements dated 27 October 1998 concerning instruments eligible for inclusion in Tier 1 Capital (the “**BIS Press Release**”).<sup>1</sup>

### 3. Negative Pledge

The Issuer undertakes for the benefit of the holders of Unsubordinated Notes that, so long as any of the Unsubordinated Notes, Receipts or Coupons remain outstanding (as defined in the Agency Agreement), it will not create or permit to subsist any mortgage, lien, charge, pledge or other security interest (*sûreté réelle*) upon any of its assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below) incurred by it or guaranteed by it (whether before or after the issue of the Notes) unless the Notes are equally and rateably secured so as to rank *pari passu* with such Relevant Indebtedness. For the purposes of this Condition, “**Relevant Indebtedness**” means any indebtedness for borrowed money in the form of, or represented by bonds, notes or other securities (including securities initially privately placed) which are for the time being, or are capable of being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter-market or other securities market. For the avoidance of doubt such provision shall not apply to Subordinated Notes.

<sup>1</sup> The French language version of the BIS Press Release is attached to the annual report of the *Commission Bancaire*.

#### **4. Interest and other Calculations**

##### **(a) Rate of Interest and Accrual of Interest:**

Each Note bears interest on its outstanding principal amount (or, if it is a Partly Paid Note, in accordance with Condition 4(e)) 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 Specified Interest Payment Date.

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest shall continue to accrue (after as well as before judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

##### **(b) 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 (i) 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 (A) such date shall be brought forward to the immediately preceding Business Day and (B) 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, (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (iii) 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 (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

##### **(c) Rate of Interest on Floating Rate Notes:**

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following (unless otherwise specified in the relevant Final Terms):

- (i) if the Primary Source for the Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
  - (x) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
  - (y) 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;

- (ii) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (i)(x) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (i)(y) applies and fewer than two 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; and
- (iii) if paragraph (ii) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in (the euro-zone as selected by the Calculation Agent (the “**Principal Financial Centre**”)) are quoting at or about the Relevant Time on the date on which

such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (x) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (y) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

**(d) Rate of Interest on Index-Linked Notes:**

The Rate of Interest and/or the Interest Amount (whether on any Specified Interest Payment Date, early redemption, maturity or otherwise) payable in respect of Index Linked Notes shall be determined in accordance with the Index, Formula, exchange rate (or any combination thereof) in the manner specified in the applicable Final Terms.

**(e) Interest on Partly-Paid Notes:**

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

**(f) Rate of Interest on Zero Coupon Notes:**

Where a Note the Rate of Interest of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)).

**(g) Deferral of Interest – Undated Subordinated Notes:**

In the case of Undated Subordinated Notes issued by the Issuer and when so specified in the applicable Final Terms, the Board of Directors may decide, prior to any date for the payment of interest, to suspend payment of interest accrued during any interest period if at the most recent Annual General Meeting of the shareholders of the Issuer which preceded the corresponding date for the payment of interest no dividend was declared, paid or set apart for payment on or with respect to any class of share capital of the Issuer provided that notice of such decision is given to the relevant shareholders as soon as reasonably practicable following the taking of such decision and in any event no later than seven days prior to any date for the payment of interest. In such a case, any interest so suspended shall constitute “**Arrears of Interest**” (which term shall include interest on such unpaid interest) the payment of which shall be deferred until the date for the payment of interest immediately following the date upon which any dividend has been declared, paid or set apart for payment on or with respect to any class of share capital of the Issuer at the most recent Annual General Meeting of the shareholders of the Issuer. Arrears of Interest shall bear interest at the same rate as the Notes to which they relate.

Arrears of Interest may, at the option of the Issuer, be paid in whole or in part at any time upon the expiry of not less than seven days' notice to such effect given to the Noteholders in accordance with these Conditions but all Arrears of Interest shall (subject to applicable laws and regulations) become due in full on whichever is the earliest of (i) the date for the payment of interest immediately following the date upon which a dividend is next declared, paid or set apart as aforesaid, or (ii) the date set for any redemption or purchase pursuant to Conditions 5(d) (in the case of redemption) or 5(f) (in the case of purchase), provided all the Notes are so purchased, or (iii) the commencement of a liquidation or dissolution proceedings affecting the Issuer contemplated by Condition 9(b).

Where Arrears of Interest are paid in part, each such payment shall be applied in or towards satisfaction of the full amount of the Arrears in Interest accrued in respect of the earliest Interest period in respect of which Arrears of Interest have accrued and have not been paid in full.

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

- (i) If any Margin or Rate Multiplier is specified hereon (either (x) generally, or (y) in relation to one 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 (iii) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph;
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be;
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.

**(i) Calculations:**

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

**(j) Determination and Publication of Rates of Interest, Interest Amounts, Redemption Amounts and Instalment Amounts:**

As soon as practicable on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation, it shall determine the Rate of Interest and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Specified Interest Payment Date and, if required to be calculated, the Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange, 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 exchange of a Rate of Interest and the Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Specified Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b), the Interest Amounts and the Specified 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. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The

determination of each Rate of Interest, Interest Amount, Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

**(k) Definitions:**

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

**“Business Day”** means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a **“TARGET Business Day”**) and/or
- (iii) in the case of a specified currency and/or one or more specified financial centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the specified currency in the specified financial centre(s) or, if no currency is specified, generally in each of the financial centres so specified

**“Calculation Amount”** means an amount specified in the relevant Final Terms constituting either (i) in the case of one single denomination, the amount of that denomination (e.g. EUR50,000) or (ii) in the case of multiple denominations, the highest common amount by which the multiple denominations may be divided (for example, EUR1,000 in the case of EUR51,000, EUR52,000 or EUR53,000).

**“Day Count Fraction”** means, in respect of the calculation of an amount of interest on any Note 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 or Interest Accrual Period, the **“Calculation Period”**):

- (i) if **“Actual/Actual”** or **“Actual/Actual-ISDA”** is specified hereon, the actual number of days in the Calculation Period divided by 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 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if **“Actual/365 (Fixed)”** is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if **“Actual/360”** is specified hereon, the actual number of days in the Calculation Period divided by 360
- (iv) if **“30/360”**, **“360/360”** or **“Bond Basis”** is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless 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, in which case D<sub>2</sub> will be 30

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30 and

(vii) if "**Actual/Actual-ICMA**" is specified hereon:

- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one 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

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 as such hereon or, if none is so specified, the Interest Payment Date.

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

**"Euro-zone"** means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union

**"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:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period

**"Interest Commencement Date"** means the Issue Date or such other date as may be specified hereon



**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro

**“Interest Period”** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Specified Interest Payment Date and each successive period beginning on (and including) any Specified Interest Payment Date and ending on (but excluding) the next succeeding Specified Interest Payment Date

**“Interest Period Date”** means each Specified Interest Payment Date unless otherwise specified hereon

**“ISDA Definitions”** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon

**“Page”** means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuter Markets 3000 (**“Reuters”**) and Telerate (**“Telerate”**)) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate

**“Rate of Interest”** means the rate of interest payable from time to time in respect of this Note and which is either specified, or calculated in accordance with the provisions on this Note

**“Redemption Amount”** means the Final Redemption Amount or the Early Redemption Amount, as the case may be, of the Note, which in each case, unless otherwise specified hereon, shall be its nominal amount

**“Reference Banks”** means the institutions specified as such in the applicable Final Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which if EURIBOR is the relevant Benchmark shall be Europe)

**“Relevant Financial Centre”** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the applicable 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 Europe) or, if none is so connected, London

**“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 hereon 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 or, if no such customary local time exists, 11.00 hours in the Relevant Financial Centre and, for the purpose of this definition **“local time”** means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, Brussels time

**“Representative Amount”** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the amount specified as such in the applicable 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 hereon or, if none is specified, the currency in which the Notes are denominated

**“Specified Duration”** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the duration specified hereon or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 4(b)

**“TARGET System”** means the Trans-European Real-Time Gross-Settlement Express Transfer (TARGET) System or any successor thereto.

**(I) Calculation Agent and Reference Banks:**

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the Final Terms applicable to this Note and for so long as any Note is outstanding (as defined in the Agency Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, 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 or the Redemption Amount 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 London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

Notice of any change in the Calculation Agent shall promptly be given to the Noteholders in accordance with Condition 13 below.

**5. Redemption, Purchase and Options**

**(a) Redemption by Instalments and Final Redemption:**

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or the relevant Instalment Date (being one of the dates so specified on the Notes) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(d) or 5(e), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified on it. The outstanding principal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the principal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount. In the case of Subordinated Notes, no Instalment date may occur prior to the expiry of a five year period from the issue date of such Subordinated Notes.
- (ii) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(d) or 5(e), each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its principal amount or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount). Subordinated Notes, the proceeds of which constitute Tier 1 Capital or Upper Tier 2 shall be Undated Subordinated Notes. The Maturity Date, in relation to Subordinated Notes the proceeds of which constitute Lower Tier 2 Capital, will not be less than five years from the Issue Date and where the proceeds constitute Tier 3 Capital, will not be less than two years from the Issue Date.

**(b) Early Redemption of Zero Coupon Notes:**

- (i) The Early Redemption Amount payable in respect of any Note that does not bear interest prior to the Maturity Date, the Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5 or upon it

becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note.

- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note (the “**Amortised Face Amount**”) shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5 or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (before as well as after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(d).

**(c) 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 Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 7 below and the obligation to pay such additional amounts cannot be avoided by reasonable measures available to the Issuer, the Issuer may, at its option, and subject to the prior approval of the *Secrétariat Général* of the *Commission Bancaire* in the case of Subordinated Notes the proceeds of which constitute Tier 1 Capital, Tier 2 Capital or Tier 3 Capital, on any Specified Interest Payment Date or, if so specified on this Note, at any time, subject to having given not more than 45 nor less than 30 days’ prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 13 redeem all, but not some only, of the Notes at their Early Redemption Amount together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.
- (ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders or Couponholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 below and the obligation to pay such additional amounts cannot be avoided by reasonable measures available to the Issuer (which measures, if they exist, the Issuer shall be obliged to take), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days’ prior notice to the Noteholders in accordance with Condition 13 and subject to prior approval of the *Secrétariat Général* of the *Commission Bancaire* in the case of Subordinated Notes the proceeds of which constitute Tier 1 Capital, Tier 2 Capital or Tier 3 Capital, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount together with, unless otherwise specified in the applicable Final Terms, any interest accrued to the date set for redemption on (A) the latest practicable Specified Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Specified Interest Payment Date the date for redemption pursuant to such notice of Noteholders 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 Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified on this Note, 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 Notes, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

**(d) Redemption at the Option of the Issuer and Exercise of Issuer's Options:**

If so provided on the Notes, the Issuer may, subject to the prior approval of the *Secrétariat Général* of the *Commission Bancaire* in the case of Subordinated Notes the proceeds of which constitute Tier 1 Capital, Tier 2 Capital or Tier 3 Capital and to compliance by the Issuer with all relevant laws, regulations and directives and on giving irrevocable notice to the Noteholders falling within the Issuer's Notice Period redeem, or exercise any Issuer's option in relation to, all or, if so provided, some of the Notes in the principal amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount together with interest accrued to the date fixed for redemption.

All Notes 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, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements. So long as the Notes are listed on the official list and admitted to trading on the Regulated Market or EuroMTF of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in Luxembourg a notice as provided in Condition 13 specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

**(e) Redemption at the Option of Noteholders and Exercise of Noteholders' Options:**

If so provided hereon, and provided that this Note is not a Subordinated Note the proceeds of which constitute Tier 1 Capital, Tier 2 Capital or Tier 3 Capital, the Issuer shall, at the option of the holder of any such Note, redeem such Note on the Optional Redemption Date so provided hereon at its Redemption Amount together with interest accrued to the date fixed for redemption.

So long as the Notes are listed on the official list and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, or any other market, of the Luxembourg Stock Exchange and the rules of that Stock Exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in Luxembourg a notice as provided in Condition 13 specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

To exercise such option or any other Noteholders' option that may be set out on this Note the holder must deposit such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent within the Notice Period. No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

**(f) Purchases:**

The Issuer may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price. In the case of Subordinated Notes the proceeds of which constitute Tier 2 Capital or Tier 3 Capital, any such purchase will be subject to the prior approval of the *Secrétariat Général* of the *Commission Bancaire* (i) if it relates (individually or when aggregated with any previous purchase) to 10 per cent. or more of the principal amount of the Notes or (ii) if such purchase is made in the context of an *Offre Publique d'Achat* ("**OPA**") or an *Offre Publique d'Echange* ("**OPE**"). In the case of Subordinated Notes the proceeds of which constitute Tier 1 Capital, any such purchase will be subject to the prior approval of the *Secrétariat Général* of the *Commission Bancaire*.

**(g) *Partly Paid Notes***

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

**(h) *Cancellation:***

All Notes purchased by or on behalf of the Issuer must be surrendered for cancellation by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold.

**6. *Payments and Talons***

**(a) *Notes:***

Payments of principal and interest in respect of the Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(e)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(e)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a Bank. “**Bank**” means a bank in the principal financial centre for that currency or, in the case of euro, in a city in which banks have access to the TARGET System.

**(b) *Payments in the United States:***

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

**(c) *Payments Subject to Fiscal Laws:***

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

**(d) *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 below. The Fiscal Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent or the Calculation Agent and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Paying Agent having a specified office in a European city which, (A) so long as the Notes are listed on the official list and admitted to trading on the Regulated Market or EuroMTF of the Luxembourg Stock Exchange, shall be Luxembourg, and (B) so long as the Notes are listed on any other stock exchange and the rules of such stock exchange so require, shall be a specified city of the country of such stock exchange, (iv) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive (which may be any of the Paying Agents referred to in (iii) (A) or (B)

above) and (v) such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed.

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

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 13 below.

**(e) *Unmatured Coupons and Receipts and unexchanged Talons:***

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Notes should be surrendered for payment together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Redemption Amount due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) If the Notes so provide, upon the due date for redemption of any Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note.

**(f) *Talons:***

On or after the Specified Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, 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 8).

**(g) *Non-Business Days:***

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” in the applicable Final Terms and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) in the case of a payment in euro, which is a TARGET Business Day (being a day on which the TARGET System is operating).

## 7. Taxation

- (a) **Tax exemption for Notes issued or deemed to be issued outside the Republic of France:** Interest and other revenues with respect to Notes which constitute *obligations* under French law and which, as may be specified in the relevant Final Terms, are being issued (or are deemed to be issued) outside the Republic of France, benefit from the exemption, provided for in Article 131 *quater* of the French *Code général des impôts*, from the withholding tax set out under Article 125 A III of the French *Code général des impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

The tax regime applicable to Notes which do not constitute *obligations* under French law will be set out in the relevant Final Terms.

*As to the meaning of the expression “issued or deemed to be issued outside the Republic of France”, see “General Description of the Programme – Withholding Tax”.*

- (b) **Additional Amounts:** If French law should require that payments of principal or interest in respect of any Note, Receipt or Coupon, be subject to deduction or withholding in respect of any 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 Noteholders, or, if applicable the Receiptholders or the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon, as the case may be:
  - (i) **Other connection:** to, or to a third party on behalf of, a Noteholder, or, if applicable, a Receiptholder or a Couponholder, as the case may be, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt, or Coupon, by reason of his having some connection with the Republic of France other than the mere holding of such Note, Receipt or Coupon; or
  - (ii) **Presentation more than 30 days after the Relevant Date:** except to the extent that the Noteholder or, if applicable, a Receiptholder or a Couponholder, as the case may be, would have been entitled to such additional amounts on presenting such Note, Receipt or Coupon, as the case may be, for payment on the thirtieth such day; or
  - (iii) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC dated 3 June 2003 or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
  - (iv) **Payment by another paying agent:** presented for payment by or on behalf of a holder of any Note, Coupon or Receipt, as the case may be, who would be able to avoid such withholding or deduction by presenting the relevant Note, Coupon or Receipt, to another Paying Agent in a Member State of the European Union; or
  - (v) **Notes not issued or deemed to be issued outside the Republic of France:** where the applicable Final Terms specify that Condition 7(c) applies to the Notes and the Noteholder does not satisfy the requirements conditioning the exemption from the withholding tax set out under Article 125 A III of the French *Code général des impôts* (as set out in Conditions 7(c) and 7(d) below).

As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes 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 (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 13 that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts which may be payable under this Condition 7.

- (c) **Tax exemption for Notes not issued or deemed to be issued outside the Republic of France:** Interest and other revenues with respect to Notes which constitute *obligations* under French law and which, if so specified in the relevant Final Terms, are not being issued or deemed to be issued outside the Republic of France will not be entitled to the provisions of Article 131 *quater* of the French *Code général des impôts* but will only benefit from the exemption from deduction of tax at source provided for in, and subject to the provisions of, Article 125 A III of the French *Code général des impôts*, which requires, *inter alia*, certification of non-French residency.
- (d) **Certification of Non-Residency in France:** Each Noteholder shall be responsible for supplying certification of non-French residency (a form of which shall be available at the specified offices of any of the Paying Agents or in such other form as may be required by the French tax authorities from time to time) in accordance with the provisions of Article 125 A III of the French *Code général des impôts*.
- (e) **Supply of Information:** Each Noteholder shall be responsible for supplying, in a timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC date 3 June 2003 or any European Union Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive.

## 8. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof. There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon in respect of which the claim for payment would be void pursuant to this Condition 8 or Condition 4 above.

## 9. Events of Default

### (a) **Unsubordinated Notes:**

If any of the following events (“**Events of Default**”) occurs and is continuing, the holder of any Unsubordinated Note may give written notice to the Fiscal Agent at its specified office that such Unsubordinated Note is immediately repayable, whereupon the Early Redemption Amount of such Unsubordinated Note together with accrued interest to the date of payment shall become immediately due and payable:

- (i) if default is made in the payment of any principal or interest due on the Notes or any of them on the due date and such default, in the case of any payment of interest, continues for a period of 15 days or more after written notice thereof is received by the Issuer from the Fiscal Agent (and the Fiscal Agent shall be bound to give such notice forthwith upon the request of any Noteholder); or
- (ii) if the Issuer fails to perform or observe any of its other obligations under the Notes or any of them and (except where such failure is incapable of remedy when no notice will be required) such failure continues for a period of 60 days after written notice is received by the Issuer from the Fiscal Agent (and the Fiscal Agent shall be bound to give such notice forthwith upon the request of any holder of Unsubordinated Notes) specifying such default and requiring the same to be remedied; or
- (iii) if (a) any other present or future indebtedness of the Issuer or any of its Principal Subsidiaries (as defined below) for or in respect of moneys borrowed or raised becomes



(or becomes capable of being declared) due and payable prior to its stated maturity by reason of any event of default or the like (howsoever described), or (b) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or the Issuer or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iii) have occurred equals or exceeds euro 50,000,000 or its equivalent in another currency or currencies (on the basis of the middle spot rate for the relevant currency against the euro as quoted by any leading bank on the day on which this paragraph operates); or

- (iv) the Issuer or any of its Principal Subsidiaries applies for the appointment of a *mandataire ad hoc* under French bankruptcy law or enters into an amicable procedure (*procédure de conciliation*) with its creditors or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or any of its Principal Subsidiaries or for a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or any of its Principal Subsidiaries, or the Issuer or any of its Principal Subsidiaries is subject to similar proceedings or, in the absence of legal proceedings, the Issuer or any of its Principal Subsidiaries makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors; or
- (v) the Issuer or any of its Principal Subsidiaries sells, transfers or otherwise disposes of, directly or indirectly, the whole or a substantial part of its undertaking or assets, or the Issuer or any of its Principal Subsidiaries enters into or commences any proceedings in furtherance of voluntary liquidation or dissolution, except (a) in the case of a disposal of all or substantially all of the Issuer's assets in favour of an entity which simultaneously assumes all or substantially all of the Issuer's liabilities including the Notes (b) in the case of a disposal of all or substantially all of any such Principal Subsidiary's assets in favour of the Issuer or any other Subsidiary of the Issuer or in connection with a merger or reorganisation of the Issuer, when the Issuer has received at least 30 days prior to the effective date of such merger or reorganisation, certificates issued by Moody's France S.A., Standard & Poor's-ADEF and Fitch Ratings or their successors or any other major rating agency stating that the Notes will maintain a rating by such agencies immediately following such merger or reorganisation at least as favourable as the rating maintained for the Notes (or, if none, for long term indebtedness of the Issuer) prior to such merger or reorganisation.
- (vi) For the purposes of this Condition 9:

**"Principal Subsidiary"** means at any relevant time a Subsidiary of the Issuer:

- (a) whose total assets or operating income (or, where the Subsidiary in question prepares consolidated accounts, whose total consolidated assets or consolidated operating income, as the case may be) attributable to the Issuer represent not less than 10 per cent. of the total consolidated assets or the consolidated operating income of the Issuer, as the case may be, of the Issuer, all as calculated by reference to the then latest audited accounts (or consolidated accounts, as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its consolidated subsidiaries; or
- (b) to which is transferred all or substantially all the assets and undertakings of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary.

**"Subsidiary"** means, in relation to any person or entity at any time, any other person or entity (whether or not now existing) which is controlled directly or indirectly, or more than 50 per cent. of whose issued equity share capital (or equivalent) is then held or beneficially owned by the first person or entity and/or any one or more of the first person's or entity's Subsidiaries, and **"control"** means the power (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) to appoint the majority of the members of the governing body or management, or otherwise to control the affairs and policies, of that other person or entity.

**(b) Subordinated Notes:**

If any judgment shall be issued for the judicial liquidation (*liquidation judiciaire*) or amicable liquidation of the Issuer or for a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or if the Issuer is liquidated for any other reason, then the Subordinated Notes shall become immediately due and payable, in accordance with Condition 2(b), at their principal amount together with any accrued interest to the date of payment without any further formality.

**10. Meetings of Noteholders and Modifications**

**(a) Meetings of Noteholders:**

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount applies to any Notes, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders. In addition, in the case of an issue of Subordinated Notes, any proposed modification of any provisions of the Notes will be subject to the prior approval of the *Secrétariat Général* of the *Commission Bancaire* in France.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

**(b) Modification of Agency Agreement:**

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

**11. Replacement of Notes, Receipts, Coupons and Talons**

If a Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Paying Agent in Luxembourg or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 13, 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 Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **12. Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in the conditions of such Notes to “**Issue Date**” shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “**Notes**” shall be construed accordingly.

## **13. Notices**

Notices to the holders of Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*) and so long as the Notes are listed on the official list and admitted to trading on the Regulated Market or EuroMTF of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, in a daily newspaper with general circulation in Luxembourg (which is expected to be the *d'Wort*) and/or on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe and, so long as the Notes are listed on any other stock exchange and the relevant rules applying to such listed Notes so require, in a leading daily newspaper with general circulation in the city/ies where such stock exchange(s) is/are situated. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Notes in accordance with this Condition.

## **14. Contracts (Rights of Third Parties) Act 1999**

The Notes confer no rights under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.

## **15. Governing Law and Jurisdiction**

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

The Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, English law, except with regard to provisions in respect of Subordinated Notes, which shall be governed by French law.

### **(b) Jurisdiction:**

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

### **(c) Service of Process:**

The Issuer irrevocably appoints Crédit Industriel et Commercial, Veritas House, 125, Finsbury Pavement, London EC2A 1NQ as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 13. Nothing shall affect the right to serve process in any manner permitted by law.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Initial Issue of Notes

If the Global Notes are stated in the applicable Final Terms to be issued in NGN form, they are intended to be eligible collateral for Eurosystem monetary policy and the Global Notes will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Notes which are issued in CGN form may be delivered on or prior to the original issue date of the Tranche to a Common Depositary (as defined below).

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”), Euroclear or Clearstream, Luxembourg will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid and, in the case of Notes held through Euroclear France, the “*intermédiaires financiers habilités*” (French credit establishments or investment firms authorised to maintain securities accounts on behalf of their clients (each an “**Approved Intermediary**”)) who are entitled to such Notes according to the records of Euroclear France will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid. If the Global Note is an NGN, the principal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the principal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear or Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, or any other clearing system or, in the case of Notes held through Euroclear France, an Approved Intermediary as the holder of a Note represented by a Global Note must look solely to Euroclear, Clearstream, Luxembourg or such clearing system or such Approved Intermediary (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, Euroclear France or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

### Exchange

#### 1. Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms indicate that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “General Description of the Programme-Selling Restrictions”), in whole, but not in part, for the Definitive Notes defined and described below and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

## 2. Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under “Partial Exchange of Permanent Global Notes”, in part for Definitive Notes (1) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an “**Alternative Clearing System**”) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so and no alternative clearing system reasonably satisfactory to the Issuer is available within 14 days or (2) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

## 3. Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Final Terms) relating to Partly-paid Notes.

## 4. Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Base Prospectus, “**Definitive Notes**” means, in relation to any Global Note, the definitive Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the forms set out in Schedule 2 to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

## 5. Exchange Date

“**Exchange Date**” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

## Modifications of the Conditions of the Notes while in Global Form

The Global Notes contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

### 1. Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 6(d)(iv) and Condition 7(b)(iv) will apply to the Definitive Notes only. If the Global Note is a NGN, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the principal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note will be reduced accordingly. Payments under the NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

**2. Prescription**

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).

**3. Meetings**

The holder of a permanent Global Note shall (unless such permanent Global Note represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes.

**4. Cancellation**

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant permanent Global Note.

**5. Purchase**

Notes represented by a permanent Global Note may only be purchased by the Issuer if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

**6. Issuer's Option**

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system or Approved Intermediary in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), Euroclear France or any other clearing system (as the case may be).

**7. Noteholders' Options**

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the principal amount of

Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is a NGN, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the principal amount of the Notes recorded in those records will be reduced accordingly.

**8. NGN Principal Amount**

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the principal amount of the Notes represented by such Global Note shall be adjusted accordingly.

**9. Events of Default**

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 9 by stating in the notice to the Fiscal Agent the principal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note may elect for direct enforcement rights against the Issuer under the terms of a Deed of Covenant executed as a deed by the Issuer on 11 July 2007 to come into effect in relation to the whole or a part of such Global Note in favour of the persons entitled to such part of such Global Note as accountholders with a clearing system or in the case of Euroclear France, Approved Intermediaries. Following any such acquisition of direct rights, the Global Note will become void as to the specified portion.

**10. Notices**

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note except that so long as the Notes are listed on the official list and admitted to trading on the Regulated Market or EuroMTF of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, such notices will be valid if published in a daily newspaper with general circulation in Luxembourg (which is expected to be the *d'Wort*) and/or on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe and, so long as the Notes are listed on any other stock exchange and the relevant rules applying to such listed Notes so require, notices shall be published in a leading daily newspaper with general circulation in the city/ies where such stock exchange(s) is/are situated. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

**11. Partly-paid Notes**

The provisions relating to Partly-paid Notes are not set out in this Base Prospectus, but will be contained in the relevant Final Terms and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly-paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly-paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes under the Programme will be used for the general corporate purposes of the Issuer. In the case of Subordinated Notes, the use of proceeds will be as set out in the relevant Final Terms.



## BANQUE FÉDÉRATIVE DU CRÉDIT MUTUEL

### History and Overview

Banque Fédérative du Crédit Mutuel (the “**Issuer**” or “**BFCM**”) is a *société anonyme* (a form of limited liability company) originally established in France on 1 June 1933 under the name Banque Mosellane in accordance with the French *Code de Commerce* with a term expiring, unless extended, on 1 June 2032. The name Banque du Crédit Mutuel Lorraine was adopted in 1966. BFCM is registered in the *Registre du Commerce et des Sociétés* of Strasbourg under reference No. 355 801 929. Its registered office is at 34 rue du Wacken, 67000 Strasbourg. The telephone number at the Issuer’s registered office is +33 3 88 14 88 14.

As a specialised financial institution, BFCM is one of a number of banking institutions (*établissements de crédit*) established under the French *Code Monétaire et Financier* and is subject to its provisions.

BFCM forms part of the Crédit Mutuel Centre Est Europe Group (the “**CMCEE Group**” and, together with the Crédit Mutuel Sud-Est Group and the Crédit Mutuel Ile de France referred to below, the “**CEE Group**”), which forms part of the French mutualist banking group, the Crédit Mutuel group (the “**Crédit Mutuel Group**”).

The current structure of the CEE Group is a result of a number of reorganisations over the past few years.

In 1992, there was a regional reorganisation within the Crédit Mutuel Group which resulted in the CEE Group being active in the Alsace, Lorraine, Franche-Comté, Bourgogne and Champagne regions.

Also in 1992, the activities of the CEE Group were restructured between its mutualist activities, its holding and financial activities and its commercial banking activities and Banque du Crédit Mutuel Lorraine became Banque Fédérative du Crédit Mutuel. In 1993, further to a partnership agreement between two of the Crédit Mutuel Group’s 18 regional federations (the “**Federations**”), the Centre Est Europe Federation and the Sud-Est Federation, the Caisse Fédérale du Crédit Mutuel Centre Est Europe became the common *Caisse Fédérale* for these two Federations.

Further to the development of its insurance activities, the Centre Est Group created a new entity in 1993, Groupe des Assurances du Crédit Mutuel (“**GACM**”), held as to 67 per cent. by BFCM, with various other Federations holding the remaining shares. GACM became the holding company for the insurance companies of the CEE Group.

BFCM conducts certain activities in its own right, which include acting as central treasury to the CEE Group and undertaking capital and money market activities on behalf of the CEE Group 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. In particular, in April 1998, BFCM was chosen by the French government to acquire, on behalf of the Crédit Mutuel Group, a 67 per cent. shareholding in Compagnie Financière de CIC et de l’Union Européenne (“**UE-CIC**”), a company incorporated in 1859 and nationalised in 1982 and the holding company of the CIC group (the “**CIC Group**”) which is a commercial banking network of 8 mainly regional banks active throughout France and with international branches in New York, London and Singapore.

In 1999, the Caisse Centrale du Crédit Mutuel purchased a one per cent. share in the holding company of the CIC Group from BFCM. In September 2001, BFCM purchased through Ventadour Investissement (a wholly-owned subsidiary of BFCM), the 23 per cent. interest in Crédit Industriel et Commercial (“**CIC**”) held by *Groupement des Assurances Nationales* (“**GAN**”).

In 2001, the Ile de France Federation entered into an agreement with the Centre Est Europe Federation. Under this agreement, the Centre Est Europe Federation will support the Ile de France Federation in relation to strengthening its commercial development and increasing profitability. According to this Agreement, the Caisse Fédérale du Crédit Mutuel Centre Est Europe also became the common Caisse Fédérale for the Ile de France Federation. With the Crédit Mutuel Savoie Mont Blanc Federation joining the Interfederal network shared by the Centre Est Europe, Sud-Est and Ile de France Federations on 1<sup>st</sup> January 2006, the CEE Group now operates in 32 *départements* in eastern France (covering the Alsace, Lorraine, Franche-Comté, Bourgogne, Champagne and Lyon), Ile de France and Savoie Mont Blanc regions and is the largest regional banking group in France, with around 3.9 million clients and 649 local branches.

BFCM and its subsidiaries are together referred to as the “**BFCM Group**”.

### **Selected Key Financial Data**

The following table shows selected key consolidated financial data for the BFCM Group for the two years ended 31 December 2005 and 2006. The audited information has been extracted or derived from the audited consolidated financial statements of the BFCM Group and the notes thereto. The information set out below should be read in conjunction with, and is qualified in its entirety by reference to, the audited consolidated financial statements of BFCM for such financial years and the related notes thereto which are incorporated by reference in this Base Prospectus.

	31 December 2006	31 December 2005
	BFCM Group (IFRS)	BFCM Group (IFRS)
	(€ millions)	(€ millions)
<i>Total balance sheet.....</i>	339,025	298,863
Shareholders' equity – Group Share.....	8,359	6,552
Outstanding deposits .....	61,080	56,880
Net banking income .....	5,657	4,393
Gross operating income .....	2,656	1,511
Net income.....	1,642	944

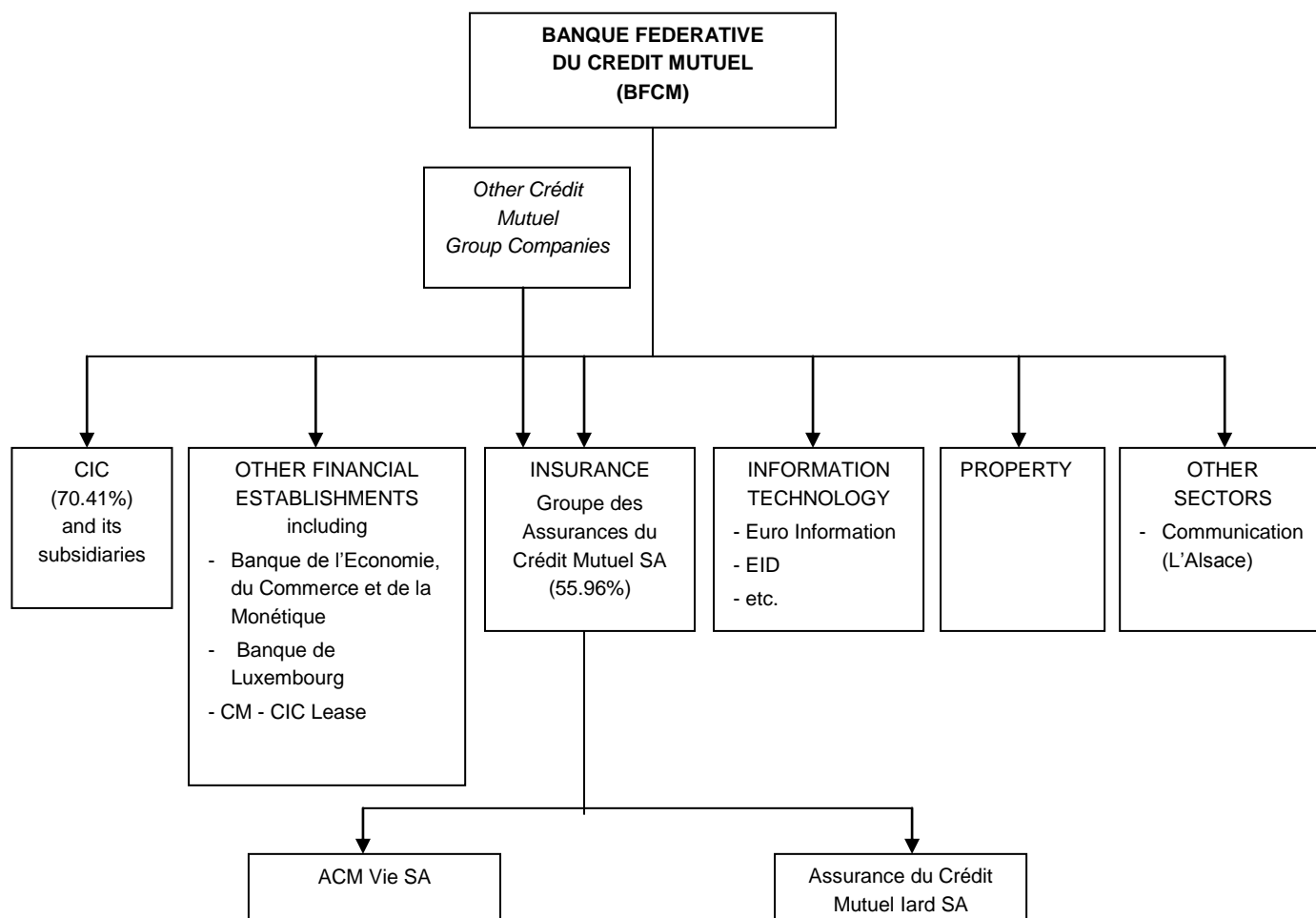
### **Share Capital**

As at 31 December 2006, the total issued share capital of the Issuer amounted to euro 1,302,192,250 divided into 26,043,845 fully paid up shares of euro 50.00 each, all of the same category (ordinary shares). There is no limitation on the share capital which can be issued by the Issuer.

Currently, 94.56 per cent. of the Issuer's share capital is held by the Caisse Fédérale du Crédit Mutuel du Centre Est Europe which is a banking co-operative (*société cooperative ayant la forme de société anonyme*) and is the common Caisse Fédérale for the Centre Est Europe Federation, the Sud Est Federation, the Ile de France Federation and the Savoie Mont Blanc Federation. The remaining shares in the Issuer are held by the Fédération du Crédit Mutuel du Sud-Est, the Fédération de Crédit Mutuel d'Ile de France and the *caisses locales* of the Centre Est Europe, the Sud-Est Ile de France and the Savoie Mont Blanc Federations in accordance with a provision in the Issuer's Articles of Association (*statuts*) which state that only *caisses locales*, co-operatives and mutual entities within the Centre Est Europe, Sud-Est Federations, Ile de France and Savoie Mont Blanc or Caisses Fédérales of other Federations within the Crédit Mutuel Group and Caisse Centrale du Crédit Mutuel or members of the Board of Directors of the Issuer may hold its shares and transfers may only be made between such parties.

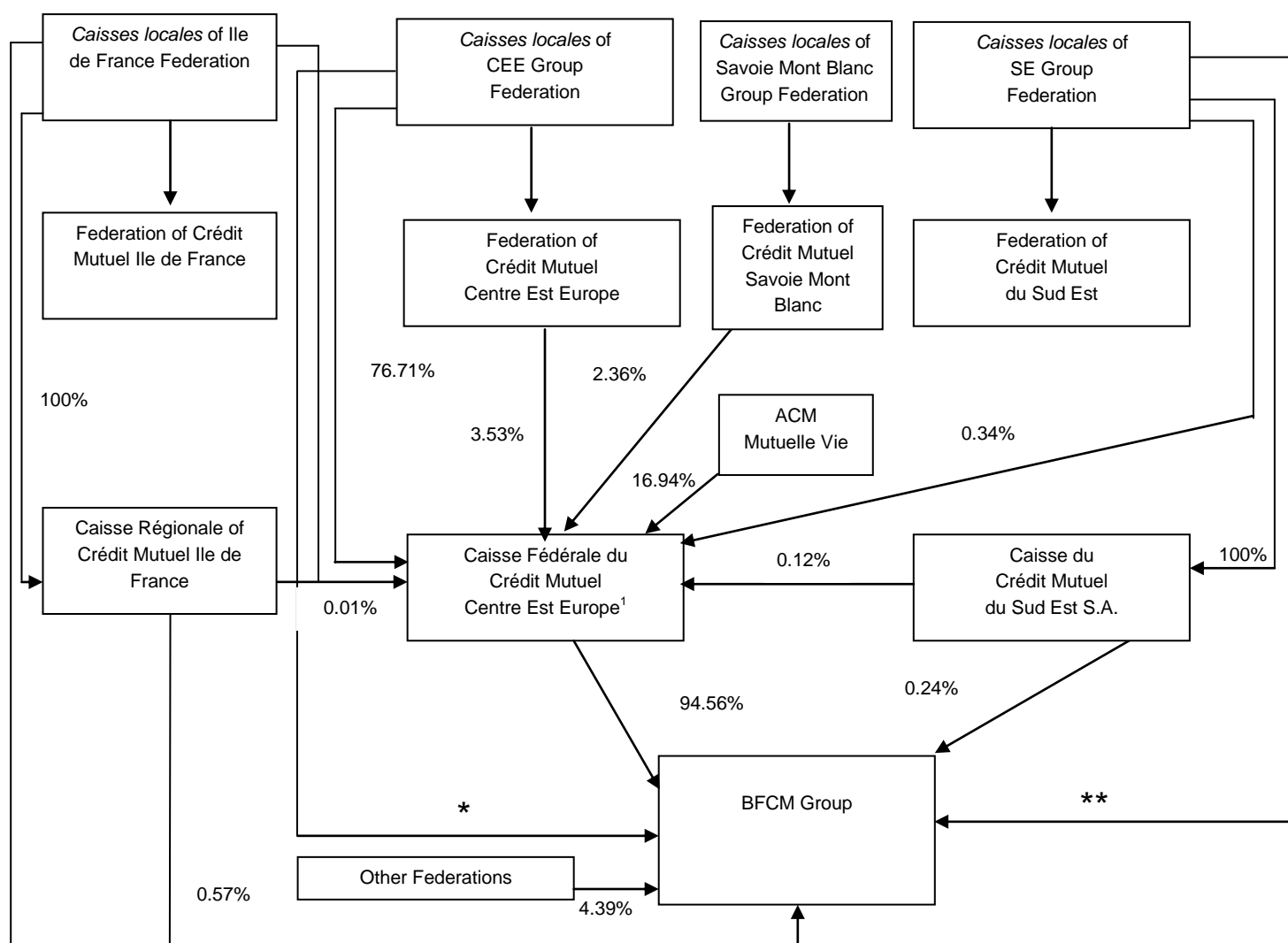
## The BFCM Group

The following diagram shows the structure of the BFCM Group as at 31 December 2006:



The BFCM Group forms part of the CEE Group. The following diagram shows the structure of the CEE Group as at 31 December 2006:

### The CEE Group



#### Note:

\*/\*\* Caisses locales of CEE Group, SE Group, Ile de France and Savoie Mont Blanc held together 0.26 per cent. of BFCM.

(1) Joint *Caisse Fédérale* for Centre Est, Sud-Est, Ile de France and Savoie Mont Blanc Federations since 1 January 2006.

#### Organisation

The BFCM Group forms part of the structure of the CEE Group which itself forms part of the decentralised structure of the Crédit Mutuel Group. This decentralised structure operates at three levels: local, regional and national.

At the **local level**, the Crédit Mutuel Group comprises approximately 1,940 local branches (*caisses locales*) which are co-operatives with variable capital and limited liability (*sociétés co-opératives de crédit à capital variable et à responsabilité limitée*), financially independent credit institutions subject to the provisions of the Banking Law, or registered co-operatives with limited liability (*sociétés co-opératives inscrites à responsabilité limitée*). These *caisses locales* are owned by the *sociétaires*, customers of the branches who have a right to vote at general meetings. The *caisses locales* control all the entities which

constitute the various sub-groups within the Crédit Mutuel Group, including in the case of the CEE Group, BFCM. The CEE Group comprises 649 of these 1,940 *caisses locales*.

At the **regional level** each sub-group is generally comprised of a Federation and a *Caisse Fédérale*. The Federation is an association to which all *caisses locales* within the relevant Federation are required to adhere and is the political entity which determines major Federation policy and strategy and organises the representation and control of the *caisses locales*. Further to a partnership agreement between the Centre Est Europe, the Sud-Est, Ile de France and Savoie Mont Blanc Federations, the CEE Group is comprised of the four Federations. Each sub-group has its own *Caisse Fédérale* which is a banking co-operative (*société coopérative*). Each of the *Caisses Fédérales* within the Crédit Mutuel Group centralises the deposits collected by the *caisses locales* and undertakes their refinancing. Each also oversees certain monetary allocations required in accordance with banking regulations, such as compulsory reserves and special allocations and deposits repaid to the Caisse Centrale du Crédit Mutuel (see below). In the case of the CEE Group, the Centre Est Europe, Sud-Est Ile de France, and Savoie Mont Blanc Federations together control the Caisse Fédérale du Crédit Mutuel Centre Est Europe, BFCM's controlling shareholder.

At the **national level** of the Crédit Mutuel Group is the Confédération Nationale du Crédit Mutuel which is the main supervisory body and the Caisse Centrale du Crédit Mutuel, whose share capital is owned by all the *Caisses Fédérales*, which manages the finances of the Federations and guarantees their liquidity.

## **Business Overview**

### **PRINCIPAL ACTIVITIES**

BFCM conducts certain activities in its own right, which include acting as central treasury to the CEE Group and undertaking capital and money market activities on behalf of the CEE Group 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.

### **MARKET ACTIVITIES**

#### **Cash resources and refinancing**

The increased volume of resources raised on the markets and the continued diversification of their sources were the most salient features of the activities of the treasurers of CM-CIC Marchés, the name given to the joint BFCM /CIC dealing room in 2005.

At 31 December 2006, total resources raised amounted to more than €85 billion.

Of this total, €49 billion, representing 57% of total needs, was raised through short-term borrowings by BFCM /CIC's staff in Paris, Frankfurt and London through various negotiable certificate-of-deposit (NCD) and Euro Commercial Paper (ECP) programmes, plus interbank resources.

The success of the CMCEE-CIC branch network in marketing home loans once again required BFCM to issue a number of tranches of Euro Medium-Term Notes (EMTN) under its programme. During the year ended 31 December 2006 nearly €15 billion in long-term resources was raised, bringing EMTN outstandings to €26 billion at 31 December 2006.

The BFCM Group pursued its strategy of resource diversification in 2006, not only in the euro zone where BFCM issues are now well regarded, but also in the United States and Asia where the BFCM Group was presented to the region's main investors.

In June 2006, BFCM completed its first issue of X-Notes for the US market for a total of \$3.5 billion and, in September 2006, a \$1 billion issue for the Asian market.

In 2006, BFCM signed its eleventh loan agreement with the European Investment Bank (EIB) in Luxembourg, which was used to refinance loans granted to the BFCM Group's SME and local authority customers.

#### **Risk Management**

The dealing room is required to operate within the limits set by the Board of Directors concerning interest rates, foreign exchange, liquidity and counterparty risks. Compliance with these limits is monitored on a

daily basis by verifying risks and results. This unit is responsible for monitoring all market risks for the entire CEE-CIC group.

Daily immediate liquidity represented 86% average coverage of CMCEE customer demand deposits during 2006.

At 31 December 2006, the equity and permanent resources ratio stood at 64.5% and liquidity gaps remained stable on all maturities of one year and above.

### **Management of CM-CIC payment platforms and transaction processing**

BFCM represents the CM-CIC group in managing the systems used to clear large amounts: Paris Net Settlement (PNS), Real Time Gross Settlement (RTGS) and Association des Banques Européennes (ABE), and the Relit Grande Vitesse (RGV) settlement/delivery system. In this capacity, it is responsible for the smooth flow of transactions and liquidity management.

In 2006, the BFCM Group witnessed the implementation of the reform of the collateral eligible for ECB refinancing with the introduction of the single list. This reform resulted in an increase of the potential total amount that can be mobilised by the CEE-CIC group from €1.4 billion to more than €5 billion.

In 2006, the CM-CIC group used these different platforms to process for its own account and for its bank clients an average of more than 11,000 transactions a day worth an average of nearly €33 billion.

Moreover, in addition to handling its own transactions, BFCM provides processing services for various BFCM Group entities such as BECM, Caisse Centrale du Crédit Mutuel, Crédit Mutuel Savoie-Mont Blanc and Crédit Mutuel Midi Atlantique. Altogether this amounted to 43,700 transactions worth some €2,200 billion in 2006.

### **Mutual fund custody**

Since 29 December 2006, Banque Fédérative du Crédit Mutuel has acted as the custodian for the mutual funds of the CMCEE-CIC Group (i.e. the funds managed by the investment management companies CM-CIC Asset Management, CM-CIC Capital Privé and LBO Partners), and of various outside asset managers.

Since that date, the custody activities exercised by Caisse Fédérale du Crédit Mutuel, Caisse Centrale du Crédit Mutuel and CIC have been transferred to Banque Fédérative du Crédit Mutuel.

In accordance with regulations, the custody function involves:

- Keeping the custody accounts (primarily for marketable securities and cash instruments), and the positions of other securities (notably derivatives and financial instruments in pure registered form). The conditions under which this activity is exercised remain the same as those under which it was previously exercised by the BFCM Group's specialised structures;
- Verifying the compliance of the funds' and management companies' investment decisions. In this context, the new control-custody structure at Banque Fédérative du Crédit Mutuel has been strengthened.

At 31 December 2006, BFCM was the custodian of 721 mutual funds with total assets under management of €51 billion.

### **Relations with large companies and financial engineering**

Both 2004 and 2005 were very active in terms of refinancing transactions, while 2006 saw significant growth in leveraged financing. This trend was underpinned by persistently high levels of liquidity and low interest rates.

In addition, the market was boosted by significant international mergers and acquisitions (Mittal-Arcelor, Albertis-Sanef, etc.) in which CM-CIC played a leading role. The favourable economic environment was reflected in particular in a cost of risk that remained historically low.

CM-CIC pursued its strategy based on:

- Strengthening ties with large clients notably thanks to arranging major financing transactions,
- Balance sheet and receivables structuring deals,
- Further integrating the BFCM Group's business lines, which had led to its arranging significant transactions (such as for reimbursable bonds with equity subscription or purchase warrants, or OBSAAR) requiring the full range of CM-CIC know-how,
- Strong growth of cash management activity thanks to many successful responses to requests for proposals both domestically and internationally, some of which on a major scale.

So far, 2007 has corroborated the trends from last year in an economic environment that remains favourable but has yet to be confirmed, featuring a leading role for investment funds in corporate acquisitions within a framework of abundant liquidity and increased buy-out activity. The corporate sector is expected to continue to undergo significant change.

### **Subsidiaries and investments in associates**

The portfolio of investments in subsidiaries and associates and participating loans had a total value of €3,938.1 million at 31 December 2006, compared to €3,741.9 million as at 31 December 2005.

The following were among the year's most significant events affecting these portfolio interests:

- BFCM set up two new wholly-owned legal structures with a social capital of €37,000 each: Devest 9 SAS and Devest 10 SAS;
- BFCM, together with Véolia, set up and took a 34% equity interest (€12,580) in Compagnie Alsacienne d'Eaux et d'Assainissement SA;
- Axxès SAS proceeded with a capital increase, with BFCM subscribing €625,000 worth of shares, partially offsetting the shareholder advance granted. BFCM now owns 25% of Axxès at 31 December 2006;
- As part of the annual adjustment to the capital of Caisse de Refinancement de l'Habitat (CRH), €1,108,481 worth of shares were sold. Moreover, within the framework of a capital increase staged by CRH, BFCM subscribed for €2,426,553 worth of shares;
- BFCM purchased 2,314,706 shares in Club Sagem for €6.3 million for a 17.07% equity interest;
- BFCM subscribed for Saem Mulhouse Expo's capital increase in the amount of €28,000, bringing its equity interest to 6.16% at 31 December 2006; ;
- BFCM sold the entire 6.45% equity interest it held in Financière du Crédit Mutuel.

Information on the activity and results of subsidiaries and companies controlled by BFCM (article L 233-6 of France's Commercial Code)

Pursuant to the above-mentioned article, the report submitted to the General Meeting must include the results of subsidiaries and companies controlled by BFCM, presented by sector of activity.

### **Finance and similar activities**

**Groupe Crédit Industriel et Commercial SA (CIC):** CIC passed a major threshold proving the wisdom of the strategy it has followed for the past eight years as it generated a consolidated net profit of €1,334 million in 2006 (€1,274 million after minority interests).

#### **1 The wisdom of CIC's strategy...**

In eight years, CIC has become a dynamic company through its increasingly deep alliance with its main shareholder, Crédit Mutuel Centre Est Europe (CMCEE).

CIC now has a single information system that is customer-oriented and responsive and which it shares with CMCEE. Thanks to this system, it has been possible to combine the two entities' development and production structures, boost their capacity and reflect even more fully their communal spirit. The system

is now capable of being rolled out from its five platforms, for the benefit of both entities, and can thus meet the rapidly changing needs of each business while streamlining their logistics tools. This will lead to a better, and therefore more secure, operating balance.

CIC has also unified its organisation. With the mergers completed at the end of the year, its five regional divisions have come into fruition a reality and given rise to:

- CIC Banque BSD – CIN in northern France,
- CIC Banque CIO – BRO in western France.

All its specialised business lines have now been grouped together in common centres shared with CMCEE and integrated into the information system. The most recent combination involved capital market activities with the creation of CM-CIC Marchés, which have been split between BFCM (for group-wide refinancing needs) and CIC (for proprietary activities). The formal conclusion of the process came with the transfer to CIC of the market activities of CIAL, which was approved by CIC's extraordinary general meeting of 7 September 2006.

CIC has defined and brought into force a joint system for equality of status among employees. Thanks to this equalised status, job mobility from one component entity to the next has become possible and the change has been accompanied by the creation of several thousand added-value positions in the network and by an increased training effort to favour internal redeployment of human resources.

CIC has re-launched its market growth and opened 336 new branches in eight years, bringing the total to nearly 2,000, and in its speeding up of the process in three regions whose network density is still considered by CIC to be insufficient – Ile-de-France, Provence-Alpes-Côte d'Azur and the South-West.

In the area of private banking, CIC has opened a subsidiary in Brussels (Banque Transatlantique Belgium) and acquired another in Switzerland (Swiss First Private Banking A.G.). Other developments, in Europe and the Mediterranean region, are also being considered that reflect CIC's goal to achieve determined and controlled growth from its now solid domestic base.

## 2 ... as seen in its results

Among other things, the priority placed on the development of retail banking made it possible to:

- Win more than 190,000 new customers (an additional 5.2% year on year with 2005), including private individuals, self-employed professionals and companies (a total of 3,803,314 at 31 December 2006);
- Promote and increase customer loan production (up 21% year on year with 2005), and in particular home loans (up 23% year on year with 2005), corporate loans (up 20% year on year with 2005) both for investment and working capital purposes, and consumer loans (up 11% year on year with 2005), which resulted in 18% growth in loans outstanding;
- Increase total savings deposits by 8% year on year with 2005 with respect to both accounting deposits and savings under management and held in custody;
- Inject new life into the non-life insurance activity with the number of policies up by 26% year on year with 2005;
- Record increases in financial fees and commissions of 9% year on year with 2005.

CIC's net banking income increased by 33.4% to €4,354 million in the year ended 31 December 2006, up from €3,265 million in the year ended 31 December 2005.

Net banking income from retail banking, which is CIC's core business generating two thirds of its net banking income in 2006, increased by 4.6% from 2005 to €2,809 million in the year ended 31 December 2006 and its pre-tax profit rose by 19.5% from 2005 to €789 million in the year ended 31 December 2006. Net banking income from private banking (9.2% of the total) increased by 21.2% from 2005 to €400 million in the year ended 31 December 2006 while net banking income from the private equity activity (6.2% of the total) rose by 10.1% from 2005 to €272 million in the year ended 31 December



2006. Financing and capital markets activity generated net banking income of €680 million in the year ended 31 December 2006, up from €17 million the previous year.

The cost of risk was down 16% overall to €80 million in 2006 from €95 million in 2005. The coverage ratio of doubtful and disputed loans came to 64.3% at 31 December 2006, compared to 65.3% one year earlier.

CIC has a remarkably solid balance sheet. Its European solvency ratio (based on tier-1 capital) amounted to 8.9%, compared to 6.9% one year earlier, with shareholders' equity of €8.5 billion, making it one of the highest performing French banks by this measure. The credit rating agencies have reflected this improvement in their ratings actions: Standard & Poor's upgraded its long-term credit rating to AA- in line with that of CIC's shareholder. This balance sheet strengthening did not come at the expense of return on equity which reached 21.5% for the year with earnings per share of €36.50. These results were also reflected in CIC's share price, which doubled in the space of a year without exhausting its possibilities for further improvement.

At the General Meeting scheduled for 31 May 2007, the CIC Management Board has proposed the payment of a net dividend of €4.43 per share, up from the €4.10 paid in respect of 2005, payable in shares.

BFCM purchased 38,975 CIC shares for €7.5 million within the context of the liquidity agreement, and held 70.41% of CIC's shares held at 31 December 2006.

**Banque de l'Economie du Commerce et de la Monétique SAS (BECM):** BECM is a CMCEE-CIC Group subsidiary which operates mainly in the market for large and medium-sized companies and in the financing of property market professionals (property developers, property companies and the financing of assets). In this last area, BECM is the CMCEE-CIC group's key bank. In the market for industrial and commercial companies, it operates throughout France and in Germany. It brings its technical skills to bear on behalf of its clients both for financing the full range of their needs and for providing value-added services such as domestic and international cash flow engineering, social and financial engineering and dealing room activities. To enhance the CMCEE-CIC Group's internal efficiency and cohesion, BECM and CIC's large and medium-sized corporate network employs convergent technical, commercial and risk monitoring procedures and tools. In addition, BECM has developed a wealth management activity for company owners and executives.

BECM maintained its policies of sustained growth and achieved an increase in loans outstanding (up 17% in 2006 compared to 2005) and resources (up 32% in 2006 compared to 2005). This growth made possible a substantially improved interest margin of 29%. Fee and commission income continued to grow thanks to its high-quality staff and the quality of the value-added products and services offered to clients. Risk was kept at what BECM believes to be a low level and, after transferring €15 million to the fund for general banking risks, the net profit for the year amounted to €48.9 million (up 34% in 2006 compared to 2005).

**Ventadour Investissement SA:** Ventadour Investissement's main activity continues to be making equity investments in other companies. The gross value of its interests outside the Crédit Mutuel group amounted to €0.7 million compared to €0.9 million the previous year.

At the end of 2006, the CIC line was €1,060 million compared to €1,110 million in 2005, i.e. €50 million less because of a sale of securities.

**ICM Finance:** during 2006, this Swiss financial institution continued to develop its marketable securities brokerage activity as it did in 2005.

**Groupe Sofemo SA:** Sofemo's activities continued to be focused on the production of instalment payments and development of seller credits. Net customer loans outstanding increased to €310 million in 2006 from €237 million in 2005. A net profit of €2.6 million was recorded for the year ended 31 December 2006 and the company's shareholders' equity before appropriation of the profit for the year ended 31 December 2006 was €21 million.

**CM-CIC SCPI Gestion SA:** This company manages the property companies (Sociétés Civiles de Placement Immobilier or SCPI) "Crédit Mutuel Immobilier 1" and "Ouest Pierre Investissement" and recorded a net profit of €91,000 for the year ended 31 December 2006 as compared with the net profit of €34,340 for the year ended 31 December 2005.

**Mutuel Bank Luxembourg:** a 60%-owned subsidiary of Banque Transatlantique, Mutual Bank Luxembourg continued its growth in 2006. It ended the year with nearly 6% more customers than in 2005 and assets under management also increased. The general strength of financial markets led to a new increase in volumes processed and net banking income rose to €5,762 million for the year ended 31 December 2006 from €4,950 million for the year ended 31 December 2005 (up 16% year on year).

Banque de Luxembourg: the investment approach of Banque de Luxembourg, consists of seeking regular returns over the long term and preserving capital, once again paid off. After having proved the wisdom of this approach in the difficult early years of the decade, Banque de Luxembourg confirmed its aptness in the favourable conditions that have prevailed since 2005, with its entire range of funds frequently outperforming the market average.

In the area of managed accounts, Banque de Luxembourg relies especially on a multi-management approach using its own funds and a selection of the best international funds. Its expertise in this area derives from its specialised subsidiary Fund-Market, an independent investment fund advisor and the centre of expertise for the CM-CIC group with regard to selecting third-party funds and multi-management.

Banque de Luxembourg also advises non-resident clients on tax and estate planning, notably through the use of specialised Luxembourg investment vehicles. It also assists investors planning to establish tax residence in the Grand Duchy because of the elimination of the wealth tax that took effect on 1 January 2006.

It continues to make its private banking expertise available to asset management professionals by providing a comprehensive range of services primarily related to custody services, investment funds and the design and distribution of financial products.

At 31 December 2006, Banque de Luxembourg had total assets of €12.7 billion. Customer deposits of cash and securities totaled €60.7 billion, an increase of 22% compared to 31 December 2005. This growth in activity enabled it to record a profit of €69 million for the year ended 31 December 2006, up 15.3% compared to the year ended 31 December 2005.

Results (contribution to the consolidated results of the group CIC Banque CIAL) included net banking income of €232.4 million, up 14.7% compared to the year ended 31 December 2005, which led to an 11.8% gain in gross operating profit to €112.5 million compared to €100.6 million for 2005.

The contribution to the group share of net profit (i.e. after tax and minority interests) increased by 18.8% to €65.2 million for the year ended 31 December 2006 from €54.9 million for the year ended 31 December 2005.

With 6% weighted risks, return on equity improved and stood at 30.3% for the year ended 31 December 2006.

**Boréal SAS:** despite favourable market conditions, Boréal's activity declined in 2006 because of changes in the scope of its client base. For the year ended 31 December 2006, its sales dropped 12.3% compared to the year ended 31 December 2005 but its profit increased by 81.1% thanks to a 30.5% reduction in operating expenses.

**CM-CIC Lease SA:** For CM-CIC Lease, 2006 was a year of consolidation and for fine-tuning its new information system and its organisation.

Domestic property lease production was stable for the fourth consecutive year in terms of the value of contracts signed (€4.4 billion during 2006), new leases and the number of applications. The market was hit by heightened competition and lower margins.

Since the mergers resulted in the reduction and partial replacing of the number of agents at group banks specialised in property leases, CM-CIC Lease production recorded a slight decline in new contracts signed to €308 million for 2006. The average amount per transaction also declined slightly to €1.45 million for 2006.

Under the circumstances, CM-CIC Lease strived in particular to maintain the quality of risks on new transactions and its margins.

Total financial outstandings were stable at €1,970 million for 2006 while operating overheads were kept under control, which resulted in a net profit of €13.5 million for 2006 after paying €6.4 million in transfer risk commissions to the bank network (up more than 10% year on year compared to 2005). Down from the €20.6 million achieved in 2005, these results were nonetheless achieved without the merger-related effects that had affected the two previous years.

The composition of the lease portfolio was stable in 2006 with 55% concerning industrial premises and warehouses, 23% commercial space, 12% offices and 10% miscellaneous. CM-CIC Lease is a major operator in the corporate market where it has market share of 7%.

**CM-CIC Asset Management SA** is the Group business line centre dedicated to mutual fund management. It provides the Crédit Mutuel and CIC banking networks with a broad, innovative range of financial products whose restructuring was undertaken in 2006. At 31 December 2006, total assets under management in its more than 680 funds amounted to €50,684 million, breaking down as follows:

- Equity and diversified funds: €15,105 million,
- Money market funds: €29,670 million,
- Bond funds: €2,872 million,
- Formula funds: €3,037 million.

At 31 December 2006, CM-CIC AM had a staff of 186 in Paris and Strasbourg managing these funds. The investment teams are grouped into several areas of expertise: European equities, quantitative investment techniques, multi-management, money market instruments and bonds, absolute return funds and socially responsible investment funds.

Net inflows in 2006 mainly concerned formula funds whose net subscriptions reached the level of more than €600 million. Pro-active marketing policies allowed the unit to move ahead in lockstep with the networks thanks to increased training and supervision for all targeted products. Among other things, this made it possible to diversify multiple-instrument life-insurance policies into equity and diversified mutual funds such as Evolio and those in the Pilotage range.

Alongside these widely distributed mutual funds, CM-CIC AM manages 264 company mutual investment funds (FCPE) with total assets of nearly €4 billion in the context of its employee savings activity. It has also developed an original company retirement savings plan (PERCO) offer based on the CM-CIC Perspective FCPE family of funds.

In 2006, CM-CIC AM continued to develop its managed account activity which now has nearly €800 million under management for the year ended 31 December 2006 and in 2007 will join CM-CIC Gestion whose role is to group together the different managed account activities disseminated throughout the group.

At the end of 2006, the custody function which had been exercised by three different group entities was grouped together within BFCM.

CM-CIC AM provides fund accounting services to 48 other asset management companies, which are primarily entrepreneurial in nature and are evaluated at around €10 billion divided among nearly 180 funds.

In 2006, as in 2005, the equity and fixed-income investment teams earned many awards (including La Tribune's "Victoires" over five years, the "Corbeilles" awarded by the magazine Mieux-Vivre Votre Argent for Employee Savings Plans over three years).

Revenues for 2006 amounted to €295.5 million compared to €246.7 million for 2005 and consisted mainly of fund management fees and commissions on stock market transactions. Operating expenses totalled €289.3 million for 2006 consisting mainly of fees and commissions paid to the distribution networks, Crédit Mutuel and CIC. The net profit for the year ended 31 December 2006 amounted to €4.9 million as compared with the net profit of €3.6 million for the year ended 31 December 2005.

**Crédit Mutuel Participation SA (CMP):** Once again in 2006 assets under management grew (up 26% compared to 2005) resulting in revenue growth of 17%.

From the marketing standpoint, growth continued as approximately 1,300 additional companies joined the system in 2006, 27% more than in 2005.

At the same time, tight control of operating expenses led to an operating margin of 10% in 2006. Payments under fee-sharing agreements grew to more than €2 million, 32% more than in 2005 and 83% more than in 2004.

## **Insurance**

**Groupe des Assurances du Crédit Mutuel SA (GACM):** GACM's main activity involves taking and managing equity interests in insurance and reinsurance companies. It has no operating activities of its own.

GACM is the parent company of:

- The life insurance companies ACM Vie S.A., Sérénis Vie and International Crédit Mutuel Life (ICM LIFE),
- The non-life insurance companies ACM IARD, Assurances du Sud and S.A Partners Assurances,
- The reinsurance company International Crédit Mutuel Réassurance (ICM RE),
- Several service companies such as Procourtage, Euro Protection Services SA and ACM Services.

GACM also owns interests in several foreign companies:

- 10% of the capital of three Canadian non-life insurance companies of Mouvement Desjardins,
- 30% of the Tunisian company Astree,
- 20.25% of Royale Marocaine d'Assurance – Watanya.

In addition, GACM has significant interests in other French non-life insurance companies:

- 49% of the capital of Assurances du Crédit Mutuel Nord Iard SA,
- 34% of the capital of Suravenir Assurances SA.

During the year, GACM S.A. completed the following transactions:

- Acquisition of an additional 10.25% of the capital of Moroccan insurance company Royale Marocaine d'Assurance – Watanya, bringing GACM S.A.'s total stake to 20.25%;
- Full repayment of the shareholder's current account advance granted by BFCM for €100 million with interest payments totalling €986,606.73;
- Cash capital increase, as decided by the Board of Directors, involving the creation of 9,843,553 shares at €26.86 per share, including an issue premium of €11.36. All of the company's shareholders subscribed for this capital increase which raised the share capital from €701,845,332 to €854,420,403.50;
- Capital increase by paying dividends in shares, raising the capital from €854,420,403.50 to €879,868,381. All of the company's shareholders chose to receive the dividend in shares;
- Purchase of the entire share capital of Belgian non-life insurance company S.A Partners Assurances from, simultaneously, Verfin, Horpa, Finassur and Verspieren;
- Merger-absorption of non-life insurance company Serenis S.A. by non-life insurance company ACM IARD S.A., generating a merger capital gain for GACM S.A. of €132,125 thousand.

GACM had a net profit of €292,298 thousand for 2006, compared to €68,233 thousand in 2005, because of dividends received and the capital gain on the merger-absorption of Serenis S.A. by ACM IARD S.A.

GACM chose to form a tax group with its subsidiaries ACM Vie S.A., ACM IARD S.A., Assurances du Sud S.A., Procourtage S.A., Euro Protection Services S.A., ACM Services and Sérénis Vie.

BFCM subscribed for 5,508,881 shares (€147.9 million) in the context of GACM's capital increase and also reinvested its dividend in shares (€24.7 million).

## IT services

**Euro-Information SAS:** Euro-Information recorded a net profit of €53.2 million in 2006. The company's comparatively high profit in 2005 of €57.4 million was notably due to exceptional (and therefore non-recurring) income booked that year. Euro-Information absorbed CIC Information, its sister company within the CIC universe through a merger-absorption process that took place on 19 May 2006 with retroactive effect as from 1 January 2006. BFCM owns 14% of the capital of Euro-Information.

## Property

**CM-CIC Participations Immobilières SA** On behalf of the group, CM-CIC Participations Immobilières took part in 18 new programmes in 2006 representing a total of around 1,180 residential units and invested alongside property investment companies (SCIs) involved in residential property programmes throughout France. It had sales of €236 million in the year ended 31 December 2006 and consumed €3.5 million of equity for a reported net profit of €1,652 thousand

**Sarest SA:** in 2006, Sarest, a property improvement company, had a good year in Alsace Lorraine in terms of production despite a tight property market with 318 lots sold and preliminary agreements signed for another 94, generating total revenues of €28.2 million in the year ended 31 December 2006. Sarest expanded its activity into the Franche-Comté, Bourgogne and Rhône-Alpes regions and generated a net profit of €2,380 thousand in the year ended 31 December 2006 as compared with the net profit of €1,605 thousand for the year ended 31 December 2005.

**CM-CIC Agence Fédérative Immobilière SAS:** a property broker for new residential units, CM-CIC Afedim works collectively for the retail networks of Crédit Mutuel, CIC and Private Banking. This internal service provider targets investors and first-time buyers. The programmes it promotes are previously approved by a committee that includes the commitments, wealth management and sales units. In 2006, 2,800 residential units were sold for a total of €440 million generating €18 million in fees excluding tax. The net profit for the year ended 31 December 2006 amounted to €327 thousand as compared with the net profit of €365 thousand for the year ended 31 December 2005.

**Sofédim SAS:** Sofédim generates its revenues primarily through property asset arbitrage, delegated project ownership contracts, management on behalf of investors and proprietary property management transactions. The net profit for the year ended 31 December 2006 came to €160 thousand as compared with the net profit of €98 thousand for the year ended 31 December 2005.

## Media

**Société Civile de Gestion des Parts du Crédit Mutuel dans le Journal "L'Alsace":** the 55% equity interest in newspaper L'Alsace was carried on this company's balance sheet at €1.6 million as at 31 December 2006.

**Société Française d'Édition de Journaux et d'Imprimés Commerciaux "L'Alsace" SAS:** this holding company, which is 23%-owned by BFCM, controls all the companies of L'Alsace group with activities in publishing, communications, radio and advertising.

**Devestmedia SAS:** this wholly-owned BFCM subsidiary purchased no new equity interests in the media and communication sector during the year ended 31 December 2006.

**Ebra SAS:** this holding company owns the equity interest of L'Est Républicain (51%) and BFCM in a regional press division. BFCM invested €18,620 to obtain 49% of its capital when this company was set up on 30 March 2006.

## Services and other

**Réma SNC:** Réma SNC is an equipment resale expert whose sales increased from €8.1 million the year ended 31 December 2005 to €15.6 million in the year ended 31 December 2006, up 93%. The net profit for the year amounted to €60,403.

**Bischenberg SA:** Bischenberg's sales rose by 3.6% in the year ended 31 December 2006 compared to the year ended 31 December 2005 to reach the €3 million threshold. Outside clients accounted for 37% of these sales, a significant increase from 2005 and the room occupancy rate was 60%. The company cancelled its lease on Villa Mathis as from 1 July 2006 and the investments made were taken over by the new tenant. Work on extending the facility is scheduled for July 2007.

**Sofédis SA:** sales amounted to €42.7 million for the year ended 31 December 2006, an improvement of €1.5 million over 2005, and the net profit came to €2.5 million.

**Devest 6 SA:** this company continued to manage aeronautics-related services through a leasing arrangement with a local partner.

## Trends and prospects

In its capacity as the group's holding company, BFCM will continue to be, depending on opportunities, its preferred vehicle for alliances and growth-related transactions. Its refinancing activity is expected to increase in line with network growth.

## CONSOLIDATED ANNUAL RESULTS OF BFCM FOR 2006

Financial data relating to the individual company financial statements of Banque Fédérative du Crédit Mutuel

## Balance sheet

At 31 December 2006, BFCM had total assets of €119.2 billion, 25% more than at the same date in the previous year.

On the liabilities side, amounts owed to credit institutions include the deposits totalling €34.9 billion (up 8.6% compared to the end of 2005) gathered by the Crédit Mutuel Banks in the Centre Est Europe, Sud-Est, Ile-de-France and Savoie-Mont Blanc Federations via Caisse Fédérale du Crédit Mutuel Centre Est Europe (CFCMCEE).

Customer deposits recorded under liabilities amounted to €1.4 billion, comprising mutual fund credit balances for €1.2 billion and term deposits and borrowings from customers for €205.5 million.

Total resources in the form of securities amounted to €46 billion, comprising interbank securities and negotiable debt instruments for €20.8 billion and bonds for €25.2 billion.

The fund for general banking risks was stable year-to-year at €61.6 million as were super-subordinated securities at €1.6 billion. Total shareholders' equity and similar funds thus amounted to €4.4 billion, excluding the net profit for the year.

On the assets side, BFCM's role as treasurer for the CEE group was reflected mainly in its balances of €101 billion with credit institutions. Most of this amount, €42 billion, consisted of refinancing provided to CFCMCEE to fund loans distributed by Crédit Mutuel Banks. Another €21.7 billion was used to refinance the specific needs of CFCMCEE. BFCM's refinancing activity also extended to Banque de l'Economie du Commerce et de la Monétique and to various CIC entities for a total of €27.9 billion.

Loans and advances to customers came to €3 billion and were extended primarily to large companies.

The other uses of funds (amounting to €7.9 billion) were for BFCM's trading, available-for-sale and held-to-maturity portfolios.

Shares in related undertakings amounted to €3.8 billion and mainly consisted of the investments in CIC (€2.5 billion) and in Groupe des Assurances du Crédit Mutuel (€608 million).

## Profit and loss account

Interest and similar income for the year ended 31 December 2006 amounted to €7.5 billion as compared with the €4.7 billion for the year ended 31 December 2005, of which €7 billion related to transactions with credit institutions as compared with the €4.3 billion for the year ended 31 December 2005.

Interest and similar charges for the year ended 31 December 2006 came to €7.3 billion as compared with the €4.6 billion for the year ended 31 December 2005, including €5.7 billion relating to credit institutions and €1.6 billion in interest on securities issued as compared with the €0.9 billion for the year ended 31 December 2005.

Most of the income from shares for the year ended 31 December 2006 (€157.6 million) came from dividends paid by CIC (€102.3 million), Groupe des Assurances du Crédit Mutuel (€24.7 million), BECM (€14 million) and CM-CIC Lease (€9.4 million).

After factoring in fees and commissions and other operating items, net banking income for the year ended 31 December 2006 came to €267 million compared to €245 million in 2005.

General operating expenses totalled €29.7 million.

€10,619 in lease payments and depreciation charges for company cars that were not tax deductible were added back to income taxable at the statutory rate.

Net income for the year ended 31 December 2006, after tax charges of €25.2 million, amounted to €209.1 million in 2006 compared to €286.8 million for the year ended 31 December 2005 (down 27%). This decline is primarily attributable to the realisation in 2005 of a capital gain on the sale of the equity interest in Galeries Lafayette.

## SIGNIFICANT NEW PRODUCTS/ACTIVITIES

There were no significant new products or activities during the 12 months preceding the date of the Base Prospectus.

## MATERIAL CONTRACTS

BFCM is not a party to any material contracts, entered into other than in the ordinary course of its business, which could result in any member of the BFCM Group being under an obligation or entitlement that is material to BFCM's ability to meet its obligations to Noteholders in respect of an issue of Notes

## LITIGATION

Neither the Issuer nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings which may have or have had, during the 12 months preceding the date of this Base Prospectus, significant effects on the financial position or profitability of the Issuer or any of its subsidiaries nor so far as the Issuer is aware are any such governmental, legal or arbitration proceedings pending or threatened.

## MANAGEMENT OF BFCM

The Issuer is managed by its *Conseil d'Administration* (Board of Directors). The Issuer's *statuts* provide for a Board of Directors consisting of not less than three and not more than 18 directors who are appointed by the general meeting of the shareholders for a period of three years, but may serve any number of consecutive terms.

The Board of Directors is chaired by a *Président* (Chairman). The Chairman is responsible for the general management of the Issuer and represents the Issuer in relation to third parties. On the proposal of the Chairman, the Board of Directors may also appoint one *Directeur Général* (Chief Executive Officer).

## Information about the Directors of BFCM

The names, addresses, current positions, principal occupations and other directorships and business experience of the members of the Board of Directors of BFCM are as set out in the table below:

Name / Address / Current Position	Principal Occupation / Other Directorships and Business Experience
<p><b>M. Etienne PFLIMLIN</b> Address : 17, rue des Charpentiers 67100 Strasbourg <i>Chairman of the Board of BFCM</i></p>	<p><b>Chairman of the Board:</b> Confédération Nationale du Crédit Mutuel – Caisse Centrale du Crédit Mutuel – Fédération du Crédit Mutuel Centre-Est Europe – Caisse Fédérale du Crédit Mutuel Centre Est Europe - Caisse de Crédit Mutuel "Strasbourg Esplanade" - Le Monde Entreprises.</p> <p><b>Chairman of the supervisory Board:</b> Banque de l'Economie du Commerce et de la Monétique – Editions Coprur – Crédit Industriel et Commercial - Société d'Etudes et de Réalisation pour les Equipements Collectifs ("SODEREC") – Société Alsacienne de Publications "L'ALSACE".</p> <p><b>Director:</b> Groupe des Assurances du Crédit Mutuel – Société Française d'Edition de Journaux et d'Imprimés Commerciaux "L'ALSACE – FIMALAC".</p> <p><b>Member of the supervisory Board:</b> Journal "LE MONDE" – Le Monde et Partenaires Associés – Société Editrice du Monde.</p> <p><b>Member of the Board of the Management:</b> Ebra</p> <p><b>Permanent representative:</b> of Fédération du Crédit Mutuel Centre Est Europe (Director of Sofédis, member of board of the management Euro-Information), of Caisse Centrale du Crédit Mutuel (Director of CM-CIC AM), of Crédit Industriel et Commercial (director of CIAL, Banque Scalbert Dupont, Crédit Industriel de Normandie and Société Bordelaise du CIC).</p>
<p><b>M. Michel LUCAS</b> Address: 91, rue Jouffroy d'Abbans 75016 Paris <i>Chief Executive Officer and Director</i></p>	<p><b>Chief Executive Officer:</b> Confédération Nationale du Crédit Mutuel.</p> <p><b>President of Board of Directors :</b> Crédit Industriel et Commercial.</p> <p><b>Chairman of the Board:</b> Banque du Crédit Mutuel Ile-de-France - Groupe des Assurances du Crédit Mutuel – Assurances du Crédit Mutuel Vie SFM – Assurances du Crédit Mutuel Vie et Iard SA.</p> <p><b>Chairman of the supervisory Board:</b> – Euro Information Production.</p> <p><b>Chairman:</b> Crédit Mutuel Cartes de Paiement.</p> <p><b>Vice- Chairman:</b> Europay France – Mastercard Europe - Banque du Luxembourg.</p> <p><b>Chief Executive Officer – Director:</b> Fédération du Crédit Mutuel Centre Est Europe – Caisse Fédérale du Crédit Mutuel Centre Est Europe.</p> <p><b>Director:</b> Caisse de Crédit Mutuel "Cronenbourg" - Eurocard Holding – Sofédis -Crédit Mutuel Paiements Electroniques – Assurances Générales des Caisses Desjardins – ACMN Iard – SURAVENIR – ASTREE – Banque Transatlantique - CIC Investissement – CIC Finance – Lyonnaise de Banque - Société Nancéienne Varin Bernier – Banque Régionale de l'Ouest (until 31 December 2006) – Banque de Tunisie – BT Belgium.</p> <p><b>Member of the Board of the Management:</b> Euro-Information – El Developpement – Ebra</p> <p><b>Member of the supervisory Board:</b> Fonds de Garantie des Dépôts – Banque de l'Economie du Commerce et de la Monétique – CM-CIC AM – Safran – Société Alsacienne de Publications "L'ALSACE" – GIE CIC Production – Beauvillé.</p>
<p><b>Mme Marie-Paule BLAISE</b> Address : 16, rue de la Ménagerie 67100 Strasbourg <i>Director</i></p>	<p><b>Chairman:</b> Union des Caisses de Crédit Mutuel du District de la Communauté Urbaine de Strasbourg</p> <p><b>Chairman of the Board:</b> Caisse de Crédit Mutuel Strasbourg Europe</p> <p><b>Director:</b> Fédération du Crédit Mutuel Centre Est Europe</p>
<p><b>M. Jean-Louis BOISSON</b> 20, rue Piron 21000 Dijon <i>Director</i></p>	<p><b>Chairman:</b> Union des Caisses de Crédit Mutuel du District de Bourgogne Champagne</p> <p><b>Chairman of the Board:</b> Caisse de Crédit Mutuel de Montbard Venarey</p> <p><b>Vice-Chairman of the Board:</b> Fédération du Crédit Mutuel Centre Est Europe</p> <p><b>Vice-Chairman of the supervisory Board:</b> Banque de l'Economie du Commerce et de la Monétique</p> <p><b>Member of the supervisory Board:</b> Confédération Nationale du Crédit Mutuel – Caisse Fédérale du Crédit Mutuel Centre Est Europe</p>
<p><b>M. Pierre NEU-FABER</b> Address : 12, rue Gutenberg 67160 Wissembourg <i>Director</i></p>	<p><b>Chairman:</b> Union des Caisses de Crédit Mutuel du District d'Hagenau</p> <p><b>Chairman of the Board:</b> Caisse de Crédit Mutuel Alsace du Nord</p> <p><b>Director:</b> Fédération du Crédit Mutuel Centre Est Europe – Caisse Fédérale du Crédit Mutuel Centre Est Europe</p> <p><b>Member of Chairman of the supervisory Board:</b> Editions Corpur</p>
<p><b>M. Maurice CORGINI</b> Address : 8, rue des Abbayes 25110 Baumes les Dames <i>Director</i></p>	<p><b>Chairman:</b> Union des Caisses de Crédit Mutuel du District de Besançon</p> <p><b>Chairman of the Board:</b> Caisse de Crédit Mutuel Beaume-Valdahon-Rougemont</p> <p><b>Director:</b> Fédération du Crédit Mutuel Centre Est Europe - Caisse Agricole Crédit Mutuel</p> <p><b>Member of Chairman of the supervisory Board:</b> Crédit Industriel et Commercial</p> <p><b>Co-Manager:</b> Cogithommes Franche-Comté</p>
<p><b>M. Gérard CORMORECHE</b> Address: Domaine</p>	<p><b>Chairman:</b> Fédération du Crédit Mutuel du Sud-Est – Caisse de Crédit Mutuel du Sud-Est – Cecamuse – Caisse de Crédit Mutuel Neuville-sur-Saône – Caisse Agricole Crédit Mutuel</p>



Name / Address / Current Position	Principal Occupation / Other Directorships and Business Experience
des Rosarges 01700 Les Echets <i>Director</i>	<b>Director:</b> Confédération Nationale du Crédit Mutuel – Caisse Fédérale du Crédit Mutuel Centre Est Europe - Société des Agriculteurs de France <b>Vice- Chairman of the supervisory Board:</b> Crédit Industriel et Commercial – CMAR <b>Manager:</b> Scea Cormoreche Jean-Gérard – Sàrl Cormoreche <b>Permanent representative:</b> de la CCM Sud-Est (Conseil d'Administration de ACM Vie Sfm)
<b>M. Eckart THOMA</b> Address : 33, rue de l'Eglise – 14980 Rots <i>Director</i>	<b>Functions of SAS CLOE:</b> <b>Director:</b> Synergie Finance <b>Member of the supervisory Board:</b> CM-CIC AM <b>Functions of M. THOMÄ</b> <b>Chairman:</b> SAS CLOE <b>Chairman of the Board:</b> Fédération du Crédit Mutuel Normandie Caisse Fédérale du Crédit Mutuel de Normandie – NORFI – Créavenir – Caisse locale de Caen Centre <b>Director:</b> Confédération Nationale du Crédit Mutuel <b>Member:</b> Commission "Vie Associative" confédérale – Commission "Vie Sociale" confédérale <b>Permanent Représentative:</b> of Fédération du Crédit Mutuel Normandie (Chairman of the GIE CLOE Services, on Centre International du Crédit Mutuel, on Board of Director of GACM)
<b>M. Roger DANGUEL</b> Address: Quai de l'III 67600 Sélestat <i>Director</i>	<b>Chairman:</b> Union des Caisses de Crédit Mutuel du District de Sélestat <b>Chairman of the Board :</b> Caisse de Crédit Mutuel de Sélestat-Scherwiller <b>Director:</b> Fédération du Crédit Mutuel Centre Est Europe <b>Member of Chairman of the supervisory Board:</b> Banque de l'Economie du Commerce et de la Monétique (as from 15 December 2006)
<b>M. Jean-Louis GIRODOT</b> Address : 5, rue Dufrenoy 75116 Paris <i>Director</i>	<b>Chairman:</b> Caisses de Crédit Mutuel (Paris Montmartre Grands Boulevards, Arcueil, Aubergenville, Carré Sénart, Chatou (Plesis Robinson), Domont, Domont, Drancy, Levallois Villiers, Mottereau, Montrouge, Nanterre Ville, Ozouri la Ferrière, Paris Est 1 (St Cheron), Paris Ouest 3 (St Rémy les Chevreuse), Paris Nord 3 (Colombes), Paris 12 Neuilly Diderot, Paris 13 Grande Bibliothèque (Chaville), Paris 20 Maraîchers, Petit Clamart, Rueil 2000 (Paris 17 Cardine), St Cyr l'Ecole, Sarcelles, Vert Saint-Denis, Versailles St Louis, Villejuif, Vitry-sur-Seine) – Chambre Régionale de l'Economie Sociale (CRES) – AUDIENS – PEMEP. <b>Chairman of the Board :</b> Fédération du Crédit Mutuel Ile-de-France – Caisse Régionale du Crédit Mutuel Ile-de-France <b>Chief Executive Officer :</b> Coopérative d'Edition de la Lettre de l'Economie Sociale ("CODLES") <b>Vice-Chairman:</b> Conseil Economie et Social d'Ile-de-France – Fédération Nationale de la Presse spécialisée – Mutuelle de la Presse <b>Vice- Chairman of the supervisory Board:</b> Cosmedias SA <b>Director:</b> Confédération Nationale du Crédit Mutuel – Caisse Fédérale du Crédit Mutuel Centre Est Europe <b>Member of the supervisory Board:</b> Crédit Industriel et Commercial – El Production <b>Member:</b> MEDIAFOR – Conférence Nationale des CRES – Groupe APRI <b>Permanent Représentative:</b> of Caisse Régionale du Crédit Mutuel Ile-de-France (Board of Directors of ACM Vie SFM) – (Commission paritaire des Publications et Agences de Presse)
<b>M. Jacques HUMBERT</b> Address : 16, rue de l'Eglise 68290 Bourbach le Bas <i>Vice-Chairman of the Board</i>	<b>Chairman:</b> Union des Caisses de Crédit Mutuel du District de Mulhouse <b>Chairman of the Board:</b> Caisse de Crédit Mutuel La Doller <b>Director:</b> Fédération du Crédit Mutuel Centre Est Europe – Caisse Fédérale du Crédit Mutuel Centre Est Europe – Société Française d'Edition de Journaux et d'Imprimés Commerciaux "L'Alsace" <b>Permanent representative:</b> of ADEPI au Conseil d'Administration du GACM
<b>M. Robert LAVAL</b> Address : 140, A rue du Général de Gaulle 57560 St Quirin <i>Director</i>	<b>Chairman:</b> Union des Caisses de Crédit Mutuel du District de Sarrebourg <b>Chairman of the Board:</b> Fédération du Crédit Mutuel Centre Est Europe <b>Permanent representative:</b> CCM Sarrebourg et Environs : Manager of SCI Crédit Mutuel Les Cordeliers <b>Directeur :</b> Retirement house « Sainte Véronique » - Retirement house « La Charmille »
<b>M. Jean-Paul MARTIN</b> Address : 21, clos des Lilas 57155 Marly <i>Director</i>	<b>Chairman:</b> Union des Caisses de Crédit Mutuel du District de Metz <b>Chairman of the Board :</b> CME 57 <b>Director:</b> Fédération du Crédit Mutuel Centre Est Europe
<b>M. Albert PECCOUX</b> Address :	<b>Chairman:</b> Fédération du Crédit Mutuel Savoie-Mont Blanc

Name / Address / Current Position	Principal Occupation / Other Directorships and Business Experience
162, route de l'Eglise 74370 Saint Martin Bellevue <i>Director</i>	<b>Chairman of the Board:</b> Caisse Régional du Crédit Mutuel Savoie-Mont Blanc <b>Director:</b> Confédération Nationale du Crédit Mutuel – Caisse Fédérale du Crédit Mutuel Centre Est Europe – Caisse Fédérale du Crédit Mutuel Centre Est Europe <b>Member of the supervisory Board:</b> Crédit Industriel et Commercial <b>Représentant Permanent:</b> of CRCM Savoie-Mont Blanc on Board of Director ACM Vie SFM
<b>M. Alain TETEDOIE</b> Address : 5, rue des Péniches 44450 Saint Julien des Concelles <i>Director</i>	<b>Chairman:</b> NANTEUROP – FITEGA <b>Chairman of the Board:</b> Fédération du Crédit Mutuel de Loire-Atlantique et du Centre-Ouest – Caisse Fédérale de Crédit Mutuel de Loire-Atlantique et du Centre Ouest <b>Vice-Chairman of the Board:</b> Caisse de Crédit Mutuel of Saint-Julien de Concelles <b>Vice-Chairman of the supervisory Board:</b> BCME (as from October 2006) <b>Director:</b> Confédération Nationale du Crédit Mutuel – ATARAXIA <b>Member of the supervisory Board:</b> Crédit Industriel et Commercial (as from October 2006) - Suravenir – INFOLIS <b>Censor:</b> Suravenir Assurances holding <b>Représentant Permanent:</b> of Caisse Fédérale de Crédit Mutuel de Loire-Atlantique et du Centre-Ouest (Chairman of INVESTLACO as from November 2006, on Board of Directors of GACM as from October 2006, of Swiss Life prévoyance et santé until July 2006, on the supervisory Board of SODELEM as from October 2006) – of Suravenir Assurances, Director of Suravenir Assurances) – of société EFSA (Director of CIO)
<b>M. Gérard OLIGER</b> Address 11, rue Victor Hugo 57720 Volmunster <i>Director</i>	<b>Chairman of the Board:</b> Caisse de Crédit Mutuel du District de Sarreguemines

## CONFLICTS OF INTEREST

The Issuer is not aware of any conflict between the duties owed to it by its directors and their other principal activities as listed above.

## EMPLOYEES

BFCM and its subsidiaries employed 25,246 employees as at 31 December 2006.

## STATUTORY AUDITORS

The statutory auditors of the Issuer, who were re-appointed by the shareholders of the Issuer on 11 May 2004 and who have audited the Issuer's accounts since 1991, are Ernst & Young et Autres of 41 rue Ybry, 92576 Neuilly-sur-Seine, and KMT Audit, Réseau KPMG, Espace Européen de l'Entreprise, 9 avenue de l'Europe 67300 Schiltigheim.

The substitute statutory auditors of the Issuer are Institut Européen d'Expertise Comptable et de Commissariat of 9, avenue de l'Europe, Espace Européen de l'Entreprise, 67300 Schiltigheim, M. Pascal Macioce of 41, rue Ybry, 92576 Neuilly Sur Seine and M. Pascal Brouard of 1, Cours Valmy, 92923 Paris La Défense Cedex.

The statutory auditors of the CIC Group who were re-appointed by the shareholders on 19 May 2005 are Ernst & Young et Autres of 41 rue Ybry, 92576 Neuilly-sur-Seine and PricewaterhouseCoopers Audit of 32 rue Guersant, 75816 Paris Cedex 17, who were appointed by the shareholders on 31 May 2000.

The substitute statutory auditors of the CIC Group are M. Pierre Coll of 32, rue Guersant, 75017 Paris and M. Pascal Macioce of 41, rue Ybry 92576 Neuilly Sur Seine, who was appointed by the shareholders on 19 May 2005 to replace M. Aldo Cardoso.

Each of BFCM's and the CIC Group's statutory auditors and substitute statutory auditors are regulated by the *Haut Conseil du Commissariat aux Comptes* and are duly authorised as *Commissaires aux comptes* in France.

The consolidated and non-consolidated financial statements of the Issuer for the financial years ended 31 December 2005 and 2006 have been audited by BFCM's statutory auditors.

## RECENT DEVELOPMENTS

BFCM has not yet released its 2007 half year-end results. The following is an excerpt from the quarterly information of CIC Group issued by CIC on March 2007 in respect of its preliminary unaudited 2007 half year-end results. The figures referred to below have been prepared in accordance with IFRS standards and are unaudited:

<b>Net Banking Income ("NBI") in € millions (except percentages)</b>	<b>For the three months to 31 March 2007</b>	<b>For the three months to 31 March 2006</b>	<b>Difference between 31 March 2007 and 31 March 2006</b>	<b>For the year ended 31 December 2006</b>
<b>Retail banking</b>	695	702	- 1,0 %	2 809
<b>Financing and markets activities</b>	240	204	+ 17,6 %	680
<b>Private banking</b>	106	98	+ 8,2 %	400
<b>Capital developpement</b>	137	63	+ 117,5 %	272
<b>Structure and holding</b>	(54)	(15)	n.s.	193
<b>Total NBI</b>	<b>1 124</b>	<b>1 052</b>	<b>+ 6,8 %</b>	<b>4 354</b>

### Retail banking:

The NBI of the retail banking activity represents 61.8% of the NBI CIC Group.

The quarterly 2007 NBI of the retail banking activity decreased slightly as compared with the 1st quarter of 2006.

Outstanding credits increased by 3.7% as compared with the end of December 2006 being € 72,632 million at the end of March 2007.

Deposits came to € 45,200 million at end of March 2007. This was an increase of 2.8% as compared with the end of December 2006.

### Financing and markets activities:

The NBI of the financing and markets banking represented 21.4% of the NBI CIC Group for the three month period ended 31 March 2007.

The quarterly 2007 NBI of the financing and markets banking increased by 17.6% as compared with the 1st quarter of 2006.

### Private banking:

The NBI of the private banking represented 9.4% of the NBI CIC Group.

The quarterly 2007 NBI of the private banking increased from 8.2% as compared with the 1st quarter of 2006 due to a sustained activity.

### Capital development:

The NBI of the capital development activity represented 12.2% of the NBI CIC Group for the three month period ended 31 March 2007.

The quarterly 2007 NBI of capital development doubled as compared with the 1st quarter of 2006.

**Significant event:**

The 3 January 2007, CIC Private Banking - Banque Pasche acquired Swiss First Private Banking established in Zurich.

CM-CIC Covered Bonds, a fully held subsidiary of BFCM, recently launched a €15,000,000,000 covered bonds programme in order to diversify the funding sources of the CM-CIC Group.

## SUMMARY FINANCIAL INFORMATION

The following tables set out in summary form consolidated balance sheet, profit and loss and statement of income information relating to BFCM. Such information is derived from, is qualified by reference to and should be read in conjunction with, the audited consolidated financial statements of BFCM as at and for the years ended 31 December 2006 and 2005 and the respective auditors' reports related thereto each of which is incorporated by reference in this Prospectus.

Pursuant to Regulation (EC) no. 1606/2002 relative to the application of International Accounting Standards ("IAS"), the consolidated financial statements for Banque Fédérative Du Crédit Mutuel ("BFCM") for the year ended 31 December 2006 and 2005 were prepared in accordance with the International Financial Reporting Standards ("IFRS") adopted by the European Union at that date.

### Summary Annual Financial Information

#### BALANCE SHEET

Assets	31 December 2006	31 December 2005
	(€ millions)	
Cash, central banks, post office accounts - assets	4,021	3,919
Financial assets at fair value through profit or loss	65,506	68,657
Derivative hedging instruments - assets	1,346	722
Financial assets available for sale	48,950	43,149
Loans and advances to credit institutions	95,205	80,123
Loans and advances to customers	99,963	83,250
Revaluation differences on portfolios hedged against interest rate risk	13	17
Financial assets held to maturity	6,007	1,107
Current tax assets	371	195
Deferred tax assets	285	304
Prepayments, accrued income and other assets	13,912	14,570
Non-current assets held for sale	0	0
Investments in companies accounted for by the equity method	250	171
Investment property	987	596
Property, plant and equipment and finance leases - lessee	1,441	1,377
Intangible fixed assets	120	109
Goodwill	646	598
<b>Total assets</b>	<b>339,025</b>	<b>298,863</b>
<b>Liabilities and shareholders' equity</b>	<b>31 December 2006</b>	<b>31 December 2005</b>
	(€ millions)	
Cash, central banks, post office accounts - liabilities	387	0
Financial liabilities at fair value through profit or loss	26,603	33,168
Derivative hedging instruments - liabilities	1,406	1,203
Amounts due to credit institutions	103,385	89,185
Amounts due to customers	61,080	56,880
Debt securities	72,029	51,415
Revaluation differences on portfolios hedged against interest rate risk	121	189
Current tax liabilities	177	224
Deferred tax liabilities	561	494
Accrued charges, deferred Income and other liabilities	13,361	14,104
Liabilities on non-current assets held for sale		0
Technical provisions on insurance contracts	42,187	37,819
Provisions for risks and charges	648	658
Subordinated debt	7,137	5,742

Shareholders' equity – minority interests	9,942	7,782
Shareholders' equity – Group Share	8,359	6,552
- Share capital	1,302	1,302
- Share premium	578	578
- Consolidated other reserves	4,150	3,360
- Unrealised or deferred gains or losses	686	368
- Net profit for the period	1,584	1,230
<b>Total liabilities and shareholders' equity</b>	<b>339,025</b>	<b>298,863</b>

# Profit and Loss Account

	31 December 2006	31 December 2005
	(€ millions)	
Interest receivable and similar income	11,913	11,582
Interest and similar charges	(11,251)	(10,941)
Fees and commissions (income)	2112	1,913
Fees and commissions (charges)	(797)	(699)
Net profit on financial transactions*	2,616	1,656
Net gains (losses) on portfolios at fair value through profit or loss	2,391	1,396
Net gains (losses) on financial assets available for sale	225	260
Income and charges from other activities	1,065	882
<b>Net banking Income (NBI)</b>	<b>5,657</b>	<b>4,393</b>
Staff costs	(1,721)	(1,663)
Other administrative charges	(1,146)	(1,040)
Depreciation and amortisation	(135)	(180)
<b>Gross operating Income</b>	<b>2,656</b>	<b>1,511</b>
Cost of risk	(90)	(104)
<b>Operating profit</b>	<b>2,566</b>	<b>1,407</b>
Share in net profit of companies accounted for by the equity method	30	23
Net gains (losses) on other assets	10	10
<b>Profit on ordinary activities before tax</b>	<b>2,606</b>	<b>1,440</b>
Corporation tax	(724)	(347)
<b>Total profit</b>	<b>1,883</b>	<b>1,093</b>
Minority interests	240	148
<b>NET PROFIT</b>	<b>1,642</b>	<b>944</b>

# CASH FLOW STATEMENT

	2006	2005
	(€ millions)	
Net profit	1,883	1,093
Corporation tax	724	(347)
<b>Profit on ordinary activities before tax</b>	<b>2,606</b>	<b>1,440</b>
Net charges to depreciation and amortisation of property, plant and equipment and intangible assets	130	181
Impairment of goodwill and other non-current assets		0
Net charges to provisions	(195)	(124)
Share in profit of companies accounted for by the equity method	(19)	(23)
Net loss (gain) from investing activities	(70)	(126)
(Income) charges from financing activities		0
Other movements	4,375	(584)
<b>Total non-cash items included in profit on ordinary activities before tax and other adjustments</b>	<b>4,221</b>	<b>(677)</b>
Cash flows from interbank transactions	(8,141)	(3,874)
Cash flows from customer transactions	(12,392)	(7,578)
Cash flows from other transactions affecting financial assets and liabilities	126	961
Cash flows from other transactions affecting non-financial assets and liabilities	(971)	5,168
Taxes paid	(683)	(231)
<b>Net decrease (increase) In assets and liabilities from operating activities</b>	<b>(22,061)</b>	<b>(5,555)</b>
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES (A)</b>	<b>(15,234)</b>	<b>(4,791)</b>
<b>Cash flows from financial assets and investments</b>	<b>163</b>	<b>318</b>
<b>Cash flows from Investment properties</b>	<b>1</b>	<b>(228)</b>
<b>Cash flows from property, plant and equipment and intangible assets</b>	<b>(210)</b>	<b>(188)</b>
<b>TOTAL NET CASH FLOWS FROM INVESTING ACTIVITIES (B)</b>	<b>(45)</b>	<b>(98)</b>
<b>Cash provided by or to shareholders</b>	<b>(168)</b>	<b>(133)</b>
<b>Other net cash flows from financing activities</b>	<b>12,844</b>	<b>4,977</b>
<b>TOTAL NET CASH FLOWS FROM FINANCING ACTIVITIES (C)</b>	<b>12,675</b>	<b>4,845</b>
<b>IMPACT OF EXCHANGE RATE MOVEMENTS ON CASH AND CASH EQUIVALENTS (D)</b>	<b>37</b>	<b>2</b>
<b>Net Increase (decrease) In cash and cash equivalents (A+B+C+D)</b>	<b>(2,567)</b>	<b>(43)</b>
Net cash flows from operating activities (A)	(15,234)	(4,791)
Net cash flows from investing activities (B)	(45)	(98)
Net cash flows from financing activities (C)	12,675	4,845
Impact of exchange rate movements on cash and cash equivalents (D)	37	2
<b>Cash and cash equivalents - opening balance</b>	<b>3,501</b>	<b>3,544</b>
Banks, central banks and post office accounts (assets & liabilities)	3,919	2,307
Interbank demand accounts and short-term loans/borrowings (assets & liabilities)	(418)	1,237
<b>Cash and cash equivalents - closing balance</b>	<b>934</b>	<b>3,501</b>
Banks, central banks and post office accounts (assets & liabilities)	3,634	3,919
Interbank demand accounts and short-term loans/borrowings (assets & liabilities)	(2,699)	(418)
<b>CHANGE IN NET CASH</b>	<b>(2,567)</b>	<b>(43)</b>



## TAXATION

*The statements herein regarding taxation are based on the laws in force in the European Union, France and the Grand Duchy of Luxembourg as of the date of this Base Prospectus and are subject to any changes in such laws. 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 Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes under the laws of the European Union, France, the Grand Duchy of Luxembourg or any other jurisdiction.*

***All prospective Noteholders should seek independent advice as to their tax positions.***

### EU Directive on the Taxation of Savings Income

On 3 June 2003, the European Council of Economic and Finance Ministers adopted Directive 2003/48/EC on the taxation of savings income (the “**Directive**”). Pursuant to the Directive and subject to a number of conditions being met, Member States are required, as of 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, products, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State (the “**Disclosure of Information Method**”).

For these purposes, the term “paying agent” is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg, Belgium and Austria), instead of using the Disclosure of Information Method used by other Member States, and unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method, withhold an amount on interest payments. The rate of such withholding tax equals 15 per cent. during the first three years, 20 per cent. during the subsequent three years and 35 per cent. until the end of the transitional period.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the “**OECD Model Agreement**”) with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

### French Taxation

The 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.

Payments of interest and other revenues with respect to Notes which constitute *obligations* under French law and are issued or deemed to be issued by the Issuer outside the Republic of France benefit from the exemption from deduction of the withholding tax set out under Article 125 A III of the French *Code général des impôts*, as provided for in Article 131 *quater* of the French *Code général des impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

Notes constituting *obligations* under French law will be issued (or deemed to be issued) outside the Republic of France by the Issuer (i) in the case of syndicated or non-syndicated issues of Notes, if such

Notes are denominated in euro, (ii) in the case of syndicated issues of Notes denominated in currencies other than euro, if, *inter alia*, the Issuer and the relevant Dealers agree not to offer the Notes to the public in the Republic of France and such Notes are offered in the Republic of France through an international syndicate only to qualified investors (*investisseurs qualifiés*) as described in Article L. 411-2 of the French *Code monétaire et financier*, or (iii) in the case of issues of Notes denominated in currencies other than euro that are not offered through an international syndicate, if each of the subscribers of the Notes is domiciled or resident for tax purposes outside the Republic of France and does not act through a permanent establishment or fixed base therein, in each case as more fully set out in the Circular 5 I-11-98 of the *Direction Générale des Impôts* dated 30 September 1998.

However, if so provided in the relevant Final Terms, Notes constituting *obligations* under French law denominated in currencies other than euro may be issued on a non-syndicated basis and placed with subscribers not all of whom are resident outside the Republic of France. In such cases, the Notes will not benefit from the exemption from deduction of tax at source provided for in Article 131 *quater* of the French *Code général des impôts* and interest payments under such Notes made to a non-French resident will be exempt from withholding or deduction of tax at source imposed by or on behalf of the Republic of France only if the beneficiary of the payment provides certification that he is not resident in the Republic of France, all in accordance with the provisions of Article 125 A III of the French *Code général des impôts*, as more fully described in Condition 7 (see “Terms and Conditions of the Notes – Taxation”).

The tax regime applicable to Notes which do not constitute *obligations* under French law will be set out in the relevant Final Terms.

## **Luxembourg Taxation**

### ***Withholding tax - Luxembourg non-residents***

Under Luxembourg tax law currently in effect and subject to the application of the Luxembourg laws dated 21 June 2005 (the “**Laws**”) implementing the Savings Directive and several agreements concluded between Luxembourg and certain dependent territories of the European Union, there is no withholding tax on payments of interest (including accrued but unpaid interest) made to Luxembourg non-resident Noteholders. There is also no Luxembourg withholding tax, subject to the application of the Laws, upon repayment of principal or upon redemption, repurchase or exchange of the Notes.

Under the Savings Directive, a Luxembourg based paying agent (within the meaning of the Savings Directive) is required as of 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State, unless the beneficiary of the interest payments elects for an exchange of information. The same regime applies to payments to individuals resident in certain dependent territories.

The withholding tax rate is initially 15 per cent., increasing steadily to 20 per cent. and to 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

### ***Withholding tax - Luxembourg individual residents***

A 10 per cent. withholding tax has been introduced, as from 1 January 2006 on interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents. Only interest accrued after 1 July 2005 falls within the scope of this withholding tax. Income (other than interest) from investment funds and from current accounts provided that the interest rate is not higher than 0.75 per cent. are exempt from the withholding tax. Furthermore, interest which is accrued once a year on savings accounts (short and long term) and which does not exceed €250 per person and per paying agent is exempted from the withholding tax.

### ***Income tax on principal, interest, gains on sales or redemption***

Noteholders who are non-residents of Luxembourg and who have neither a permanent establishment nor a fixed base of business in Luxembourg with which the holding of the Notes is connected, will not be subject to taxes (income taxes and net wealth tax) or duties in Luxembourg with respect to payments of principal or interest (including accrued but unpaid interest), payments received upon redemption, repurchase or exchange of the Notes or capital gains realised upon disposal or repayment of the Notes.

Noteholders will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding, execution, performance, delivery, exchange and/or enforcement of the Notes.

Luxembourg resident corporate Noteholders, or Noteholders who have a permanent establishment in Luxembourg with which the holding of the Notes is connected, must for income tax purposes include any interest receivable in their taxable income and will be subject to net wealth tax. They will not be liable for any Luxembourg income tax on repayment of principal.

Interest received by an individual resident in Luxembourg is subject to withholding tax (see above "*Withholding tax - Luxembourg residents*"). This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

Luxembourg resident individual Noteholders are not subject to taxation on capital gains upon the disposition of the Notes, unless the disposition of the Notes precedes the acquisition of the Notes or the Notes are disposed of within six months of the date of acquisition of these Notes. Upon a redemption of the Notes, individual Luxembourg resident Noteholders must however include the portion of the redemption price corresponding to accrued but unpaid interest in their taxable income.

Luxembourg resident corporate Noteholders which are companies benefiting from a special tax regime (such as holding companies subject to the law of 31 July 1929 and undertakings for collective investment subject to the law of 20 December 2002) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e. corporate income tax, municipal business tax and net wealth tax) other than the subscription tax calculated on their share capital or net asset value.

Luxembourg net wealth tax will not be levied on a corporate Noteholder, unless (i) such Noteholder is a Luxembourg resident or (ii) the Notes are attributable to an enterprise or part thereof which is carried on in Luxembourg through a permanent establishment.

Luxembourg net wealth tax has been abolished for individual Noteholders as from the year 2006.

#### ***Other taxes***

No stamp, value, issue, registration, transfer or similar taxes or duties will be payable in Luxembourg by Noteholders in connection with the issue of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer or redemption of the Notes.

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of the Notes. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

Noteholders not permanently resident in Luxembourg at their time of death will not be subject to inheritance or other similar taxes in Luxembourg in respect of the Notes.

## SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 11 July 2007 (as amended or supplemented from time to time, the “**Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agent of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### Selling Restrictions

#### United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from 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.

Notes having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations made thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes 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 Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meaning given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche, an offer or sale of Notes within the United States 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.

#### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes 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 that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), in the period beginning on the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, and ending on the date specified in such prospectus or final terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

## United Kingdom

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

- (a) in relation to any Notes which have a maturity of less than one year from the date of issue, (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 Notes 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 Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer;<sup>1</sup>
- (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 Notes 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 Notes in, from or otherwise involving the United Kingdom.

<sup>1</sup> Any such Notes issued must have a minimum redemption value of £100,000 .

## Republic of France

### (a) Notes denominated in euro:

In respect of Notes constituting *obligations* under French law issued in euro whether on a syndicated or non-syndicated basis, each of the Dealers and the Issuer has represented and agreed that<sup>2</sup>:

#### (i) Offer to the public in France:

It has only made and will only make an offer of Notes to the public in France in the period beginning (i) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers* (“AMF”), on the date of its publication or, (ii) when a prospectus has been approved by the competent authority of a Member State (including the *Commission de surveillance du secteur financier* in Luxembourg) of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus; or

#### (ii) Private placement in France:

it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

### (b) Syndicated issues of Notes denominated in currencies other than euro<sup>4</sup>:

In respect of Notes constituting *obligations* under French law issued in currencies other than euro on a syndicated basis, each of the Dealers and the Issuer has represented and agreed that, it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in France through an international syndicate to qualified investors (*investisseurs qualifiés*), as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

### (c) Non-syndicated issues of Notes denominated in currencies other than euro:

In respect of Notes constituting *obligations* under French law issued in currencies other than euro on a non-syndicated basis, each of the Dealers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and each subscriber will be domiciled or resident for tax purposes outside France.

To the extent that the Notes do not constitute *obligations* under French law, these selling restrictions will be amended in the relevant Final Terms.

<sup>2</sup> Prior to any offer of Notes to the public in France or any listing and admission to trading on Euronext Paris S.A., a notice has to be published in the French legal gazette called *Bulletin des annonces légales obligatoires* (“BALO”).

<sup>4</sup> Prior to any offer of Notes to the public in France or any listing and admission to trading on *Eurolist by Euronext* of Euronext Paris S.A., a notice has to be published in the French legal gazette called *Bulletin des annonces légales obligatoires* (“BALO”).

## Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “**Securities and Exchange Law**”). Accordingly, each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to or for the benefit of a resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Securities and Exchange Law and other relevant laws, regulations and ministerial guidelines of 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.

## General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

Neither the Issuer nor any Dealer makes any representation that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such sale.

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers sales or deliveries and neither the Issuer nor any other Dealer shall have responsibility therefor.

## FORM OF WHOLESALE FINAL TERMS

### FINAL TERMS dated [●]

[LOGO, if document is printed]

### BANQUE FEDERATIVE DU CREDIT MUTUEL Euro 45,000,000,000 Euro Medium Term Note Programme

Series No: [●]

Tranche No: [●]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the Programme

Issued by  
Banque Fédérative du Crédit Mutuel

Name(s) of Dealer(s)

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] [and the supplement to the Base Prospectus dated [●] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing at Banque Fédérative du Crédit Mutuel, 34 rue du Wacken 67000 Strasbourg and [www.bfcm.creditmutuel.fr](http://www.bfcm.creditmutuel.fr) and copies may be obtained from [address] and will be available on [the Luxembourg Stock Exchange website [www.bourse.lu](http://www.bourse.lu)]/[●] [name of ISD Regulated Market where admission to trading is sought].

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the [Base Prospectus] dated [original date] [and the supplement to the Base Prospectus dated [●]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the [Base Prospectus] dated [original date] [and the supplement to the Base Prospectus dated [●]] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the [Base Prospectus] dated [original date] and the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [●]]. [The [Base Prospectus] [and the supplement to the Base Prospectus] [is] [are] available for viewing at Banque Fédérative du Crédit Mutuel, 34 rue du Wacken 67000 Strasbourg and [www.bfcm.creditmutuel.fr](http://www.bfcm.creditmutuel.fr), and copies may be obtained from, BNP Paribas Securities Services, Luxembourg Branch (in its capacity as Principal Paying Agent), 33, rue de Gasperich, Hoswald Hersperange, L-2085 Luxembourg and will be available on the Luxembourg Stock Exchange website ([www.bourse.lu](http://www.bourse.lu))/ [●] [name of ISD Regulated Market where admission to trading is sought].

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*



*[When completing final terms or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

1. Issuer: Banque Fédérative du Crédit Mutuel
2. (i) Series Number: [●]  
(ii) Tranche Number: [●]  
*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).*
3. Specified Currency (or Currencies in the case of Dual Currency Notes): [●]
4. Aggregate Nominal Amount: [●]  
(i) Series: [●]  
(ii) Tranche: [●]
5. Issue Price of Tranche: [●] per cent of the Aggregate Nominal Amount [plus accrued interest from *[insert date (in the case of fungible issues only, if applicable)]*]
6. (i) Specified Denominations<sup>1</sup>: [●]  
(ii) Calculation Amount: [●]<sup>2</sup>
7. (i) Issue Date [●]  
  
[(ii)] Interest Commencement Date (if different from the Issue Date) [Specify/Issue Date/Not Applicable]<sup>3</sup>

<sup>1</sup> If the specified denomination is expressed to be €50,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the following wording: "€50,000 and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No notes in definitive form will be issued with a denomination above [€99,000]"

<sup>2</sup> The applicable Calculation Amount (which is used for the calculation of interest and redemption amounts) will be (i) if there is only one Specified Denomination, the Specified Denomination of the relevant Notes or (ii) if there are several Specified Denominations or the circumstances referred to in Note 6 above apply (e.g. Specified Denominations of €50,000 and multiples of €1,000), the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations). If "Calculation Amount" is to be used in the Final Terms, corresponding references to the Calculation Amount for interest, put and call options and redemption amount calculation purposes should be included in the terms and conditions set out in the base prospectus. Note that a Calculation Amount of less than 1,000 units of the relevant currency may result in practical difficulties for paying agents and/or ICSDs who should be consulted if such an amount is proposed.

<sup>3</sup> An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.

[(N.B. If the Final Redemption Amount is other than 100% of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.)]

8. Maturity Date: *[specify date or (for Floating Rate Notes) Specified Interest Payment Date falling in or nearest to the relevant month and year]*
9. Interest Basis: *[[●] per cent. Fixed Rate]  
[[specify reference rate] +/- [●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (specify)] (further particulars specified below)*
10. Redemption/Payment Basis: *[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (specify)]*
- [(N.B. If the Final Redemption Amount is other than 100% of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.)]*
11. Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]*
12. Put/Call Options: *[Noteholder Put] [Issuer Call]  
[(further particulars specified below)]*
13. (i) Status of the Notes: *[Unsubordinated/ Ordinarily Subordinated/ Deeply Subordinated][Dated/Undated] Subordinated(if subordinated specify [Unsubordinated/Subordinated] interest and insert applicable provisions)]*
- (ii) [Date [Board] approval for issuance of Notes obtained:] *[[●] [and [●], respectively]]  
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*
14. Method of distribution: *[Syndicated/Non-syndicated]*

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. **Fixed Rate Note Provisions** *[Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Fixed Rate[(s)] of Interest: *[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (Specify)] in arrear]*
- (ii) Specified Interest Payment Date(s): *[●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Financial Centre(s) for the definition of "Business Day"]/not adjusted]*
- (iii) Fixed Coupon Amount[(s)]: *[●] per Calculation Amount*
- (iv) Broken Amount(s): *[●] per Calculation Amount, payable on the Interest*

- Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360/Actual/Actual-(ICMA/ISDA)/other]<sup>1</sup>[[specify other]
- (vi) Determination Dates: [●] in each year (*insert regular interest payment dates, ignoring issue date or 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)*)
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Period(s) [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) First Interest Payment Date: [●]
- (iv) Interest Period Date: [●]  
  
(Not applicable unless different from Interest Payment Date)
- (v) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ [specify other] (*insert "unadjusted" if the application of the relevant business day convention is not intended to affect the Interest Amount*)]
- (vi) Additional Financial Centre(s): [●]
- (vii) Manner in which the Rate(s) of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination /other (*Give details*)]
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●]
- (ix) Screen Rate Determination:

<sup>1</sup> As of 1 July 2005, ISMA and IPMA have merged. The merged association is called ICMA (the International Capital Market Association).

- Reference Rate: [●]

– Interest Determination Date(s): [●] [[TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]

- Relevant Screen Page<sup>1</sup> [●]

(x) ISDA Determination:

– Floating Rate Option: [●]

– Designated Maturity: [●]

(xi) Margin(s): [+/-][●] per cent. per annum

(xii) Minimum Rate of Interest: [●] per cent. per annum

(xiii) Maximum Rate of Interest: [●] per cent. per annum

(xiv) Day Count Fraction: [●]

(xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]

17. **Zero Coupon Note 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 [●]

(ii) Any other formula/basis of determining [Amortised Face Amount] payable: [●]

<sup>1</sup> Reuters agreed to purchase MoneyLine Telerate and from 31 December 2006 the Telerate services migrated to Reuters. The main page changes to note include:

- EUR-LIBOR-BBA moves from Telerate page 3750 to Reuters LIBOR01
- GBP-LIBOR-BBA moves from Telerate page 3750 to Reuters LIBOR01
- USD-LIBOR-BBA moves from Telerate page 3750 to Reuters LIBOR01
- JPY-LIBOR-BBA moves from Telerate page 3750 to Reuters LIBOR01
- AUD-LIBOR-BBA moves from Telerate page 3740 to Reuters LIBOR02
- CAD-LIBOR-BBA moves from Telerate page 3740 to Reuters LIBOR01

Care should be taken when referring specifically to Telerate pages in other documents (e.g. the Final Terms for floating rate notes) to ensure that successor pages will be covered ("e.g. Telerate Page [x] or any successor page").

18. **Index-Linked / Other Variable Linked Interest Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index / Formula / Other Variable: [Give or annex details]
  - (ii) Name and address of the Calculation Agent responsible for calculating the interest due: [●]
  - (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted: [●] [Need to include a description of market disruption or settlement disruption events and adjustment provisions]
  - (iv) Interest Period(s): [●]
  - (v) Interest Determination Dates: [●]
  - (vi) Specified Interest Payment Dates: [●]
  - (vii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*Give details*)]
  - (viii) Financial Centre(s): [●]
  - (ix) Minimum Rate of Interest: [●] per cent. per annum
  - (x) Maximum Rate of Interest: [●] per cent. per annum
  - (xi) Day Count Fraction: [●]
19. **Dual Currency Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/ method of calculating Rate of Exchange: [Give details]
  - (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [●]
  - (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]

- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

## PROVISIONS RELATING TO REDEMPTION

20. **Issuer 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 Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount

- (iii) If redeemable in part:

- (a) Minimum nominal amount to be redeemed: [●] per Calculation Amount

- (b) Maximum nominal amount to be redeemed: [●] per Calculation Amount

- (iv) Issuer's Notice Period [●]

21. **Noteholder 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 Note and method, if any, of calculation of such amount(s): [[●] per Calculation Amount]

22. **Final Redemption Amount**

In cases where the Final Redemption Amount is Index-Linked: [●] per Calculation Amount

[If the Final Redemption Amount is other than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.]

[Give or annex details]

- (i) Index/Formula/variable: [●]
  
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount: [●]
  
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [●]
  
- (iv) Determination Date(s): [●]
  
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
  
- (vi) Payment Date: [●]
  
- (vii) Minimum nominal amount to be redeemed: [●] per Calculation Amount
  
- (viii) Maximum nominal amount to be redeemed: [●] per Calculation Amount

**23. Early Redemption Amount**

- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): [●]
  
- (ii) Redemption for taxation reasons permitted on days other than Specified Interest Payment Dates: [Yes/No]
  
- (iii) Unmatured Coupons to become void upon early redemption: [Yes/No]

[Bearer notes only]:

[Not Applicable]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- |     |   |   |
|-----|---|---|
| 24. | Form of Notes:  | Bearer Notes:   |
|     | (i) New Global Note:  | [Yes]/[No]  |
|     | (ii) Temporary or Permanent Global Note:  | [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]<br><br>[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]<br><br>[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] |
|     | (iii) Applicable TEFRA exemptions:  | [C Rules/D Rules/Not Applicable]  |
| 25. | Financial Centre(s) or other special provisions relating to payment dates:  | [Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs [16 (ii), 17(vi) and 19(viii) relate]]  |
| 26. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):   | [Yes/No. If yes, give details]  |
| 27. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and , consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | [Not Applicable/Give details]   |
| 28. | Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:  | [Not Applicable/Give details]   |
| 29. | Redenomination, renominatisation and reconventioning provisions:  | [Not Applicable/The provisions [in Condition [•]]apply]   |
| 30. | Consolidation provisions:   | [Not Applicable/The provisions [in Condition [•]]apply]   |
| 31. | Other final terms:  | [Not Applicable/Give details/Specify rating, if applicable/Specify any Payment Disruption Events]   |



*and the consequences thereof, if applicable]*

*(When adding any other final terms consideration should be given as to whether such terms constitute a “significant new factor” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*

## **DISTRIBUTION**

- |     |   |   |
|-----|---|---|
| 32. | (i) If syndicated, names of Managers (specifying Lead Manager): | [Not Applicable/Give names, addresses and underwriting commitments]<br><br>[Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.] [Indicate material features of agreements including quotas. If any portion of the issue is not underwritten, include a statement of that portion.] |
|     | (ii) Date of Subscription Agreement (if any) :                  | [●]   |
|     | (iii) Stabilising Manager(s) (if any):                          | [Not Applicable/Give name(s)]   |
| 33. | If non-syndicated, name and address of relevant Dealer:         | [Not Applicable/Give name]  |
| 34. | Total commission and concession:                                | [●] per cent. of the Aggregate Nominal Amount   |
| 35. | Additional selling restrictions:                                | [Not Applicable/Give details]   |

## **[PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue[, listing on the official list of the Luxembourg Stock Exchange/Luxembourg Stock Exchange’s EuroMTF Market/specify other] and admission to trading on the [specify relevant regulated market] of the Notes described herein pursuant to the [insert Programme Amount] [Debt Issuance Programme] [Euro Medium Term Note Programme] of [●].]

## **RESPONSIBILITY**

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

[(Relevant third party information) has been extracted from (specify source). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (specify source), no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of the Issuer:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING APPLICATION

- (i) Admission to trading: [Application has been made for the Notes to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange/the EuroMTF market/[ ]] with effect from [ ].] [Not Applicable.]  
*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading)*
- (ii) Listing Luxembourg Stock Exchange/other (specify relevant regulated market)/Not applicable
- (iii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

Ratings: The Notes to be issued have been rated:

[S&P: [●]]  
[Moody's: [●]]  
[Fitch Ratings: [●]]  
[Other: [●]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider, for example:*

*“As defined by Standard & Poors, an [AA+] rating means that the Issuer’s capacity to meet its financial commitment under the Notes is very strong.”*

*“Obligations rated [Aa] by Moody’s are judged to be of high quality and are subject to very low credit risk. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category.”*

*“As defined by Fitch an [AA] rating denotes a very low expectation of credit risk. It indicates a very strong capacity for timely payment of financial commitments. Such capacity is not significantly vulnerable to foreseeable events.”]*

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale" in the Base Prospectus], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

### 4.. [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES]

(i) Reasons for the offer

[•]

*(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*

(ii) Estimated net proceeds:

[•]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

(iii) Estimated total expenses:

[•][Include breakdown of expenses.]\*

*(If the Notes are derivative securities to which Annex XII of the Prospectus Directive applies, it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

### 5. [Fixed Rate Notes only – YIELD]

Indication of yield:

[•]

[As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

### 6. [Index-Linked Interest or other variable-linked Interest Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING]

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.<sup>1</sup> [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]\**

\* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*] ] [will not provide any post-issuance information, except where required by any applicable laws or regulations]\*.

**7. [Derivative Securities only – OTHER INFORMATION CONCERNING THE SECURITIES TO BE [OFFERED]/ [ADMITTED TO TRADING]]\***

Name of the Issuer of the underlying Security: [•]

ISIN Code: [•]

Underlying Interest Rate: [•]

Exercise price or final reference price of the underlying: [•]

Relevant weightings of each underlying on the basket: [•]

Description of any market disruption or settlement disruption events concerning the underlying: [•]

Adjustment Rules with relation to events concerning the underlying: [•]

Source of information relating to the [index/indices]: [•]

Place where information to the [index/indices] can be obtained: [•]

**8. Derivative Securities only – MATURITY/EXPIRATION**

Expiration/Maturity date of derivative securities [•]

Exercise date or final reference date [•]

**9. Derivative Securities only – SETTLEMENT PROCEDURES FOR DERIVATIVE SECURITIES**

*Need to include a description of the settlement procedures of the derivative securities.*

**10. Derivative Securities only - RETURN ON DERIVATIVE SECURITIES**

Return on derivative securities: [*Description of how any return on derivative securities takes place*]

Payment or delivery date: [•]

Method of calculation: [•]

\* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

**11. [Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE [AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT]]**

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.*

**12. OPERATIONAL INFORMATION**

Intended to be held in a manner **[Yes/No]**

which would allow Eurosystem eligibility:

**[Note that the designation 'yes' simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories (i.e. Euroclear Bank SA/N.V. and Clearstream Banking, société anonyme) as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria] [include this text if 'yes' is selected, in which case the Notes must be issued in NGN form]**

ISIN Code: **[•]**

Common Code: **[•]**

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s): **[Not Applicable/Give name(s) and number(s)]**

Delivery: Delivery **[against/free of]** payment

Names and addresses of additional Paying Agent(s) (if any): **[Not Applicable/Give name(s), addresses]**

**13. [TERMS AND CONDITIONS OF THE OFFER]**

*Need to include:*

*(i) the time period, including any possible amendments, during which the offer will be open and description of the application process;*

*(ii) description of any possibility to reduce subscriptions and the procedures for refunding excess amounts paid by applicants;*

*(iii) details of the minimum and/or maximum amount of application<sup>1</sup>;*

*(iv) the method and time limits for paying up the securities and for delivery of the securities;*

*(v) the manner and date in which results of the offer are to be made public;*

*(vi) the procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised;*

<sup>1</sup> Whether in number of securities or aggregate amount to invest.

(vii) the categories of potential investors to which the securities are offered<sup>1</sup>,

[for example:

*“Legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities.*

*Any legal entity which has two or more of (1) an average of at least 250 employees during the financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000 as shown in its last annual or consolidated accounts.”]; and*

(viii) the process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made.

#### **14. [PLACING AND UNDERWRITING]**

*Need to include:*

*The name and address of the co-ordinator(s) of the global offer and of single parts of the offer<sup>2</sup>;*

*The name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent);*

*The names of entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under “best efforts” arrangements<sup>3</sup>;*

*The names and addresses of entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment;*

*Indicate when the underwriting agreement has been or will be reached; and  
Provide the name and address of the calculation agent.*

<sup>1</sup> If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.

<sup>2</sup> To the extent known to the Issuer, of the placers in the various countries where the offer takes place.

<sup>3</sup> Where not all of the issue is underwritten, a statement of the portion not covered.

## Form of Retail Final Terms

**FINAL TERMS** dated [●]

[LOGO, if document is printed]

**BANQUE FEDERATIVE DU CREDIT MUTUEL**  
**Euro 45,000,000,000 Euro Medium Term Note Programme**

Series No: [●]

Tranche No: [●]

*Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the Programme*

Issued by  
Banque Fédérative du Crédit Mutuel

**Name(s) of Dealer(s)**

### **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] [and the supplement to the Base Prospectus dated [●] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing at Banque Fédérative du Crédit Mutuel, 34 rue du Wacken 67000 Strasbourg and [www.bfcm.creditmutuel.fr](http://www.bfcm.creditmutuel.fr) and copies may be obtained from [address] and will be available on [the Luxembourg Stock Exchange website [www.bourse.lu](http://www.bourse.lu)]/[●] [name of ISD Regulated Market where admission to trading is sought].

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the [Base Prospectus] dated [original date] [and the supplement to the Base Prospectus dated [●]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the [Base Prospectus] dated [original date] [and the supplement to the Base Prospectus dated [●]] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the [Base Prospectus dated [original date] and the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [●]]. [The [Base Prospectus] [and the supplement to the Base Prospectus] [is] [are] available for viewing at Banque Fédérative du Crédit Mutuel, 34 rue du Wacken 67000 Strasbourg and [www.bfcm.creditmutuel.fr](http://www.bfcm.creditmutuel.fr), and copies may be obtained from, BNP Paribas Securities Services, Luxembourg Branch (in its capacity as Principal Paying Agent), 23, avenue de la Porte Neuve, L-2085 Luxembourg and will be available on the Luxembourg Stock Exchange website ([www.bourse.lu](http://www.bourse.lu))/ [●] [name of ISD Regulated Market where admission to trading is sought].

[Include whichever of the following apply or specify as “**Not Applicable**” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing final terms or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

1. Issuer: Banque Fédérative du Crédit Mutuel
2. (i) Series Number: [●]  
(ii) Tranche Number: [●]  
*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).*
3. Specified Currency (or Currencies in the case of Dual Currency Notes): [●]
4. Aggregate Nominal Amount: [●]  
(i) Series: [●]  
(ii) Tranche: [●]
5. Issue Price of Tranche: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] *(in the case of fungible issues only, if applicable)*]
6. (i) Specified Denominations: [●]  
(ii) Calculation Amount: [●]<sup>1</sup>
7. (i) Issue Date [●]  
  
[(ii)] Interest Commencement Date (if different from the Issue Date) [Specify/Issue Date/Not Applicable]<sup>2</sup>
8. Maturity Date: [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
9. Interest Basis: [[●] per cent. Fixed Rate]  
[[specify reference rate] +/- [●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (specify)] (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (specify)]

<sup>1</sup> The applicable Calculation Amount (which is used for the calculation of interest and redemption amounts) will be (i) if there is only one Specified Denomination, the Specified Denomination of the relevant Notes or (ii) if there are several Specified Denominations the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations). If “Calculation Amount” is to be used in the Final Terms, corresponding references to the Calculation Amount for interest, put and call options and redemption amount calculation purposes should be included in the terms and conditions set out in the base prospectus. Note that a Calculation Amount of less than 1,000 units of the relevant currency may result in practical difficulties for paying agents and/or ICSDs who should be consulted if such an amount is proposed.

<sup>2</sup> An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.

[(N.B. If the Final Redemption Amount is other than 100% of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex II are dealt with.)]



(N.B. If the Final Redemption Amount is other than 100% of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.)

11. Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]*
12. Put/Call Options: *[Noteholder Put] [Issuer Call] [(further particulars specified below)]*
13. (i) Status of the Notes: *[Unsubordinated/ Ordinarily Subordinated/ Deeply Subordinated][Dated/Undated] Subordinated](if subordinated specify [Unsubordinated/Subordinated] interest and insert applicable provisions)]*
- (ii) [Date [Board] approval for issuance of Notes obtained:] *[•] [and [•], respectively]] (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*
14. Method of distribution: *[Syndicated/Non-syndicated]*

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** *[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Fixed Rate[(s)] of Interest: *[•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (Specify)]] in arrear]*
- (ii) Specified Interest Payment Date(s): *[•] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Financial Centre(s) for the definition of "Business Day"]/not adjusted]*
- (iii) Fixed Coupon Amount[(s)]: *[•] per Calculation Amount*
- (iv) Broken Amount(s): *[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]*
- (v) Day Count Fraction: *[30/360/Actual/Actual-(ICMA/ISDA)/other)][specify other]*
- (vi) Determination Dates: *[•] in each year (insert regular interest payment dates, ignoring issue date or 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))*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate *[None/Give details]*

Notes:

16. **Floating Rate Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Period(s) [•]
  - (ii) Specified Interest Payment Dates: [•]
  - (iii) First Interest Payment Date: [•]
  - (iv) Interest Period Date: [•]  
(Not applicable unless different from Interest Payment Date)
  - (v) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ [specify other] (insert "unadjusted" if the application of the relevant business day convention is not intended to affect the Interest Amount)]
  - (vi) Additional Financial Centre(s): [•]
  - (vii) Manner in which the Rate(s) of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/other (Give details)]
  - (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [•]
  - (ix) Screen Rate Determination:
    - Reference Rate: [•]
    - Interest Determination Date(s): [•] [[TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]
    - Relevant Screen [•]

<sup>1</sup> Reuters agreed to purchase MoneyLine Telerate and from 31 December 2006 the Telerate services migrated to Reuters. The main page changes to note include:

- EUR-LIBOR-BBA moves from Telerate page 3750 to Reuters LIBOR01

- (x) ISDA Determination:
- Floating Rate Option: [●]
  - Designated Maturity: [●]
- (xi) Margin(s): [ +/- ][●] per cent. per annum
- (xii) Minimum Rate of Interest: [●] per cent. per annum
- (xiii) Maximum Rate of Interest: [●] per cent. per annum
- (xiv) Day Count Fraction: [●]
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]
17. **Zero Coupon Note 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: [●]
  - (iii) Any other formula/basis of determining [Amortised Face Amount] payable: [●]
18. **Index-Linked / Other Variable Linked Interest Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index / Formula / Other Variable: [Give or annex details]

- 
- GBP-LIBOR-BBA moves from Telerate page 3750 to Reuters LIBOR01
  - USD-LIBOR-BBA moves from Telerate page 3750 to Reuters LIBOR01
  - JPY-LIBOR-BBA moves from Telerate page 3750 to Reuters LIBOR01
  - AUD-LIBOR-BBA moves from Telerate page 3740 to Reuters LIBOR02
  - CAD-LIBOR-BBA moves from Telerate page 3740 to Reuters LIBOR01

Care should be taken when referring specifically to Telerate pages in other documents (e.g. the Final Terms for floating rate notes) to ensure that successor pages will be covered ("e.g. Telerate Page [x] or any successor page").

- (ii) Name and address of the Calculation Agent responsible for calculating the interest due: **[•]**
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted: **[•]** **[Need to include a description of market disruption or settlement disruption events and adjustment provisions]**
- (iv) Interest Period(s): **[•]**
- (v) Interest Determination Dates: **[•]**
- (vi) Specified Interest Payment Dates: **[•]**
- (vii) Business Day Convention: **[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (Give details)]**
- (viii) Financial Centre(s): **[•]**
- (ix) Minimum Rate of Interest: **[•]** per cent. per annum
- (x) Maximum Rate of Interest: **[•]** per cent. per annum
- (xi) Day Count Fraction: **[•]**
- 19. **Dual Currency Note Provisions** **[Applicable/Not Applicable]**  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Rate of Exchange/ method of calculating Rate of Exchange: **[Give details]**
  - (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: **[•]**
  - (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: **[•]**

- (iv) Person at whose option Specified Currency(ies) is/are payable: **[•]**

## PROVISIONS RELATING TO REDEMPTION

20. **Issuer 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 Note and method, if any, of calculation of such amount(s): **[•]** per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum nominal amount to be redeemed: **[•]** per Calculation Amount
- (b) Maximum nominal amount to be redeemed: **[•]** per Calculation Amount
- (iv) Issuer's Notice Period **[•]**
21. **Noteholder 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 Note and method, if any, of calculation of such amount(s): **[•]** per Calculation Amount
22. **Final Redemption Amount**
- In cases where the Final Redemption Amount is Index-Linked: **[•]** per Calculation Amount
- [If the Final Redemption Amount is other than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.]**
- (i) Index/Formula/ **[Give or annex details]**

variable:

- (ii) Calculation Agent responsible for calculating the Final Redemption Amount: **[•]**
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: **[•]**
- (iv) Determination Date(s): **[•]**
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: **[•]**
- (vi) Payment Date: **[•]**
- (vii) Minimum nominal amount to be redeemed: **[•]** per Calculation Amount
- (viii) Maximum nominal amount to be redeemed: **[•]** per Calculation Amount

**23. Early Redemption Amount**

- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): **[•]**
- (ii) Redemption for taxation reasons permitted on days other than Specified Interest Payment Dates: **[Yes/No]**
- (iii) Unmatured Coupons to become void upon early redemption **[Yes/No]**  
**[Bearer Notes]** **[Not Applicable]**

only]:

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	Bearer Notes:
	(i) New Global Note:	[Yes]/[No]
	(ii) Temporary or Permanent Global Note:	<p>[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]</p> <p>[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]</p> <p>[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]</p>
	(iii) Applicable TEFRA exemptions:	[C Rules/D Rules/Not Applicable]
25.	Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/ <i>give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs [16 (ii), 17(vi) and 19(viii) relate]</i> ]
26.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. <i>If yes, give details</i> ]
27.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and, consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/ <i>Give details</i> ]
28.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable/ <i>Give details</i> ]
29.	Redenomination, renominatisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition [•]]apply]
30.	Consolidation provisions:	[Not Applicable/The provisions [in Condition [•]]apply]
31.	Other final terms:	[Not Applicable/ <i>Give details/Specify rating, if</i>

*applicable/Specify any Payment Disruption Events and the consequences thereof, if applicable]*

*(When adding any other final terms consideration should be given as to whether such terms constitute a “significant new factor and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*

## DISTRIBUTION

- |     |   |  |
|-----|---|--|
| 32. | (i) If syndicated, names of Managers (specifying Lead Manager): | [Not Applicable/Give names, addresses and underwriting commitments]<br><br><i>[include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.] [Indicate material features of agreements including quotas. If any portion of the issue is not underwritten, include a statement of that portion.]</i> |
|     | (ii) Date of Subscription Agreement (if any) :                  | [•]  |
|     | (iii) Stabilising Manager(s) (if any):                          | [Not Applicable/Give name(s)]  |
| 33. | If non-syndicated, name and address of relevant Dealer:         | [Not Applicable/Give name]   |
| 34. | Total commission and concession:                                | [[•] per cent. of the Aggregate Nominal Amount]  |
| 35. | Non-exempt Offer:   | [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have been passported] (Public Offer Jurisdictions) during the period from [specify date] (Offer Period). See further Paragraph 10 of Part B below.  |
| 36. | Additional selling restrictions:                                | [Not Applicable/Give details]  |

## [PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and [public offer in the Public Offer Jurisdictions][, listing on the official list of the Luxembourg Stock Exchange/Luxembourg Stock Exchange's EuroMTF Market/specify other] [and] [admission to trading on the [specify relevant regulated market] of the Notes described herein pursuant to the [insert Programme Amount] [Debt Issuance Programme] [Euro Medium Term Note Programme] of [•].]

## RESPONSIBILITY

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

*[(Relevant third party information) has been extracted from (specify source).. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (specify source), no facts have been omitted which would render the reproduced*



inaccurate or misleading.]

Signed on behalf of the Issuer

By:

.....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING APPLICATION

- |   |  |
|---|--|
| (i) Admission to trading:   | [Application has been made for the Notes to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange/the EuroMTF market/[ ]] with effect from [ ].] [Not Applicable.]<br><i>(Where documenting a fungible issue need to indicate that original securities are already admitted to trading)</i> |
| (ii) Listing  | Luxembourg Stock Exchange/other (specify relevant regulated market)/ Not applicable  |
| (iii) Estimate of total expenses related to admission to trading: | [•]  |

### 2. RATINGS

Ratings: The Notes to be issued have been rated:

[S&P: [•]]  
[Moody's: [•]]  
[Fitch Ratings: [•]]  
[Other: [•]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider, for example:*

*“As defined by Standard & Poors, an [AA+] rating means that the Issuer’s capacity to meet its financial commitment under the Notes is very strong.”*

*“Obligations rated [Aa] by Moody’s are judged to be of high quality and are subject to very low credit risk. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category.”*

*“As defined by Fitch an [AA] rating denotes a very low expectation of credit risk. It indicates a very strong capacity for timely payment of financial commitments. Such capacity is not significantly vulnerable to foreseeable events.”]*

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)]*

### 3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale" in the Base Prospectus], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

#### **4 [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES]<sup>1</sup>**

(i) Reasons for the offer

**[•]**

*(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*

(ii) Estimated net proceeds:

**[•]**

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

(iii) Estimated total expenses:

**[•]***[Include breakdown of expenses.]*

*(If the Notes are derivative securities to which Annex XII of the Prospectus Directive applies, it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

#### **5. [FIXED RATE NOTES ONLY – Yield]**

Indication of yield:

**[•]**

Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

*[As set out above,]* the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

#### **6. [Floating Rate Notes only – HISTORIC INTEREST RATES]**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].

#### **7. [index-linked interest or other variable-linked interest notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING]**

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the*

<sup>1</sup> If the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies, disclosure in respect of Estimated Net Proceeds and Total Expenses is only required if reasons for the offer are disclosed.

information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]\*

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained] ] [will not provide any post-issuance information except where required by any applicable laws or regulations].\*

## **8. [Derivative Securities only – OTHER INFORMATION CONCERNING THE SECURITIES TO BE [OFFERED]/ [ADMITTED TO TRADING]]\***

Name of the Issuer of the underlying Security: [•]

ISIN Code: [•]

Underlying Interest Rate: [•]

Exercise price or final reference price of the underlying: [•]

Relevant weightings of each underlying on the basket: [•]

Description of any market disruption or settlement disruption events concerning the underlying: [•]

Adjustment Rules with relation to events concerning the underlying: [•]

Source of information relating to the [index/indices]: [•]

Place where information to the [index/indices] can be obtained: [•]

## **9. Derivative Securities Only – MATURITY/EXPIRATION**

Expiration/Maturity date of derivative securities [•]

Exercise date or final reference date [•]

## **10. Derivative Securities only – SETTLEMENT PROCEDURES FOR DERIVATIVE SECURITIES**

*Need to include a description of the settlement procedures of the derivative securities.*

\* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

## 11. *Derivative Securities only* - RETURN ON DERIVATIVE SECURITIES

Return on derivative securities:	<i>[Description of how any return on derivative securities takes place]</i>
Payment or delivery date:	[•]
Method of calculation:	[•]

## 12 *[Dual Currency Notes only]* – PERFORMANCE OF RATE[S] OF EXCHANGE [and explanation of effect on value of investment]]

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.\**

## 13. OPERATIONAL INFORMATION

Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes/No]  [Note that the designation 'yes' simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories (i.e. Euroclear Bank SA/N.V. and Clearstream Banking, société anonyme) as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria] <i>[include this text if 'yes' is selected, in which case the Notes must be issued in NGN form]</i>
ISIN Code:	[•]
Common Code:	[•]
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s):	[Not Applicable/Give name(s) and number(s)]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[Not Applicable/Give name(s), addresses]

## 14. [TERMS AND CONDITIONS OF THE OFFER]

Offer Price	[Issue Price][specify]
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\* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

Conditions to which the offer is subject:	[Not Applicable/ <i>give details</i> ]
Description of the application process	[Not Applicable/ <i>give details</i> ]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/ <i>give details</i> ]
Details of the minimum and/or maximum amount of application:	[Not Applicable/ <i>give details</i> ]
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/ <i>give details</i> ]
Manner in and date on which results of the offer are to be made public:	[Not Applicable/ <i>give details</i> ]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/ <i>give details</i> ]
Categories of potential investors to which the notes are offered and whether tranche(s) have been reserved for certain countries:	[Not Applicable/ <i>give details</i> ]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable/ <i>give details</i> ]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/ <i>give details</i> ]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries here the offer takes place.	[None/ <i>give details</i> ]

## 15. [PLACING AND UNDERWRITING]

*Need to include:*

*The name and address of the co-ordinator(s) of the global offer and of single parts of the offer<sup>1</sup>;*

*The name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent);*

*The names of entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under “best efforts” arrangements<sup>2</sup>;*

*The names and addresses of entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment;*

*Indicate when the underwriting agreement has been or will be reached; and provide the name and address of the calculation agent.*

<sup>1</sup> To the extent known to the Issuer, of the placers in the various countries where the offer takes place.

<sup>2</sup> Where not all of the issue is underwritten, a statement of the portion not covered.

## GENERAL INFORMATION

1. No authorisation procedures are required of the Issuer in the Republic of France in connection with the establishment and update of the Programme. However, to the extent that Notes issued under the Programme may constitute *obligations* under French law, the issue of Notes up to a maximum aggregate amount of euro 45,000,000,000 was authorised for a period of one year from 10 May 2007 by a resolution of the *Conseil d'administration* on 30 March 2007. On the same day, the *Conseil d'administration* delegated the authority to issue Notes severally to its *Directeur Général*, Mr. Michel Lucas and to Mr. Christian Klein. Issues of Notes will be authorised pursuant to the foregoing authorisations or any replacement authorisations, passed in accordance with French law.

Also at its meeting held on 30 March 2007, the *Conseil d'Administration* delegated, for a period of one year as from 10 May 2007, the authority to decide upon the issue of Notes under the Programme within the framework of the Issuer's "*libre arbitre*" business activity to Mr. Daniel Rohfritsch (in addition to Mr. Lucas and Mr. Klein), subject always to the borrowing limits referred to above.

2. Except as disclosed on pages 49-72 of this Base Prospectus, there has been no significant change in the consolidated financial or trading position of the Issuer or any of its subsidiaries which is material in the context of the Programme or the issue and offering of the Notes thereunder since 31 December 2006 and no material adverse change in the financial position or prospects of the Issuer or of the Group since 31 December 2006.
3. Except as disclosed in this Base Prospectus, neither the Issuer nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings which may have or have had, during the 12 months preceding the date of this Base Prospectus, significant effects on the financial position or profitability of the Issuer or any of its subsidiaries nor so far as the Issuer is aware are any such governmental, legal or arbitration proceedings pending or threatened.
4. The Issuer has not entered into any contracts outside the ordinary course of the Issuer's business, which could result in the Issuer or any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to holders of Notes in respect of the Notes being issued.
5. Each Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
6. Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code and the International Securities Identification Number ("**ISIN**") for each Series of Notes will be set out in the relevant Final Terms. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 avenue JF Kennedy L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.
7. For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection, and in the case of items (i), (vii), (viii) (with the exception of the interim accounts) and (ix), copies may be obtained, at the registered office of the Issuer and at the specified offices of the Fiscal Agent and Paying Agents, each as set out at the end of this Base Prospectus:
  - (i) this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus and each of the documents incorporated by reference herein or therein;
  - (ii) all reports, letters and other documents, historical financial information, balance sheets, 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 or any Supplement to this Base Prospectus;

- (iii) the Agency Agreement (which includes the form of the Global Notes, the definitive Notes, the Coupons, the Receipts and the Talons);
- (iv) the Dealer Agreement;
- (v) the Deed of Covenant;
- (vi) The Issuer/ICSD Agreement dated 11 July 2007 between the Issuer and each of Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* with respect to securities to be issued in New Global Note form under the Programme;
- (vii) the *statuts* of the Issuer;
- (viii) the published annual report and audited accounts of the Issuer for the latest two financial years, and the latest unaudited six-monthly interim consolidated accounts of the Issuer (the Issuer does not publish six-monthly non-consolidated accounts); and
- (ix) each Final Terms for Notes that are listed on the official list and admitted to trading on the Regulated Market or EuroMTF of the Luxembourg Stock Exchange or any other stock exchange.

In addition, copies of this Base Prospectus, further Base Prospectuses, any supplements thereto and any Final Terms and any documents incorporated by reference in this Base Prospectus will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

8. In accordance with French law, BFCM is required to have a minimum of two statutory auditors (*commissaires aux comptes*) and two substitute statutory auditors. The statutory auditors of the Issuer are currently Ernst & Young et Autres (represented by Olivier Durand) and KMT Audit (KPMG network) (represented by Henri Koenig and Arnaud Bourdeille). The substitute statutory auditors are Institut Européen d'Expertise Comptable et de Commissariat of 9, avenue de l'Europe, Espace Européen de l'Entreprise, 67300 Schiltigheim, M. Pascal Macioce of 41, rue Ybry, 92576 Neuilly Sur Seine and M. Pascal Brouard of 1, Cours Valmy, 92923 Paris La Défense Cedex. Each of the statutory and substitute statutory auditors of the Issuer carry out their duties in accordance with the principles of the *Compagnie Nationale des Commissaires aux Comptes* ("CNCC") and are members of the CNCC professional body.

The consolidated and non-consolidated financial statements of BFCM for the financial years ended 31 December 2005 and 2006 have been audited without qualification by the statutory auditors of BFCM.

9. The Issuer has other bonds listed on the regulated market of Euronext Paris and listed on the official list and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.



**REGISTERED OFFICE OF THE ISSUER**

**Banque Fédérative du Crédit Mutuel**

34, rue du Wacken  
67000 Strasbourg  
France

**ARRANGER**

**BNP PARIBAS**

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**DEALERS**

**Banque Fédérative du Crédit Mutuel**

34, rue du Wacken  
67000 Strasbourg  
France

**ABN AMRO Bank N.V.**

250 Bishopsgate  
London EC2M 4AA  
United Kingdom

**BNP PARIBAS**

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London NW1 6AA  
United Kingdom

**Goldman Sachs International**

Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

**HSBC Bank plc**

8 Canada Square  
London E14 5HQ  
United Kingdom

**Lehman Brothers International (Europe)**

25 Bank Street, Canary Wharf  
London E14 5LE  
United Kingdom

**FISCAL AGENT AND PRINCIPAL PAYING AGENT**

**BNP Paribas Securities Services, Luxembourg Branch**

33, rue Gasperich Howald-Hesperange  
L-2085 Luxembourg  
Grand Duchy of Luxembourg

## **PAYING AGENTS**

### **Citibank, N.A.**

21st Floor  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

### **The Bank of New York, Brussels**

35 Avenue des Arts  
B-1040 Brussels  
Belgium

## **BNP Paribas Securities Services GCT**

Immeuble Tolbiac  
25 Quai Panhard et Levassor  
75013 Paris  
France

## **CALCULATION AGENT**

### **BNP PARIBAS Securities Services, Luxembourg Branch**

33, rue Gasperich Howald-Hesperange  
L-2085 Luxembourg  
Grand Duchy of Luxembourg

## **LUXEMBOURG LISTING AGENT**

### **BNP PARIBAS Securities Services, Luxembourg Branch**

33, rue Gasperich Howald-Hesperange  
L-2085 Luxembourg  
Grand Duchy of Luxembourg

## **AUDITORS**

### **Ernst & Young et Autres**

41, rue Ybry  
92576 Neuilly-sur-Seine  
France

### **KMT Audit**

#### **Réseau KPMG**

Espace Européen de l'Entreprise  
9, avenue de l'Europe  
67300 Schiltigheim  
France

## **LEGAL ADVISERS**

*To the Issuer  
in respect of French law*

### **JeantetAssociés**

87, avenue Kléber  
75016 Paris  
France

*To the Dealers  
in respect of English law*

### **Linklaters LLP**

25, rue de Marignan  
75008 Paris  
France