

Base Prospectus
dated 3 November 2005



Euro 20,000,000,000
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 20,000,000,000 (or the equivalent in other currencies).

This Base Prospectus (the "**Base Prospectus**") supersedes and replaces the Offering Circular dated 5 July 2004.

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 to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed 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). Application has been made to 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.

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. Global Notes will be deposited on the issue date with a common depository on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, soci t  anonyme ("**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".

The Programme will be rated by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies ("**S&P**"), by Fitch Ratings Limited ("**Fitch**") and by Moody's France S.A. ("**Moody's**"), as described under "General Description of the Programme – Ratings". Tranches of Notes (as defined in "General Description of the Programme") may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme. 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 FEDERATIVE DU CREDIT MUTUEL

ABN AMRO
BNP PARIBAS
GOLDMAN SACHS INTERNATIONAL
MORGAN STANLEY
WESTLB AG

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 amended or 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 amended or 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 Crédit 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 Fédérative du Crédit 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.\$” 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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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.

The credit ratings assigned to BFCM's euro medium-term note programme are a reflection of the credit status of BFCM, and in no way are a reflection of the potential impact of any of the factors discussed above, or any other factors, on the market value of any Index Linked Note. Accordingly, prospective investors should consult their own financial and legal advisors as to the risks entailed by an investment in Index Linked Notes and the suitability of such Notes in light of their particular circumstances.

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.

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 Luxembourg competent authority for purposes of the Prospectus Directive and shall be incorporated in, and form part of, this Base Prospectus:

- (a) the audited non-consolidated and consolidated annual financial statements of the Issuer for the financial year ended 31 December 2003 and the related notes thereto (such financial statements and notes being at pages 40 to 74 and 82 to 118 of the Issuer's 2003 Annual Report); and
- (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 2003, (being at pages 35 to 38 of the Issuer's 2003 Annual Report).

For the avoidance of doubt, the other information contained in the 2003 Annual Report is not incorporated by reference in this Base Prospectus.

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.

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

Prospectus Regulation – Annex IX	Page Reference
9.11.1 Historical financial information	
Consolidated financial statements of the Issuer for the financial year ended 31 December 2003:	Pages 82 to 118 in Annual Report 2003
➤ Consolidated balance sheet	Pages 82 to 83 in Annual Report 2003
➤ Consolidated statement of income	Page 84 in Annual Report 2003
➤ Notes to the consolidated financial statements	Pages 85 to 118 in Annual Report 2003
Non-consolidated financial statements of the Issuer for the financial year ended 31 December 2003	Pages 40 to 74 in Annual Report 2003
➤ Non-consolidated balance sheet	Pages 40 to 41 in Annual Report 2003
➤ Non-consolidated statement of income	Page 42 in Annual Report 2003
➤ Notes to the non-consolidated financial statements	Pages 43 to 74 in Annual Report 2003
Auditors' report for the financial year ended 31 December 2003	Pages 36 to 38 in Annual Report 2003

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.

ISSUER:	Banque Fédérative du Crédit Mutuel
DESCRIPTION:	Euro Medium Term Note Programme (the " Programme ")
SIZE:	Up to euro 20,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time.
ARRANGER:	BNP Paribas
DEALERS:	Banque Fédérative du Crédit Mutuel, ABN AMRO Bank N.V., BNP Paribas, Goldman Sachs International, Morgan Stanley & Co. International Limited and WestLB AG.

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.

FISCAL AGENT AND PRINCIPAL PAYING AGENT:	BNP Paribas Securities Services, Luxembourg Branch.
PAYING AGENTS:	Citibank N.A., London office, The Bank of New York, Brussels and BNP Paribas Securities Services.
METHOD OF ISSUE:	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 " Series ") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the 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 " Tranche ") 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.

ISSUE PRICE:	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.
FORM OF NOTES:	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 “ Selling Restrictions ”). Otherwise, such Tranche will be represented by a permanent Global Note in bearer form without interest coupons.
CLEARING SYSTEMS:	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.
CURRENCIES:	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.
MATURITIES:	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 5 years, and the maturity of Subordinated Notes, the proceeds of which constitute Tier 3 Capital (as defined below) will not be less than 2 years, or in either case such other minimum maturity as may be required by applicable legal and regulatory requirements.
DENOMINATION:	Notes will be issued in such denominations as may be specified in the relevant Final Terms save that: <ul style="list-style-type: none"> (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 €50,000 (or its equivalent in any other currency as at the date of issue of those Notes); (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; 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 other currencies).
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 other currencies).
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.
OPTIONAL REDEMPTION:	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.
STATUS OF 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, all as described in " Terms and Conditions of the Notes – Status ".

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).

The proceeds of the Subordinated Notes may or may not constitute (i) *fonds propres de base* within the meaning of Article 2 of the *Comité de la Réglementation Bancaire et Financière* (the “**CRBF**”) Regulation no. 90-02 of 23 February 1990, as amended (“**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 as amended (“**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**”); and (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, as described in the applicable Final Terms – see “**Terms and Conditions of Notes – Status**”.

If so specified in the relevant Final Terms, the payment of interest in respect of Subordinated Notes without a specified maturity date (“**Undated Subordinated Notes**”) may be deferred in accordance with the provisions of Condition 5(h) – see “**Terms and Conditions of Notes – Interest and Other Calculations**”.

NEGATIVE PLEDGE: There will be a negative pledge in respect of Unsubordinated Notes as set out in Condition 3 – see “**Terms and Conditions of the Notes – Negative Pledge**”.

CROSS DEFAULT: There will be a cross-default as set out in Condition 9(a)(iii) – see “**Terms and Conditions of the Notes – Events of Default**”.

EARLY REDEMPTION: Except as provided in “**Optional Redemption**” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See “**Terms and Conditions of the Notes – Redemption, Purchase and Options**”.

WITHHOLDING TAX: Unless otherwise provided in the relevant Final Terms, payments in respect of the Notes will be exempt from the withholding tax on interest set out under Article 125AIII of the French General Tax Code, by virtue of Article 131 *quater* of the French General Tax Code (as construed by the French tax authorities), to the extent that the Notes are issued (or deemed to be issued) outside France.

Notes constituting *obligations* 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, *inter alia*, the Issuer and the relevant Dealers agree not to offer the Notes to the public in the Republic of France in connection with their initial distribution and such Notes are offered in the Republic of France only through an international syndicate to “qualified investors” as described in Article L.411.2 of the French *Code monétaire et financier* or (iii) in the case of non-syndicated issues of Notes denominated in currencies other than euro if each of the subscribers of the Notes is domiciled or resident for tax purposes outside the Republic of France, in each case as more fully set out in the Circular of the *Direction Générale des Impôts* dated 30 September 1998.

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

RATING

Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme. 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.

The following ratings have been assigned to the Programme:

- (a) by S&P: “A+/A-1” for Unsubordinated Notes; “A” for Dated Subordinated Notes (Lower Tier II); and “A-” for Undated Subordinated Notes (Upper Tier II);
- (b) by Fitch: “AA-“ (AA minus) for Unsubordinated Long Term Notes; “A+” for Dated and Undated Subordinated Long Term Notes; “A+” for Dated or Undated Deeply Subordinated Notes; and “F1+” for Senior Short Term Notes; and
- (c) by Moody’s: “AA3” for senior notes with a maturity of more than one year; “A1” for dated subordinated and undated subordinated notes with a maturity of more than one year; and “Prime-1” for senior notes with a maturity of less than one year.

GOVERNING LAW:

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

LISTING:

The Regulated Market, 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, 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.

FINAL TERMS / PROSPECTUSES / SUPPLEMENTS

The Final Terms will contain the information items permitted under Article 22.4 of the Prospectus Regulation. A prospectus may be used for any Tranche of Notes issued under the Programme, and such prospectus will include the final terms and conditions for such Notes and may, *inter alia*, incorporate by reference all or any part of this Base Prospectus. A Supplement shall mention every significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of the Notes and which arises or is noted between the time when this Base Prospectus is approved and the final closing of any offer to the public or, as the case may be, the time when trading on an ISD Regulated Market begins.

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 3 November 2005 (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 3 November 2005 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 (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**”).¹

3. Negative Pledge

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

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 (as well after 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 in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding principal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such 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 in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

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

As soon as practicable after the Relevant Time 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 amount of interest payable (the "**Interest Amounts**") in respect of each Specified Denomination of the Notes 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 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

“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, the **“Calculation Period”**):

- (i) if **“Actual/365”** 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 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month))
- (v) if **“30E/360”** or **“Eurobond Basis”** is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month) and

- (vi) if “**Actual/Actual-ICMA**¹” 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 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

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

“Interest Period Date” means each Specified Interest Payment Date 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 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 (as well after as before 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 Regulated Market or EuroMTF 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 Regulated Market, 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 Regulated Market or EuroMTF, 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 unmatured 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, unmatured 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 unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured 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) The Notes constituting *obligations* being issued (or being deemed to be issued) outside the Republic of France, payments in respect of the Notes will be made without withholding or deduction for, or on account of, taxes imposed by or on behalf of the Republic of France, or any taxing authority thereof.

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

- (b) If French law should require that payments of principal of, or interest by or on behalf of the Issuer in respect of any Note, Receipt or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the Noteholders, the Receiptholders or the Couponholders, after deduction or withholding of such taxes or duties, will receive the full amount then expressed to be due and payable; provided, however, that the Issuer may, in that event, redeem all of the Notes then outstanding in accordance with Condition 5(c) and provided further that no additional amounts shall be due in respect of any Note, Receipt or Coupon presented for payment:
- (i) by a holder (or a third party on behalf of a holder) who is subject to such taxes or duties 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) more than 30 days after the Relevant Date, except to the extent that such holder would have been entitled to such additional amounts on presenting such Note, Receipt or Coupon for payment on the last day of such period of 30 days; or
 - (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive or Regulation 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 Regulation; or
 - (iv) by or on behalf of a holder of a Note, Coupon or Receipt 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.

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.

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 30,000,000 or its equivalent (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 enters into an amicable settlement (*accord amiable*) 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. and Standard & Poor's-ADEF 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 Regulated Market or EuroMTF 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). 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

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 likewise credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

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:

- (i) unless principal in respect of any Notes is not paid when due, by the Issuer giving notice to the Noteholders and the Fiscal Agent of its intention to effect such exchange;
- (ii) if the relevant Final Terms provide that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Fiscal Agent of its election for such exchange; and
- (iii) otherwise, (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.

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

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. 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 form set out in the Schedules 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 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. 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 7(b)(iv) will apply to Definitive Notes only.

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 minimum Specified Denomination of Notes for which such Global Note may be exchanged.

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, 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 presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation.

8. 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 3 November 2005 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.

9. 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 Regulated Market or EuroMTF 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). 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.

10. 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 (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. The CEE Group now operates in 29 *départements* in eastern France (covering the Alsace, Lorraine, Franche-Comté, Bourgogne, Champagne and Lyon) and Ile de France regions and is the largest regional banking group in France, with around 3.6 million clients and 580 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 2003 and 2004. 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 2004	31 December 2003
	BFCM Group <i>(in euro millions)</i>	BFCM Group <i>(in euro millions)</i>
<i>Total balance sheet</i>	258,391.32	234,636.87
Shareholders' equity	5,547.38	4,877.33
Outstanding deposits	56,271.40	51,643.35
Net banking income	4,218.53	4,455.34
Gross operating income	1,462.27	1,696.54
Net income.....	714.16	612.31

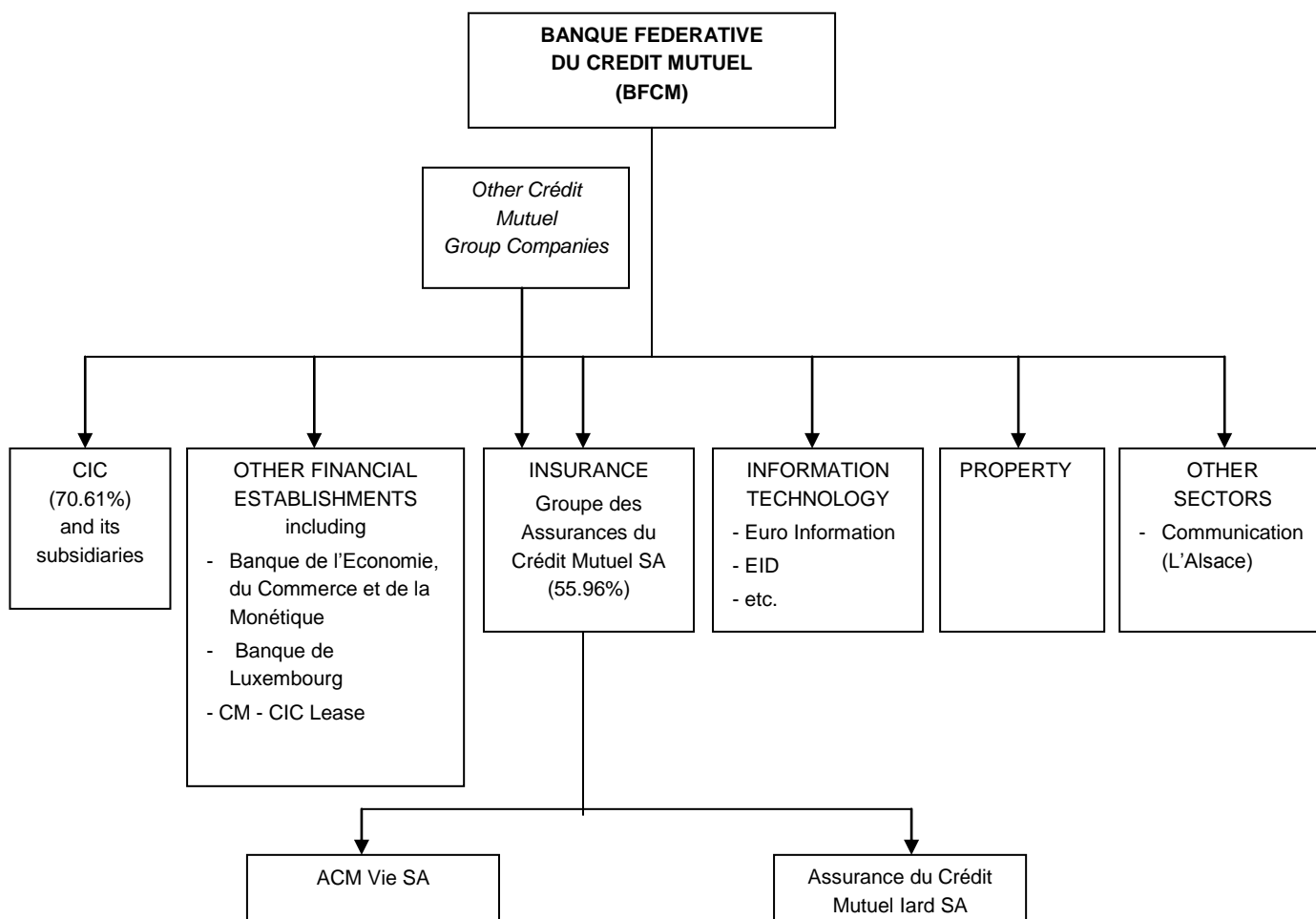
Share Capital

As at 31 December 2004, 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 and the Ile de France 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 and Ile de France 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 and Ile de France 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.

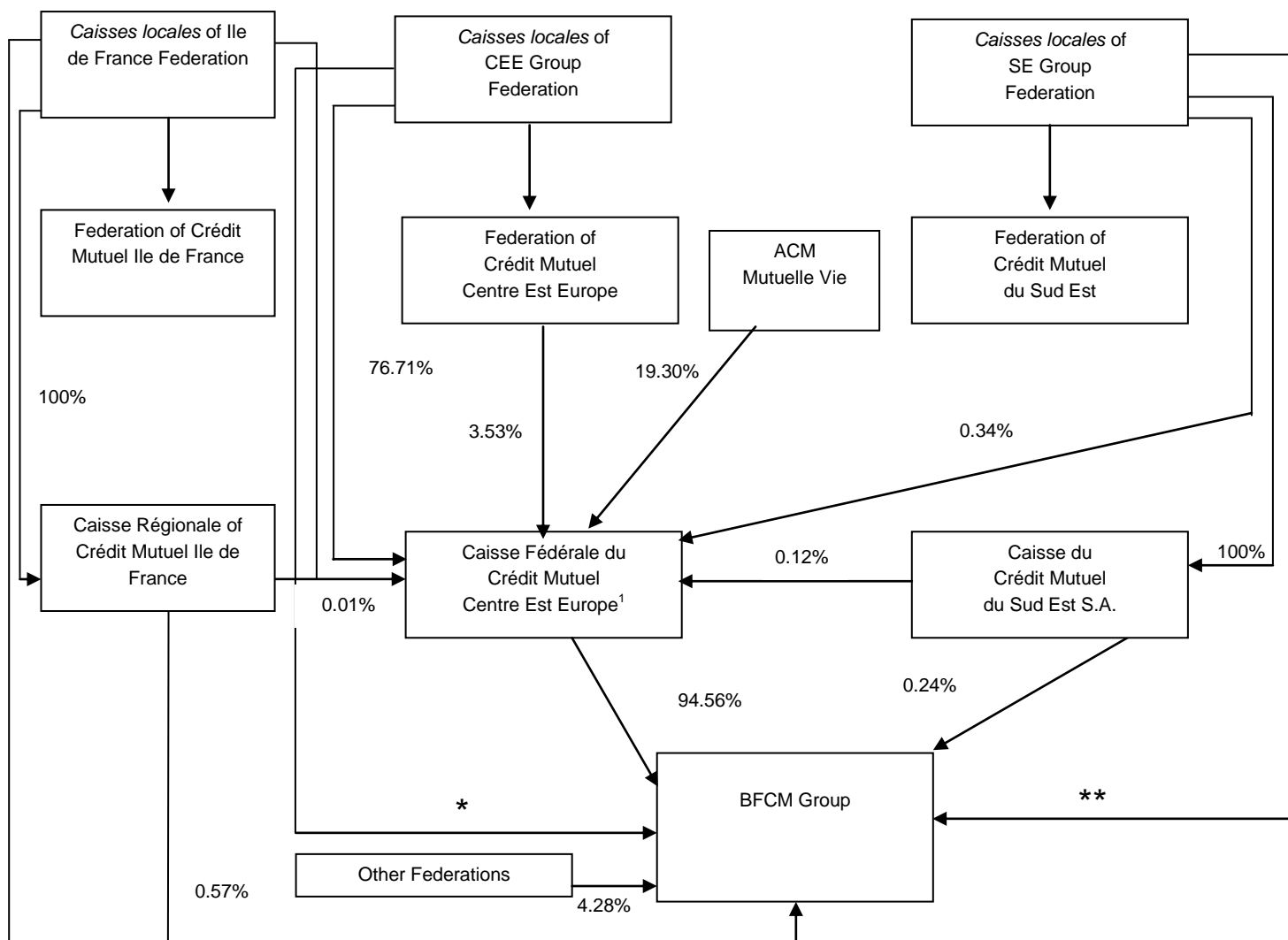
The BFCM Group

The following diagram shows the structure of the BFCM Group as at 31 December 2004:



The BFCM Group forms part of the CEE Group. The following diagram shows the structure of the CEE Group as at 31 December 2004:

The CEE Group



Note:

*/** Caisses locales of CEE Group, SE Group and Ile de France held together 0.26% of BFCM.

(1) Joint *Caisse Fédérale* for Centre Est, Sud-Est and Ile de France Federations since 1 January 2002.

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 1,890 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 580 of these 1,890 *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 and Ile de France Federations, the CEE Group is comprised of the three 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 and Ile de France 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

Funding and cash resources

BFCM acts as the **central treasury** to the CEE Group and as such is responsible for procuring its long term financial resources and for ensuring refinancing (including lending, structured finance, portfolio management and financial engineering). Other sub-groups within the Crédit Mutuel Group also entrust BFCM with their treasury operations. Since 2000, nine of these other sub-groups signed relevant agreements with BFCM.

As an extension to its role of 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.

The majority of BFCM's financial resources originate from deposits collected by the network of *caisses locales*, via the *Caisse Fédérale*. These deposits increased by 7.6 per cent. compared to 2003, to €30.9 billion in 2004. Equity funds are added to these deposits by the *Caisse Fédérale* and other credit institutions. In 2004, BFCM refinanced loans granted by the *caisse locales* for a total amount of € 29.3 billion and funded €11.3 billion of employment posts within the CEE Group. BFCM also provided €3.6 billion to Banque de l'Economie du Commerce et de la Monétique and € 7.6 billion to various CIC entities.

In addition to receiving funds from the *caisses locales* and equity funds from the *Caisse Fédérale* and other credit institutions, BFCM raises money in the **capital and money markets** on behalf of the CEE Group. To this end, it issues in the domestic market bonds and negotiable credit instruments and also borrows in the interbank market through its foreign branch (in Frankfurt since September 1999), in euros or in dollars. In April 1999 BFCM established its Euro Medium Term Note ("**EMTN**") Programme for medium and long-term funding. The aggregate principal amount of Notes outstanding under this Programme will not at any time exceed €20 billion (or the equivalent in other currencies at the date of issue).

To diversify and optimise access to the financial markets, a Euro Commercial Paper ("**ECP**") Programme was arranged in April 2002. Initially limited to €1.5 billion, the aggregate principal amount of Notes and

Certificates of Deposit (“**CD**”)s outstanding under this Programme will not at any time exceed €15 billion (or the equivalent in other currencies at the date of issue).

In December 2004, BFCM issued under its EMTN Programme €750 million undated deeply subordinated fixed to floating rate Notes classed as Tier 1 Capital in order to enhance its net worth.

During 2004 and in the framework of an agreement dating from December 2003, BFCM called on the European Investment Bank (“**EIB**”) to refinance the eligible loans granted by the various CEE Group banks to small and medium-sized enterprises in the agricultural, manufacturing and services sectors. A new overall facility for €100 million was signed on 6 December 2004.

Dealing room services for corporate clients

BFCM is also involved in trading securities (*billets de trésorerie, certificats de dépôts, bons à moyen terme négociables, bons du trésor*) and a hedging policy against exchange and interest rates on behalf of clients. In 2004, the dealing room carried out well over 4,000 client transactions and volumes increased by more than 12%, principally due to foreign exchange and foreign exchange derivatives transactions.

BFCM and CIC operate together as “**CM - CIC**” on the primary bond market; having acted as lead managers on three issues and as members of a syndicate on a further ten issues. In 2004, BFCM and CIC also co-lead-managed the initial sales of shares to private investors on behalf of SNECMA and Autoroutes Paris-Rhin-Rhône (“**APRR**”), as well as APRR’s institutional placement.

Management of CEE Group payment flow platforms and transaction processing

BFCM was appointed to represent CEE Group in the Paris Net Settlement System, in the German Real Time Gross System + and in the euro Banking Association for 2002.

In 2004, the CEE Group processed an average of nearly 12,000 transactions worth an average of €38 billion a day on these platforms, for its own account and for its bank customers.

Moreover, in addition to its own transactions, BFCM provides processing services for various group entities such as BECM, Caisse Centrale du Crédit Mutuel, Crédit Mutuel Savoie-Mont Blanc and Crédit Mutuel Midi-Atlantique.

Risk management

The dealing room must operate within the limits set by the Board of Directors concerning interest rate, currency, liquidity and counterparty risk. Compliance with these limits is monitored and reported on daily.

At 31 December 2004, equity requirements as defined by the Capital Adequacy Directive (“**CAD**”) amounted to €99.6 million. Value at Risk (“**Var**”) is calculated daily by the Kondor+ application based on the analytic method. The maximum potential loss at 31 December 2004 was estimated to be €6.9 million at ten days with a 99% confidence level.

Daily immediate liquidity covered an average of 61% of CMCEE customer demand deposits. At 31 December 2004, the coefficient of equity and permanent resources was 76.8% and liquidity gaps on all maturities of one year and above remained stable in absolute value terms.

RELATIONS WITH LARGE COMPANIES AND FINANCIAL ENGINEERING

In 2004, several trends emerged in the corporate market:

- an improvement in the risk situation after the 2002-2003 period;
- suddenly heightened competition, as from the second quarter, driven by several factors, including a sharp decline in credit demand and many companies being in the process of reducing debt levels. This increased competition resulted in a narrowing of margins in the second half of the year;
- a recovery in mergers and acquisitions centred on investment funds pending takeover by companies.

Given this context of heightened competition, BFCM and CIC focused their sales and marketing efforts on winning new clients, developing additional business with existing clients, notably through more effective cross-selling involving all group business lines, and continuing of its technology-focused approach to flow management and financial engineering.

These efforts were reflected in the activity's operating results with a further increase in fee and commission income.

SUBSIDIARIES AND PARTICIPATING INTERESTS

As a holding company the most significant movements affecting BFCM's subsidiaries and participations in 2004 are as described below:

- **Devestmédia:** this legal entity, wholly-owned by BFCM, increased its capital by €4,973,600 in order to take an equity interest in a holding company whose main activity is to take participating interests in companies in the communications sector.
- **Plagne Lauze:** during the year, BFCM, the sole shareholder, decided to dissolve this company whose corporate purpose had ended with the disposal of property assets held in La Plagne.
- **Investessor:** having made an initial investment of €46,119,800 in this simplified joint stock company (*Société par Actions Simplifiée* – “**SAS**”), BFCM sold 148,000 shares to CIC Finance for €15,457,120. At the end of the year, but not because of losses, the company reduced its capital by reducing the nominal value of its shares from €100 to €93 each. BFCM's interest now amounts to 33%.
- **Système Technologique d'Echange et de Traitement (STET):** BFCM took a 16.6% stake (€2,000,000) in this SAS when it was formed. STET's corporate purpose is to study, design, build and operate an interbank system for exchanging, processing and clearing small transactions.
- **SA des Galeries Lafayette:** the purchase of shares at the end of the year resulted in BFCM holding 15.41% of this company's capital, worth €392,768,106.51.
- **Caisse de Refinancement de l'Habitat (CRH):** as part of the annual adjustment to the shareholding structure of CRH, BFCM was asked to purchase 18,571 shares for €293,050.38. CRH also consolidated its equity through a capital increase. BFCM subscribed for 116,256 shares worth €1,834,519.68 and now owns 7.5% of the company's capital.
- **SCI Plateau de Guyancourt:** BFCM purchased 48 units (€7,296) raising its stake in this company, which owns the Technocentre, from 4.5% to 5.5%.

In its role as a **holding company**, BFCM coordinates and develops the BFCM Group's business activities undertaken through its minority and majority holdings in a variety of financial, insurance, real estate and service companies. The main activities of the BFCM Group are financial and insurance as described below under the following headings:

- Finance and similar activities
- Insurance
- Information Technology Services
- Property
- Media
- Services and others

Finance and Similar Activities

CIC Group

As at 31 December 2004, BFCM held (directly or indirectly) 92.76 per cent. of the share capital of Crédit Industriel et Commercial (“**CIC**”).

The CIC Group operates through its wholly-owned regional banks (Banque CIAL, Banque CIN, Banque CIO, Banque Régionale de l'Ouest, Banque Scalbert Dupont, Banque SNVB, Lyonnaise de Banque and Société Bordelaise (the “**Regional Banks**”)), each of which operates within its own specific geographical

area in France as well as through several majority-controlled specialised subsidiaries in leasing, commercial and finance and venture capital. CIC also operates through international branches in New York, London and Singapore, which it directly manages whilst it manages its international network of representative offices in conjunction with the Regional Banks. In addition, a number of subsidiaries provide specialised services to certain members of the CIC Group to which they are affiliated (notably, to Bank CIAL in Switzerland and to Banque de Luxembourg in Luxembourg).

Upon the complete migrations to the shared information system, CIC took its place as part of the homogeneous group that it forms with its shareholder Crédit Mutuel Centre Est Europe through BFCM.

The priority given to the development of retail banking has notably enabled the group to:

- win new clients: private individuals, professionals and companies (clients numbered 3,389,015 at 31 December 2004 compared with 3,258,748 one year earlier);
- promote and increase customer loans (up by 18.6%), particularly home loans (up by 26.9%) and investment credits to companies (up by 13.9%);
- increase balance-sheet savings deposits, including special savings deposits (up by 9.9%) and demand deposits (up by 6.3%);
- inject new life into the non-life insurance activity (number of policies up by 25.3% and annual production of new policies up by 15.5%);
- post an increase in financial fees and commissions of 10.36%.

Retail banking, CIC's core business, accounting for 76% of consolidated net banking income, recorded 33.5% growth in profit on ordinary activities to €482 million from €361 million. Private banking, accounting for 9% of net banking income, saw its profit on ordinary activities increase by 10.8% from €93 million to €103 million, while the private equity activity, 2% of net banking income, saw its profit on ordinary activities increase to €58 million from €45 million.

CIC's consolidated net banking income declined by 8.7% from €3,663 million to €3,343 million, primarily due to a decline in net banking income from its capital markets activities after their exceptional performance in 2003. Profit on ordinary activities for the investment banking and capital markets division thus declined from €351 million to €253 million.

Operating expenses continued to be tightly controlled (down by 1.3%). The cost of specific risks continued to show improvement, decreasing from 0.52% to 0.42% of total loans outstanding. In addition, the general provisions for credit risks declined from €382 million to €286 million thanks to an overall improvement in the portfolio.

The group's share of net profit increased by 15.3% to €532 million from €462 million in 2003. Return on equity amounted to 12.9% compared with 12.2% in 2003 and earnings per share increased to €15 from €13.16 the previous year. CIC's European solvency ratio (tier-1 capital) was 7.1% at 31 December 2004 compared with 6.8% at the end of 2003.

Banque de l'Economie du Commerce et de la Monétique ("BECM"): BECM operates primarily in two markets: the large and medium-sized corporate segment and the financing of property market professionals (property developers, property companies and the financing of assets). In addition, it developed its asset management activity for company owners and managers, proposed customized payment flow management products to its corporate clients and supported the development of Franco-German companies through its Frankfurt branch.

In 2004, despite the unfavourable economic situation, BECM generated a net profit of €30.8 million before transfers to the fund for general banking risks. Owing to the technical characteristics and quality of the products and services offered to clients, BECM was able to stabilise earnings at a high level, thanks to a strong growth in fee and commission income. After transferring €10 million to the Fund for General Banking Risks ("FRBG"), net profit amounted to €20.8 million.

Ventadour Investissement ("Ventadour"): Ventadour'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 €0.9 million at the end of 2004 compared with €1.12 million one year earlier. This decline resulted from the disposal of equity interests worth a total of €0.22 million. For 2004, the CIC's equity interest amounted to €1,110 million. Early in the year, Ventadour increased its capital from €18 million to €108 million, with BFCM subscribing for the entire amount.

ICM Finance: In a volatile market environment, this Swiss financial institution continued to develop its brokerage activity for marketable securities in a satisfactory manner.

Groupe Sofemo (“Sofemo”): Sofemo's activity continues to be mainly focused on the production of “paiement N fois” and on developing seller credits. Net customer loans outstanding increased to €208 million in 2004 from €183 million in 2003, and a net profit of €1.9 million was booked for the year. Before earnings appropriations, the company's equity amounted to €17.7 million.

CM-CIC SCPI Gestion: Formerly called CMIG, this manager of property companies (*Sociétés Civiles de Placement Immobilier* – SCPI) has managed two such companies, Crédit Mutuel Immobilier 1 and Ouest Pierre Investissement, since 1 January 2005. It recorded net profit of €30,000 for the year.

Mutuel Bank Luxembourg: A 60%-owned subsidiary of Banque Transatlantique, Mutuel Bank Luxembourg recorded accelerated growth in 2004, especially in the second half, as its client base increased by 4% and assets under management grew by nearly 11%. With gradual recovery of the financial markets, volumes processed increased once again and net banking income rose from €3.4 million to €3.75 million.

Banque de Luxembourg: In 2004, this bank continued to extend its range of products and services in its two main areas of activity, private asset management for local and international clients and asset management for professional and institutional investors, where it was able to profit from its experience. After several difficult years, the bank's net profit increased by 4.3% due to the recovery in the financial markets that had begun at the end of 2003.

Boréal: In 2004, Boréal gained new momentum in its market by taking over a large client and rolling out its private asset management application, Sofi. Sales were up by more than 50% but profit was flat due to the investments made.

CM-CIC Lease: In 2004, as part of the establishment of a single property leasing division within CM-CIC, CM-CIC Lease completed four new intra-group mergers and asset transfers involving Lorbail, Solybail, Sofébail and CIAL Finance. After having grown for five consecutive years, the property leasing market in France recorded a decline in 2003. In 2004, lease production was unchanged from the previous year at €4.5 billion.

CM-CIC generated only €313 million in new leases (compared with €364 million in 2003 at constant consolidation scope) due to the substantial decline in business with large companies (financing of commercial, industrial, logistics and warehouse buildings as well as office space).

CM-CIC Lease had a 7% share of the market in terms of lease production, with leases averaging €1.2 million. At 31 December 2004, outstanding operation amounted to €1.9 billion and represented 3,200 contracts.

The net profit of the parent company CM-CIC Lease amounted to €22.2 million compared with €4.7 million in 2003, notably due to the change in scope.

The company's capital amounted to €64.4 million after the above-mentioned mergers for total shareholders' equity of €85.5 million.

CM-CIC Asset Management: In 2004, the merger of Crédit Mutuel Finance and CIC Asset Management was organised, and completed on 31 December 2004. This merger of the asset management subsidiaries of Crédit Mutuel and CIC was undertaken as part of the streamlining of the CEE Group and its organisation into separate divisions. The asset management subsidiary is ranked sixth in France amongst financial institutions in terms of assets under management by Europerformance. With a staff of 189 managing €42 billion in assets, CM-CIC Asset Management has strengthened its professional skills and technical resources to better serve the customers of the two networks. It received new awards in 2004 for the quality of its management of both Crédit Mutuel and CIC products: the 2004 Corbeille d'Or from "Mieux Vivre Votre Argent", the first "Corbeille de l'Épargne Salariale", five Trophées from "Le Revenu", and the 2004 Lauriers d'Or from "Investir" for its mutual funds. The two networks also launched new "formula funds", innovative because of their international benchmarks. Investors' aversion to risk, resulting from years of poor stock market performances, deterred them from making long-term investments, thus depriving them of the benefits of the markets' recovery in 2003 and 2004.

BFCM increased its equity interest in CIC Asset Management by purchasing €6,230,337 worth of shares and, after the latter's merger with Crédit Mutuel Finance, owned 51.37%.

Crédit Mutuel Participation: In the first half of the year, assets managed by Crédit Mutuel Participation increased by nearly 20% from €603 million to €721 million. The Sarkozy measures led to the unfreezing of considerable assets during the last four months of the year, as 40,000 employees withdrew assets worth nearly €140 million, bringing the activity back to its level of early 2004. Other highlights of the year included the changeover to a new IT system and the excellent performances recorded by the company mutual funds ("**FCPE**") which were awarded the "Corbeille Epargne Salariale" by the magazine "Mieux Vivre Votre Argent".

Insurance

Groupe des Assurances du Crédit Mutuel S.A. ("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., Télévie and International Crédit Mutuel Life ("**ICM Life**"), the non-life companies ACM Iard, Sérénis and Assurances du Sud, the reinsurer International Crédit Mutuel Réassurance ("**ICM RE**"), and the services companies Procourtage, Euro Protection Services SA and ACM Services.

GACM also owns 10% of the capital of the three Canadian non-life insurers of Mouvement Desjardins, and significant interests in the French non-life insurance companies Assurances du Crédit Mutuel Nord Iard S.A. and Suravenir Assurances S.A.

During 2004, GACM:

- in May, paid in the second half (€2,437,500) of the capital increase staged by Sérénis in 2003;
- subscribed to the ACM Services capital increase involving the issue of 150,000 new shares at €10.00 each, fully paid in;
- increased its capital by paying out its dividend for 2004 in the form of shares. The capital was increased from €664,360,023.50 to €681,149,685.50 through the issue of 1,083,204 new shares with a nominal value of €15.50 each issued at €25.72 per share. All of the company's shareholders chose to take the dividend in the form of shares (except for those holding a single share), and shareholders' equity was increased by €27,860,006.88;
- took part in the merger by absorption of Socapi by ACM Vie S.A.;
- took part in the Assurances du Sud capital increase, completed through the issue of 2,395 new shares with a nominal value of €1,000 each issued at a price of €2,800 per share; GACM subscribed for 2,391 shares as of right and for excess shares, for a total of €6,694,800 including share premiums;
- subscribed for the Télévie capital increase, in which 250,000 new shares were issued at a price of €30.00 each (nominal value of €15.25 plus a share premium of €14.75); GACM subscribed for the entire issue and upon subscribing paid half of the nominal value and the entire issue premium, for a total of €5,593,750;
- took part in the capital increase of the Mouvement Desjardins Canadian non-life insurance companies, La Personnelle and Certas Direct. GACM subscribed for the increases in proportion to its interests, in the respective amounts of CAD 1 million and CAD 2.5 million.

The merger-absorption of Socapi by ACM Vie S.A., effective as from 1 January 2004, was completed on a book value basis, after determining the two companies' appraisal value including estimates for new business. To remunerate the net value of Socapi's transfer to ACM, GACM received 13,000,631 new shares (of a total of 13,000,636) issued by ACM Vie S.A. with a nominal value of €16.00 each, fully paid in. GACM recorded a gain on disposal before tax of €51,464,663.07 on the transfer of Socapi. After the completion of this transaction, and the purchase of five additional shares sold by the minority interests, GACM owned 31,589,631 ACM Vie S.A. shares out of a total of 31,589,642.

GACM's net profit for 2004 amounted to €62,357 million compared with €55,825 million in 2003.

Net revenues on ordinary activities for 2004 amounted to €21,343 million, to which must be added the €51,464 million extraordinary gain on the sale of the Socapi shares to ACM Vie S.A. The revenues on ordinary activities comprised:

- dividends received in the amount of €19,744 million, down significantly from 2003 due to the exceptional cancellation in 2004 of the dividend usually paid by the two merged life insurance companies;
- financial revenues and write-backs of provisions for €408 million;
- rents for €1,191 billion;
- the gain on the transfer of the Socapi shares, net of deferred taxes, of €43,374 million.

Total operating expenses amounted to €10,450 million (including a provision for tax of €8,090 million on the gain on the transfer of the Socapi shares).

GACM has chosen to form a tax group with its subsidiaries ACM Vie S.A., ACM Iard S.A., ACM Retraite S.A., Assurances du Sud S.A., Procourtage S.A., Euro Protection Services S.A., ACM Services and Télévie S.A. (as from 1 January 2005).

Information Technology Services

Euro-Information: The Information Technology and technical subsidiaries of the CEE Group have been combined under Euro-Information. Euro-Information had an excellent year in 2004 with a net profit of €28.6 million. It has adopted a simplified joint stock company structure (*Société par Actions Simplifiée*) and is 16%-owned by BFCM.

Property

Soparim: Soparim invests in property companies (*Sociétés Civiles d'Immobilier – SCI*) involved in residential programmes. In 2004, it invested €3.64 million in 18 new transactions involving some 1,100 housing units worth €180 million. Its net profit for the year amounted to €1,158 million.

Sarest: In 2004, in a market characterised by a scarcity of land, Sarest, a property improvement company, had a good year in Alsace Lorraine in terms of production with 220 lots sold for a total of €11.8 million. Its reserves of land with administrative approvals in progress represent two years of activity. Sarest realised a net profit of €1,250 million in 2004.

Afédim: As a residential property broker, Afédim works within the framework of the Hoguet law and for CEE group. It targets the bank's investor and user clientele as well as first-time home buyers. The programmes that it promotes are previously approved by a committee that includes the commitments unit, asset management and the banks' marketing networks. Afédim sold 2,363 housing units for a total of €343 million, generating fee income of €14.6 million excluding taxes, an increase of 65% from the previous year. The net profit for 2004 amounted to €240 million.

Sofédim: Sofédim generates its revenues through the intermediary of property assets, delegated project ownership contracts, management on behalf of investors and own-account property development transactions. The company had a net profit of €80,000 for the year.

Media

Société Civile de Gestion des Parts du Crédit Mutuel dans le Journal l'Alsace: The 55% equity interest in the newspaper *L'Alsace* has a balance sheet value of €1.6 million.

Société Française d'Édition de Journaux et d'Imprimés Commerciaux "L'Alsace": This holding company controls all the companies of the L'Alsace group with activities in publishing, media, radio and advertising. BFCM owns 23% of the capital of this company which has adopted the form of a simplified joint stock company (*Société par Action Simplifiée – SAS*).

Services and other

SNC Réma: This subsidiary is specialised in the resale of equipment, and recorded the same margins on sales that increased from €5.2 million in 2003 to €5.6 million in 2004. It recorded a loss of €1,400 due to an exceptional accounting adjustment on a disposal.

Bischenberg: Turnover declined slightly to €3.1 million in 2004 from €3.2 million in 2003. The net profit also declined slightly from €122 million in 2003 to €112 million in 2004. Room occupancy rates averaged 60% for the year and outside clients generated 28% of sales.

Sofédís: In 2004, the company recorded sales of €37.6 million, and opened a warehouse in Nantes to be closer to its Crédit Mutuel and CIC clients located in Western France. Sofédís increased its net profit in 2004 to €1.5 million.

SIGNIFICANT NEW PRODUCTS/ACTIVITIES

1. Modernisation of certain specialised business lines:

- In 2004, efforts to restructure CIC Group's specialised business lines began, notably in two areas.
 - Private asset management

A separate division has been established under the name "CIC Banque Privée", which targets customers with financial potential of over €1 million. The activity is carried out at specialised branches and is supervised at group level by a dedicated unit. It has been deployed at all the banks in terms of both marketing and logistics.

- Private equity investing

CIC launched a public takeover bid for Institut de Participation de l'Ouest (IPO), a private equity firm based in Nantes that makes equity investments in a number of the group's client companies. The prospects for greater synergies in the SME (small and medium size enterprises) market, which remains one of CIC's priority markets, justify IPO's integration into CIC, which owned 76.6% of its capital following the takeover bid.

CIC's private equity business is now organised around three entities:

- CIC Finance, which covers the North and East of France,
- CIC Banque de Vizille, covering the Southeast, and
- CIC-IPO, covering the Western region.

2. Foreign partnerships:

- The partnership initiated at the end of 2002 with Banca Popolare di Milano (BPM) has recorded significant growth due to equity investments by CIC, which initially acquired 2.16% of BPM's share capital in the first half of 2004. Subsequent transactions during the year included:
 - subscription for convertible bonds issued by BPM giving CIC the right to acquire an additional 6.62% of its share capital during a five-year period,
 - purchase of 6.49% of the share capital of Banca di Legnano, a BPM subsidiary that manages certain specialised business lines and part of its branch network.
- In June 2004, CIC entered into a partnership agreement with Banque Marocaine du Commerce Extérieur (BMCE) covering two areas:
 - a series of cooperative industrial and commercial arrangements in retail banking, corporate and investment banking, and payment and settlement systems,
 - CIC's acquisition of a 10% interest in BMCE's share capital.
- In July 2004, CIC signed a framework commercial cooperation agreement with Bank of East Asia ("BEA").

3. Insurance products

In 2004, the Issuer's range of life insurance products was updated. Customers can now choose between three main products:

- Livret Assurance Retraite (life insurance contract in euros),
- Plan Assur Horizons (life insurance contract in unit of account)
- Capital Croissance (capitalized contract)
- A range of PERP products was launched in compliance with the Fillon Law, including:
 - Plan Retraite Revenus for private customers
 - Plan Assur Horizons Pro for professionals in compliance with Madelin Law,
 - Plan Assur Horizons Agri for agricultural professionals
- A successful product launch (Securépargne) guarantees, in event of death, the remaining scheduled instalments for linked savings insurance or life insurance.

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

The case submitted in 1991 to the Commission in Brussels by a competitor bank has been discussed by the Commission, the French Ministry of Finance and Crédit Mutuel. On 15 January 2002, the Commission issued a decision that required Crédit Mutuel to reimburse part of the commission that was received from Republic of France in relation to the "Livret Bleu" (a popular savings scheme). This decision concerned Caisse Fédérale du Crédit Mutuel Centre Est Europe (BFCM's parent company), which had made provisions for such litigation. Caisse Fédérale du Crédit Mutuel Centre Est Europe appealed this decision with the support of the French State in the Tribunal de Première Instance in Luxembourg. On 19 January 2005, the Tribunal de Première Instance in Luxembourg overruled the Commission's decision. However, the Commission decided to recommence investigations pursuant to the verdict of the Tribunal de Grande Instance in Luxembourg.

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 14 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 follows:

Name / Address / Current Position	Principal Occupation / Other Directorships and Business Experience
M. Etienne PFLIMLIN Address : 17, rue des Charpentiers 67100 Strasbourg Chairman of the Board of	Chairman of the Board: 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. Chairman of the supervisory Board: Banque de l'Economie du Commerce et de la Monétique – Editions Coprur – Crédit Industriel et Commercial - Société d'Etudes et

Name / Address / Current Position	Principal Occupation / Other Directorships and Business Experience
BFCM	<p>de Réalisation pour les Equipements Collectifs (SODEREC) – Société Alsacienne de Publications "L'ALSACE".</p> <p>Director: Groupe des Assurances du Crédit Mutuel – Assurances du Crédit Mutuel Vie et Iard SA – Assurances du Crédit Mutuel Vie SFM – Société Française d'Édition de Journaux et d'Imprimés Commerciaux "L'ALSACE".</p> <p>Member of the supervisory Board: Journal "LE MONDE" – Le Monde et Partenaires Associés – Société Editrice du Monde.</p> <p>Permanent representative: of Banque Fédérative du Crédit Mutuel (Director of Crédit Mutuel Finance which began after merger CM-CIC AM), of Fédération du Crédit Mutuel Centre Est Europe (Director of Sofédis, member of board Euro-Information), du Crédit Industriel et Commercial (director of CIAL, Banque Scalbert Dupont, Crédit Industriel de l'Ouest, Crédit Industriel de Normandie and Société Bordelaise du CIC).</p> <p>Censor: Fimalac.</p>
<p>M. Michel LUCAS Address: 91, rue Jouffroy d'Abbans 75016 Paris Chief Executive Officer and Director</p>	<p>Chief Executive Officer: Confédération Nationale du Crédit Mutuel – Caisse Centrale du Crédit Mutuel.</p> <p>President of Board of Directors : Crédit Industriel et Commercial.</p> <p>Chairman of the Board : Banque du Crédit Mutuel Ile-de-France - Groupe des Assurances du Crédit Mutuel – Assurances du Crédit Mutuel Vie et Iard SA.</p> <p>Président Directeur Général (Chief Executive Officer ?): Assurances du Crédit Mutuel Vie SFM.</p> <p>Chairman of the supervisory Board : – Groupement Technique des Organismes du Crédit Mutuel.</p> <p>Chairman: Crédit Mutuel Cartes de Paiement – Eurocard Holding.</p> <p>Vice- Chairman: Europay France – Mastercard Europe - Banque du Luxembourg.</p> <p>Chief Executive Officer – Director: Fédération du Crédit Mutuel Centre Est Europe – Caisse Fédérale du Crédit Mutuel Centre Est Europe – Banque Fédérative du Crédit Mutuel.</p> <p>Director: Caisse de Crédit Mutuel "Cronenbourg" - European Payment System Services – Maestro International – MCI-Cirrus System Inc – Sofédis - Crédit Mutuel Paiements Electroniques – Assurances Générales des Caisses Desjardins – ACMN Iard – SURAVENIR – Banque Transatlantique - CIC Capital Développement – CIC Finance – Lyonnaise de Banque - Société Nancéienne Varin Bernier – Banque Régionale de l'Ouest – Banque de Tunisie.</p> <p>Member of the Board: Euro-Information.</p> <p>Member of the Board of the Management: CIC Information.</p> <p>Member of the supervisory Board : Fonds de Garantie des Dépôts – Banque de l'Economie du Commerce et de la Monétique – CM-CIC AM – SAGEM – Société Alsacienne de Publications "L'ALSACE" – GIE CIC Production – Beauvillé.</p>
<p>Mme Marie-Paule BLAISE Address : 16, rue de la Ménagerie 67100 Strasbourg Director</p>	<p>Chairman: Union des Caisses de Crédit Mutuel du District de la Communauté Urbaine de Strasbourg</p> <p>Chairman of the Board : Caisse de Crédit Mutuel Strasbourg Europe</p> <p>Director: Fédération du Crédit Mutuel Centre Est Europe</p>
<p>M. Jean-Louis BOISSON 20, rue Piron 21000 Dijon Director</p>	<p>Chairman: Union des Caisses de Crédit Mutuel du District de Bourgogne Champagne</p> <p>Chairman of the Board : Caisse de Crédit Mutuel de Montbard Venarey</p> <p>Vice-Chairman of the Board: Fédération du Crédit Mutuel Centre Est Europe</p> <p>Vice-Chairman of the supervisory Board: Banque de l'Economie du Commerce et de la Monétique</p> <p>Director: Confédération Nationale du Crédit Mutuel – Caisse Fédérale du Crédit Mutuel Centre Est Europe</p> <p>Member of the supervisory Board: Groupement Technique des Organismes de Crédit Mutuel</p>
<p>M. Jean-Marie CONROY Address : 16, rue du Bruleux 88250 La Bresse</p>	<p>Chairman: Union des Caisses de Crédit Mutuel du District d'Epinal</p> <p>Chairman of the Board : Caisse de Crédit Mutuel des Hautes-Vosges</p> <p>Director: Fédération du Crédit Mutuel Centre Est Europe – Caisse d'Allocations Vieillesse pour les Cadres de l'Industrie et du Commerce</p>

Name / Address / Current Position	Principal Occupation / Other Directorships and Business Experience
Director	
M. Maurice CORGINI Address : 8, rue des Abbayes 25110 Baumes les Dames Director	Chairman: Union des Caisses de Crédit Mutuel du District de Besançon Chairman of the Board : Caisse de Crédit Mutuel Beaume-Valdahon-Rougemont Director: Fédération du Crédit Mutuel Centre Est Europe - Caisse Agricole Crédit Mutuel Member of Chairman of the supervisory Board: Crédit Industriel et Commercial Manager: Agence Foncière du Département du Doubs
M. Gérard CORMORECHE Address: Domaine des Rosarges 01700 Les Echets Director	Chairman: 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 Director: Confédération Nationale du Crédit Mutuel – Caisse Fédérale du Crédit Mutuel Centre Est Europe - Société des Agriculteurs de France Vice- Chairman of the supervisory Board: Crédit Industriel et Commercial Manager: Scea Cormoreche Jean-Gérard – Sàrl Cormoreche Censor: Groupe des Assurances du Crédit Mutuel – ACM Iard Sa Permanent representative: de la CCM Sud-Est (Conseil d'Administration de ACM Vie Sa)
M. François DURET Address : Sermonville 28700 Garancières en Beauce Director	<ul style="list-style-type: none"> - Permanent Representative of SAS CLOE - Address : 37, rue Boucicaut 61110 Belleme - Société par actions simplifiée - RCS Alençon 439.647.389 Functions of SAS CLOE : Director: Synergie Finance Member of the supervisory Board: Crédit Mutuel Finance Functions of M. DURET : Chairman: Fédération Régionale des Caisses de Crédit Mutuel du Centre Chairman of the supervisory Board: Caisse Fédérale du Crédit Mutuel du Centre Director: Confédération Nationale du Crédit Mutuel - CLOE SAS Permanent Représentative: of Caisse Fédérale du Crédit Mutuel du Centre (on Board of Director of Caisse Centrale du Crédit Mutuel), (of the supervisory Board of Soderec).
M. Roger DANGUEL Address: Quai de l'III 67600 Sélestat Director	Chairman: Union des Caisses de Crédit Mutuel du District de Sélestat Chairman of the Board : Caisse de Crédit Mutuel de Sélestat-Scherwiller Director: Fédération du Crédit Mutuel Centre Est Europe
M. Jean-Louis GIRODOT Address : 5 , rue Dufrenoy 75116 Paris Director	Chairman: Caisses de Crédit Mutuel (Paris Montmartre Grands Boulevards, Chatou, Fontenay-sous-Bois, Bois Colombes, Garches Pantin, Paris 5/6, Paris 13 Grande bibliothèque, Paris 15 Vaugirard/Convention, Paris 16 Victor Hugo, Paris 19 Flandres, Plaisir, Serris Val d'Europe, Saint Fargeau Ponthierry) - Chambre régionale de l'Economie Sociale (CRES) et Conférence nationale des CRES – Syndicat de la Presse Magazine et Spécialisée Chairman of the Board : Fédération du Crédit Mutuel Ile-de-France – Caisse Régionale du Crédit Mutuel Ile-de-France Président Directeur Général (Chief Executive Officer ?): Coopérative d'Edition de la Lettre de l'Economie Sociale (CODLES) Vice-Chairman: Conseil des Entreprises et Groupements de l'Economie Sociale (CEGES) - Conseil Economie et Social d'Ile-de-France Vice- Chairman of the supervisory Board: Cosmedias SA Director: Confédération Nationale du Crédit Mutuel – Caisse Fédérale du Crédit Mutuel Centre Est Europe Member of the supervisory Board: Crédit Industriel et Commercial – GTOCM Member : Comité Consultatif de l'Economie Sociale (CCES) – Conseil National de la Vie Associative (CNVA) Permanent Représentative: of Caisse Régionale du Crédit Mutuel Ile-de-France (Borad of Directors of GACM) – (Conseil d'Administration des Messageries Lyonnaises de Presse) – (Commission paritaire des Publications et Agences de Presse)
M. Jacques HUMBERT	Chairman: Union des Caisses de Crédit Mutuel du District de Mulhouse

Name / Address / Current Position	Principal Occupation / Other Directorships and Business Experience
Address : 16, rue de l'Eglise 68290 Bourbach le Bas Director	Chairman of the Board : Caisse de Crédit Mutuel La Doller Director : Fédération du Crédit Mutuel Centre Est Europe – Caisse Fédérale du Crédit Mutuel Centre Est Europe
M. Robert LAVAL Address : 140, A rue du Général de Gaulle 57560 St Quirin Director	Chairman : Union des Caisses de Crédit Mutuel du District de Sarrebourg Chairman of the Board : Caisse de Crédit Mutuel Sarrebourg et Environs Director : Fédération du Crédit Mutuel Centre Est Europe Directeur : Retirement house « Sainte Véronique » - Retirement house « La Charmille »
M. Jean-Paul MARTIN Address : 21, clos des Lilas 57155 Marly Director	Chairman : Union des Caisses de Crédit Mutuel du District de Metz – Union Nationale des Caisses de Crédit Mutuel Enseignant Chairman of the Board : CME 57 Director : Fédération du Crédit Mutuel Centre Est Europe
M. Bernard MORISSEAU Address : 23, avenue de Chaumont 44500 La Baule Escoublac Director	Chairman : Progreffe Chairman of the Board : Fédération du Crédit Mutuel de Loire-Atlantique et du Centre-Ouest - Caisse Fédérale de Crédit Mutuel de Loire-Atlantique et du Centre-Ouest - Caisse de Crédit Mutuel de Pornichet – Suravenir Assurances Holding Vice- Chairman of the Board : Confédération Nationale du Crédit Mutuel - Suravenir Assurances Chairman of the supervisory Board : Infolis Vice-Chairman of the supervisory Board : Banque du Crédit Mutuel pour l'Entreprise Director : Société Suisse Banque Member of the supervisory Board : Crédit Industriel et Commercial Représentant Permanent : of Caisse Fédérale de Crédit Mutuel de Loire-Atlantique et du Centre-Ouest (Ataraxia, member of the supervisory Board of Suravenir Assurances), of société EFSA (Director of CIO)
M. Paul SCHWARTZ Address : 66, rue J.J Kieffer 57230 Bitche Vice- Chairman of the Board	Chairman : Union des Caisses de Crédit Mutuel du District de Sarreguemines Chairman of the Board : Caisse de Crédit Mutuel de Bitche Vice- Chairman of the Board : Fédération du Crédit Mutuel Centre Est Europe Director : Confédération Nationale du Crédit Mutuel – Mutuel Bank Luxembourg – Assurances du Crédit Mutuel Vie SFM Member of the supervisory Board : Crédit Industriel et Commercial – Banque de l'Economie du Commerce et de la Monétique Permanent Représentative : of Banque Fédérative du Crédit Mutuel (Director of Caisse Centrale du Crédit Mutuel, of CM-CIC Participations Immobilières), of Caisse Fédérale du Crédit Mutuel Centre Est Europe (Director of Groupe des Assurances du Crédit Mutuel), of Groupe des Assurances du Crédit Mutuel (Director of Assurances du Crédit Mutuel Vie et Iard SA).

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 25,622 employees as at 31 December 2004.

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 Barbier Frinault & Autres of 41 rue Ybry, 92576 Neuilly-sur-Seine, and KMT Audit, 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 Barbier Frinault & 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 historical financial information included in this Base Prospectus has been audited by BFCM's statutory auditors.

RECENT DEVELOPMENTS

BFCM has not yet completed the preparation of its semi-annual financial statements for the 2005 first half.

Reproduced below is a press release published on 8 September 2005 by CIC, a 92.76% subsidiary of BFCM, which represented approximately 64% of BFCM's consolidated total assets as at 31 December 2004.

The press release discusses CIC's 2005 semi-annual financial statements. It should be noted that these financial statements are not audited.

"CIC GROUP:

Robust retail banking performance and sale of structured product risks

Despite the impact of structured products, CIC reported net income of €55 million at June 30, 2005, boosted by contributions from its different businesses.

The Supervisory Board of Crédit Industriel et Commercial (CIC), chaired by Etienne Pflimlin, met on September 8, 2005 to review the interim financial statements for the six months ended June 30, 2005. The interim financial statements were approved for presentation to the Supervisory Board by the Executive Board, headed by Michel Lucas, President, on September 5.

Retail banking continued its steady expansion in the first half of the year, with the corporates, self-employed professionals and private individuals markets each turning in a solid performance.

This strong momentum enabled the Group to:

- build up the amount of customer funds invested in Group savings deposits, particularly special savings accounts (up 8%) and deposits on current accounts (up 8%);
- promote and increase customer loans, which rose 13%, primarily propelled by home loans (up 31%), and corporate lending (up 15%);
- boost the property and casualty insurance business, achieving a 16% increase for in-force business since December 2004;
- attract new clients in the personal banking, self-employed professionals and corporate markets (3,544,527 clients at June 30, 2005, versus 3,454,978 clients in 2004);
- continue its branch opening program (1,916 versus 1,868).

Retail banking reported income before non-recurring items of €309 million for the six months ended June 30, 2005, compared with €244 million for the six months to June 30, 2004.

Private Banking showed a rise in income before non-recurring items to €64 million compared with €54 million for the six months ended June 30, 2004.

Private Equity recorded income before non-recurring items of €46 million compared with €17 million for first-half 2004.

The decline in the structured products business continued to contribute negatively on Financing and Capital Markets, which registered a loss of €382 million before non-recurring items. Substantially all of the current and potential risks associated with this activity have been sold, resulting in negative net banking income of €484 million (*), reflected in the financial statements for the six months to June 30, 2005.

Other business lines in the Financing and Capital Markets sector reported a positive contribution to income before non-recurring items, namely:

- Large corporates, specialized financing, international operations: €74 million;

- Other capital market operations, brokerage: €28 million.

CIC Group net banking income calculated in accordance with IFRS came in at €1,265 million, (€1,679 million in 2004), including negative net banking income of €484 million reported by the structured products business (*).

The implementation of a shared information system has enabled the Group to maintain a tight rein on general operating expenses (€1,210 million compared with €1,200 million).

Net additions to loan loss provisions continued their decline (0.20% versus 0.42%).

Net income under IFRS, after the negative €320 million impact of structured products (*), came in at +€55 million (+€260 million at June 30, 2004).

Shareholders' equity calculated in accordance with IFRS amounted to €5,765 million at January 1, 2005, compared with €4,979 million at December 31, 2004 (in accordance with CNC standards).

At June 30, 2005, the European capital adequacy ratio stood at 6.5%.

Going forward, the Group will press ahead with its growth strategy across all sectors, boosted by a more improved risk profile.

(*) Structured products

The structured products portfolio, representing almost 400 contracts worth €17 billion, chiefly consisted of structured equities, multi-underlyings and barrier options. The portfolio's risk exposure was highly concentrated on certain maturities and stocks that could have led to significant losses.

The Group decided to sell substantially all of the risks associated with the portfolio in June 2005. The portfolio currently contains a residual amount of €2.5 billion, for which a €24 million provision was set aside in the interim 2005 financial statements. The provision was based on an external assessment of the corresponding risks.

Capital losses generated on the sale amounted to €597 million.

The management loss for the first half of the year is €46 million (€156 million in 2004).

After taking into account the positive €183 million impact of IFRS, net banking income generated by the structured products business for first-half 2005 came in at a negative €484 million.*

The negative impact on 2005 net income is €320 million.

*: day one profit and loss and bid/ask

Groupe CIC

Key figures

(in € millions)	June 30, 2005		June 30, 2004	
	IFRS (1)	IFRS excl. IAS 32-39 (2)	IFRS excl. IAS 32-39 (2)	Dec. 31, 2004 IFRS excl. IAS 32-39 (2)
Assets and liabilities				
Total assets	195 591	177 760	171 152	
Customer loans including lease financing	70 722	64 508	66 362	
Customer deposits	55 468	53 890	55 215	
Assets under management and in custody	147 603	130 758	136 960	
Number of property, casualty and comprehensive home insurance policies	434 739	328 600	357 681	
Shareholders' equity				
Shareholders' equity	5 573	5 055	5 321	
Minority interests	379	239	345	
Total	5 952	5 294	5 666	
Number of employees, branches and clients				
Number of employees at period-end	23 914	23 974	23 925	
Number of branches	1 916	1 868	1 890	
Number of clients	3 544 527	3 374 978	3 454 978	
Individuals	2 918 026	2 768 576	2 838 576	
Corporates and self-employed professionals	626 501	606 402	616 402	

Income

Consolidated statement of income	June 30, 2005		June 30, 2004	
	IFRS (1)	IFRS excl. IAS 32-39 (2)	IFRS excl. IAS 32-39 (2)	Dec. 31, 2004 IFRS excl. IAS 32-39 (2)
Net banking income	1265	1679	3343	
General operating expenses	(1210)	(1200)	(2419)	
Operating income before provisions	55	479	924	
Net additions to provisions for loan losses	(56)	(121)	(195)	
Operating income (loss) after provisions	(1)	358	729	
Net gains on disposals of other assets	7	2	35	
Income and losses of companies accounted for by the equity method	29	23	45	
Net income before tax	35	383	809	
Income tax	47	(108)	(226)	
Net income before minority interests and allocation to general banking risks reserve	82	275	583	
Minority interests	(27)	(15)	(33)	
Net income	55	260	550	
Net income per share (in euros)	1,57	7,39	15,62	

(1) prepared under IFRS in accordance with CNC recommendation 2004-R.03

(2) prepared under French GAAP in accordance with regulations 2000-03 and 2000-04

**AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BANQUE
FÉDÉRATIVE DU CREDIT MUTUEL
FOR THE YEAR ENDED 31 DECEMBER 2004**

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The statutory auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the consolidated financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report together with the statutory auditors' report addressing financial and accounting information in the Chairman's report on internal control, should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of Banque Fédérative du Crédit Mutuel

In compliance with the assignment entrusted to us by the General Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Banque Fédérative du Crédit Mutuel for the year ended 31 December 2004.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the consolidated group of companies in accordance with the accounting rules and principles applicable in France.

Without qualifying our opinion, we draw attention to the matter discussed in Note 2.1, 3.12 and 26 to the notes annexed to consolidated financial statements:

- The first application of CRC Regulation 2004-04 related to the consolidation scope.
- The first application of the CNC Recommendation 2003-R-01 related to the computation of pension and similar obligations.
- The first application of CRC Regulations 2004-14 to 19 related to information with respect to the financial instruments' "fair value".

II - Justification of our assessments

In accordance with the requirements of article L. 225-235 of the French Company Law (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Your company records provisions to cover the credit risks inherent to its business as described in Note 3 to the consolidated financial statements. As part of our assessment of these estimates, we examined the control procedures applicable for monitoring credit risks, assessing irrecoverability risks and determining the related specific and general provisions;
- Your company records provisions to cover employee benefits as described in Note 3 to the consolidated financial statements. As part of our assessment of these estimates, we examined the assumptions applied and calculation methods used.

In the framework of our works, we have proceeded to the appreciation of the reasonable character of these assessments.

Our assessments on these matters were made in the context of the performance of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the formation of the unqualified opinion expressed in the first part of this report.

III - Specific verification

In accordance with professional standards applicable in France, we have also verified the information given in the group management report. We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Strasbourg and Neuilly-sur-Seine, on April 1st, 2005

The Statutory Auditors

KMT AUDIT
KPMG network

Henri Koenig

BARBIER FRINAULT & AUTRES
ERNST & YOU
NG

Richard Olivier

Olivier Durand

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BFCM
FOR THE YEAR ENDED 31 DECEMBER 2004**

CONSOLIDATED BALANCE SHEET OF BFCM

	Notes	At 31 December	
		2004	2003
(in thousands of euro)			
ASSETS			
Cash facilities and other interbank transactions	1, 6, 16	71,114,662	64,837,090
Loans and advances to customers	3, 6, 16	67,021,751	62,912,572
Lease financing and similar agreements.....	4, 16	5,329,055	5,203,525
Bonds, shares and other fixed-income and variable-yield securities.....	2,5,6,7,16	61,809,921	55,849,848
Investments of insurance companies.....	8	32,401,870	29,124,271
Participating interests, portfolio activity securities and shares in companies accounted for by the equity method....	10	1,195,001	511,684
Intangible and tangible fixed assets.....	11	1,734,863	1,433,414
Goodwill on acquisition	12	536,360	572,451
Other assets, prepayments and accrued income	9,13,14,15	17,247,836	14,192,014
TOTAL ASSETS		<u>258,391,319</u>	<u>234,636,869</u>
COMMITMENTS GIVEN			
Commitments given - Banking activity	24, 25, 26	36,281,494	34,346,021
Loan commitments.....		25,355,007	22,074,408
Guarantee obligations.....		9,657,030	11,640,863
Commitments made on securities.....		1,269,457	630,750
Commitments given - Insurance activity	26	155,310	138,783

At 31 December

	Notes	2004	2003
(in thousands of euro)			
LIABILITIES			
Overdrafts and other interbank transactions	6, 16, 17	86,832,644	81,280,116
Customer deposits	6, 18	56,271,398	51,643,346
Debts evidenced by certificates	6, 19	41,432,163	37,382,738
Technical provisions of insurance companies	20	31,603,865	28,395,055
Other liabilities, accruals and deferred income	13, 14, 15	30,241,922	25,615,231
Negative goodwill on acquisition	12	5,019	7,396
Provisions for risks and charges	21	852,362	1,038,271
Subordinated debts	22	4,775,196	3,686,792
Fund for general banking risks (FGBR)	23	649,321	638,916
Minority interests	23	1,011,457	847,001
Capital and reserves - group share (excluding FGBR) .	23	4,715,972	4,102,007
- Share capital		1,302,192	1,302,192
- Share premium account		577,705	577,705
- Consolidated and other reserves		2,121,919	1,609,802
- Net profit for the period		714,156	612,308
TOTAL LIABILITIES		<u>258,391,319</u>	<u>234,636,869</u>
 COMMITMENTS RECEIVED			
Commitments received - Banking activity	24, 25, 26	7,719,805	11,845,502
Loan commitments		18,136	67,897
Guarantee obligations		6,844,047	7,757,432
Commitments received on securities		857,622	4,020,173
Commitments received - Insurance activity	26	5,088,837	3,103,837

CONSOLIDATED PROFITS & LOSS ACCOUNTS OF BFCM

		At 31 December	
	Notes	2004	2003
		(in thousands of euro)	
Interest receivable and similar income.....	27	12,336,028	11,794,214
Interest payable and similar charges	27	(11,177,428)	(10,617,319)
Income from shares and other variable-yield securities	28	57,027	29,953
Fees receivable.....	29	1,814,452	1,722,047
Fees payable	29	(617,418)	(524,047)
Income or losses on trading securities.....	31	794,498	1,148,761
Income or losses on investment securities	32	286,672	321,014
Other operating income – Banking	33	113,379	72,211
Other operating charges – Banking	33	(29,485)	(23,922)
Gross profit from insurance activities.....	34	640,801	532,425
Net income from other activities.....		0	0
NET BANKING INCOME.....		<u>4,218,526</u>	<u>4,455,337</u>
General operating expenses.....	35	(2,578,162)	(2,608,595)
Provisions and depreciation on intangible and tangible fixed assets.....		(178,090)	(150,198)
GROSS OPERATING INCOME		<u>1,462,274</u>	<u>1,696,544</u>
Cost of risk.....	36	(218,001)	(436,820)
OPERATING PROFIT		1,244,273	1,259,724
Share of profits of companies accounted for by the equity method		12,860	17,893
Gains or losses on fixed assets	37	28,912	8,227
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION.....		<u>1,286,045</u>	<u>1,285,844</u>
Exceptional items.....	38	5,736	335
Tax charge for the period.....	39	(393,983)	(425,689)
Goodwill amortisation.....		(58,077)	(59,921)
Net transfer to the fund for general banking risks		(10,348)	(89,970)
Minority interests.....		(115,216)	(98,291)
NET PROFIT - GROUP SHARE.....		<u>714,156</u>	<u>612,308</u>

NOTES TO THE CONSOLIDATED ACCOUNTS

1. Legal and financial background

Banque Fédérative du Crédit Mutuel (BFCM) is a subsidiary of Caisse Fédérale du Crédit Mutuel Centre Est Europe (CFCMCEE), itself an interdepartmental bank (caisse interdépartementale) as defined in paragraph 4 of Article L512-55 of the Monetary and Financial Code (Code Monétaire et Financier) acting as the by-laws of Crédit Mutuel. Accordingly, Banque Fédérative du Crédit Mutuel is included in the consolidation scope used for the preparation of Crédit Mutuel Centre Est Europe's consolidated accounts.

Banque Fédérative du Crédit Mutuel issues securities that are admitted for trading on an organised bond market. It is therefore required to prepare separate consolidated accounts, notwithstanding its inclusion in the consolidation scope of Crédit Mutuel Centre Est Europe.

The consolidated accounts of Banque Fédérative du Crédit Mutuel are prepared in accordance with Regulation 99-07 issued by the French Accounting Regulation Committee (*Comité de la Réglementation Comptable* – CRC), as amended by Regulation 2000-04.

The consolidating entity as defined in CRC Regulation 99-07 is Banque Fédérative du Crédit Mutuel.

2. Consolidation scope

Note 2.1 Definition of consolidation scope

The consolidation scope includes:

- Companies controlled exclusively, for which the consolidating entity is in a position to direct their financial and operational policies;
- Companies controlled jointly, for which control is shared between a limited number of shareholders;
- Companies over which significant influence is exercised, which are not controlled by the consolidating entity but in whose financial and operational policies it participates.

Control of an entity could be determined in the event of absence of capital connection in compliance with criteria issued by the CRC Regulation 2004-04:

- (i) the capacity to decide in the entity, with or without management power on usual activities of this entity or on assets of this entity,
- (ii) the ability to derive benefit from the majority of the economics advantage of this entity,
- (iii) the exposure to the majority of risks linked to the activity of the entity.

The relevant entity is consolidated if the conditions of the criteria (i) and (ii) or the conditions of the criteria (i) or (iii) will be carried out. CRC Regulation 2004-04, which succeeds to CRC Regulation 99-07 with respect to the consolidation scope, does not impact the consolidated financial statements.

Companies controlled by the consolidating entity or over which it exercises significant influence, but which are not material in relation to the consolidated accounts, are excluded from the consolidation scope. This is presumed to be the case when the company's total assets or net profit are less than 1% of the corresponding lines at group level (or sub-group level, in the case of a consolidation in stages). This quantitative criterion is relative. An entity may be included in the consolidation scope even though not material, when the investment is considered of strategic interest by virtue of the entity's activities or its expected development.

At 31 December 2004, changes in the consolidation scope involved:

- The deconsolidation of Sarest, which was not material in relation to the consolidated accounts, of CIC associés, CIC Participations and Cicotitres for cessation of business activity.
- The first time consolidation of CIC Lyonnaise de Participations.
- Consolidation in full method of IPO due to the CIC detention which reached 76.6% since July 1, 2004.
- The first time consolidation by insurance companies of the following companies: SA Saint Germain, SNC Bruyère, SNC Maturins, SCI Ads, SCI Bastille, SCI Berger, SCI Brant, SCI Le Discover, SCI Gaia Sophia, SCI Green, SCI Lille, SCI Pelletan Camil, SCI Port Nogen, SCI Rouget De Lisle.
- The merger and absorption of Crédit Bail immobilier Sofébaïl, subsidiary of BFCM, of Solybaïl and Lorbaïl, subsidiaries of CIC by CM-CIC Lease.
- The merger and absorption of CIC Asset Management, Trinité Gestion and Société de Gestion du Crédit Mutuel by Crédit Mutuel Finance (CMF), whose name began CM-CIC Asset Management (CM-CIC AM).

These transactions between fully consolidated companies were handled as an internal transfer of shares. The resulting internal capital gains were eliminated on consolidation and assets and liabilities were maintained at their existing book values in the consolidated accounts.

Note 2.2 Consolidation scope

	31 December 2004		method	31 December 2003		method	
	Percentage			Percentage			
	ownership	voting		ownership	voting		
A Commercial banks							
	Banque de l'Economie du Commerce et de la Monétique	100	100	IG	100	100	IG
	Banque du Crédit Mutuel Ile-de-France	100	100	IG	100	100	IG
CIC	Crédit Industriel et Commercial (CIC)	93	93	IG	92	92	IG
CIC	Banque CIAL Suisse	100	93	IG	100	92	IG
CIC	Banque de Luxembourg	100	95	IG	100	95	IG
CIC	Banque Pasche	100	93	IG	100	92	IG
CIC	Banque Pasche Monaco	100	93	IG	100	92	IG
CIC	Banque Régionale de l'Ouest (BRO)	100	93	IG	100	92	IG
CIC	Banque Scalbert Dupont (BSD)	100	93	IG	100	92	IG
CIC	Banque Transatlantique	100	93	IG	100	92	IG
CIC	Banque Transatlantique Jersey	100	93	IG	100	92	IG
CIC	Bonnasse Lyonnaise de Banque (BLB)	100	93	IG	100	92	IG
CIC	Crédit Fécaminois	87	81	IG	80	74	IG
CIC	Crédit Industriel d'Alsace Lorraine (CIAL)	100	93	IG	100	92	IG
CIC	Crédit Industriel de Normandie (CIN)	100	93	IG	100	92	IG
CIC	Crédit Industriel de l'Ouest (CIO)	100	93	IG	100	92	IG
CIC	Lyonnaise de Banque (LB)	100	93	IG	100	92	IG
CIC	Mutuel Bank Luxembourg	90	86	IG	90	85	IG
CIC	Société Bordelaise de CIC (SBCIC)	100	93	IG	100	92	IG
CIC	Société Nancéienne Varin-Bernier (SNVB)	100	93	IG	100	92	IG
CIC	Union de Banques Régionales	100	93	IG	100	92	IG
B Specialist credit companies							
	Société Fédérative de Crédit-Bail Immobilier – SOFEBAIL Financement – SOFEMO	fusion	fusion	NC	85	85	IG
		100	98	IG	100	98	IG
CIC	Bail Ouest	100	93	IG	100	92	IG
CIC	CIAL Equipement	100	93	IG	100	92	IG
CIC	CIAL Finance	100	93	IG	100	92	IG
CIC	CM-CIC Bail (ex Bail Equipement)	98	91	IG	98	91	IG
CIC	CM-CIC Lease	100	96	IG	100	92	IG
CIC	Factocic	51	47	IG	51	47	IG
CIC	Laviolette Financement	100	93	IG	100	92	IG
CIC	Lorbail	fusion	fusion	NC	100	93	IG
CIC	SNVB Financements	100	93	IG	100	92	IG
CIC	Solybail	fusion	fusion	NC	100	92	IG

	31 December 2004			31 December 2003			
	Percentage		method	Percentage		method	
	ownership	voting		ownership	voting		
C Others							
Crédit Mutuel Cartes de Paiement (CMCP)	45	46	MEE	45	46	MEE	
CM – CIC Asset Management (ex Crédit Mutuel Finance)	74	73	IG	50	50	IG	
Euro-Information	16	16	MEE	16	16	MEE	
SCI La Tréflière	46	46	MEE	46	46	MEE	
Société d'Aménagement de la Région Est – SAREST			NC	100	100	MEE	
Société Civile de Gestion des Parts du Crédit Mutuel dans l'Alsace	50	50	IG	50	50	IG	
Ventadour Investissement	100	100	IG	100	100	IG	
GACM GIE ACM	100	75	IG	100	75	IG	
GACM ACM Services	100	75	IG	100	75	IG	
GACM SA Saint Germain	78	59	IG			NC	
GACM SCI Ads	100	73	IG			NC	
GACM SCI Bastille	100	40	IG			NC	
GACM SCI Berger	100	75	IG			NC	
GACM SCI Brant	100	66	IG			NC	
GACM SCI Le Discover	100	75	IG			NC	
GACM SCI Gaia Sophia	100	75	IG			NC	
GACM SCI Green	100	57	IG			NC	
GACM SCI Lille	100	43	IG			NC	
GACM SCI Pelletan Camil	100	75	IG			NC	
GACM SCI Port Nogent	90	67	IG			NC	
GACM SCI Rouget De Lisle	100	66	IG			NC	
GACM SNC Bruyère	100	75	IG			NC	
GACM SNC Mathurins	100	75	IG			NC	
SFEJIC Société Française d'Édition de Journaux et d'Imprimés Commerciaux "l'Alsace" - SFEJIC	78	51	MEE	78	51	MEE	
SFEJIC S.A.P. L'Alsace	100	51	MEE	100	51	MEE	
SFEJIC L'Alsace Publicité	100	51	MEE	100	51	MEE	
SFEJIC SCI L'Alsace	90	46	MEE	90	46	MEE	
SFEJIC Bollwerk Communication	54	27	MEE	54	27	MEE	
SFEJIC Agora Communication	51	26	MEE	51	26	MEE	
SFEJIC SCI Ecriture	65	33	MEE	65	33	MEE	
SFEJIC L'ALSACE IMMOBILIER	100	50	MEE	100	50	MEE	
CIC Adepi	100	93	IG	100	92	IG	
CIC BLC gestion	100	93	IG	100	92	IG	
CIC CIC Asset Management	fusion	fusion	NC	100	92	IG	
CIC CIC Associés	-	-	NC	100	92	IG	
CIC CIC Capital Développement	100	93	IG	100	92	IG	
CIC CIC Développements	100	60	IG	100	60	IG	
CIC CIC Epargne salariale	100	93	IG	100	92	IG	
CIC CIC Finance	100	93	IG	100	92	IG	
				ownership	voting		
CIC CIC Information		57	60	IG	57	60	IG
CIC CIC Lyonnaise de Participations	100	92	IG			NC	
CIC CIC Nord ouest gestion	100	93	IG	100	92	IG	
CIC CIC Participations			NC	100	92	IG	

		31 December 2004			31 December 2003		
		Percentage	method	Percentage	method		
CIC	CIC Production GIE	100	93	IG	100	92	IG
CIC	CIC Securities	100	93	IG	100	92	IG
CIC	Cicotitres	-	-	NC	100	92	IG
CIC	Compagnie de Finance pour Industrie	99	92	IG	94	87	IG
CIC	Compagnie Immobilière et Commerciale de Provence	fusion	fusion	NC	100	92	IG
CIC	Dubly-Doulhet	64	59	IG	64	59	IG
CIC	Finances et Stratégies	100	93	IG	100	92	IG
CIC	Financière Ar men	100	93	IG	100	92	IG
CIC	Financière Voltaire	100	93	IG	100	92	IG
CIC	Foncic	fusion	fusion	NC	100	92	IG
CIC	Gesteurop	100	93	IG	100	92	IG
CIC	Imofinance	100	93	IG	100	92	IG
CIC	Institut de participations de l'Ouest (IPO)	78	71	IG	25	23	MEE
CIC	Ofimpar SA	fusion	fusion	NC	100	92	IG
CIC	Régions Expansion	100	93	IG	100	92	IG
CIC	Saint Pierre SNC	100	93	IG	100	92	IG
CIC	SCI 28 avenue de l'Opéra	fusion	fusion	NC	100	92	IG
CIC	SCI Champs de Mars	100	93	IG	100	92	IG
CIC	SCI Succursales	fusion	fusion	NC	100	92	IG
CIC	SNVB Participations	100	93	IG	100	92	IG
CIC	Sofim	100	93	IG	100	92	IG
CIC	Sud Est Gestion	100	93	IG	100	92	IG
CIC	Sudinnova	49	45	IG	49	45	IG
CIC	Transatlantique Finance	100	93	IG	100	92	IG
CIC	Vizille (banque de)	97	90	IG	97	90	IG
CIC	Vizille Capital Finance	100	90	IG	100	90	IG
CIC	Vizille Capital Innovation	100	90	IG	100	90	IG

D Insurance companies

GACM	Groupe des Assurances du Crédit Mutuel – GACM	76	75	IG	76	75	IG
GACM	ACM IARD	96	72	IG	96	72	IG
GACM	ACM Nord IARD	49	37	MEE	49	37	MEE
GACM	ACM Retraite	100	73	IG	100	75	IG
GACM	ACM VIE	100	75	IG	100	75	IG
GACM	Assurances du Sud	98	73	IG	98	73	IG
GACM	Euro Protection Services	100	75	IG	100	75	IG
GACM	ICM Life	100	75	IG	100	75	IG
GACM	ICM Ré	100	72	IG	100	72	IG
GACM	Procourtage	100	75	IG	100	75	IG
GACM	Sérénis	100	75	IG	100	75	IG
GACM	Socapi	fusion	fusion	NC	100	75	IG
GACM	Suravenir Assurances	34	25	MEE	34	25	MEE
GACM	Télévie	100	75	IG	100	75	IG
	La Pérennité	21	21	MEE	21	21	MEE

CIC = Companies belonging to the Compagnie Financière CIC sub-group

GACM = Companies belonging to the Insurance group of Crédit Mutuel

SFEJIC = Companies belonging to the Société Française d'Éditions de Journaux et d'Imprimés Commerciaux "l'Alsace" sub-group

*Consolidation method:

IG	= Full method
IP	= Proportional method
MEE	= Equity method
NC	= Non consolidated

3. Accounting policies

The consolidated accounts are prepared in accordance with generally accepted accounting principles and regulations issued by the French Accounting Regulation Committee (*Comité de la Réglementation Comptable* – CRC), and comply with accounting regulations applicable to credit institutions and insurance companies, as appropriate to the sector of activity.

Note 3.1 Securities portfolio

SECURITIES TRANSACTIONS

Securities are reported on the balance sheet according to the type of security:

- Treasury bills and other bills eligible for refinancing with central banks,
- Bonds and other fixed-income securities,
- Shares and other variable yield securities

and in the notes are classified by reference to the purpose for which they were acquired: trading, available-for-sale or held-to-maturity securities. This results from the application of Regulation 90-01 issued by the French Banking and Financial Regulation Committee (*Comité de la Réglementation Bancaire et Financière* - CRBF), as amended by CRB Regulation 95-04, CRC Regulation 2000-02 and Instruction 94-07 issued by the Banking Commission (Commission Bancaire), itself amended by instruction 2000-12, requiring securities to be analysed by destination. Shares and other variable yield securities also include portfolio activity securities, investments securities, parts in linked companies or other held-to-maturity securities.

Trading securities

Trading securities are securities purchased or sold for the purpose of being sold or repurchased in the near term, normally less than six months, and which are traded on a liquid market. They are recorded at acquisition cost, including when appropriate related expenses and any accrued coupon. At the year-end, trading securities are marked to market. Net unrealised gains or losses arising from fluctuations in market value are included in the profit and loss account.

Investment securities

Investment securities are all those securities intended to be held for more than six months, with a view to earnings revenues or generating a profit on disposal. In the case of fixed-income securities, this does not imply that they are to be held to maturity. Investments securities are accounted for their bought prices, cost fees excluded. Premiums or discounts arising on the acquisition of fixed-income securities are amortised over the life of the securities in accordance with the option available under Regulation CRBF 90-01. At the year-end, unrealised losses, adjusted for the accretion and amortisation of premiums and discounts, give rise to provisions determined for each line in turn. Unrealised gains are not recognised.

Held-to-maturity securities

Held-to-maturity securities are debt securities that the company has the positive intent to hold long term - normally to maturity - and for which financing resources with the same maturity have been earmarked, or for which there exists a global hedge against the interest rate risk. The positive or negative difference between

cost and redemption value is accreted or amortised over the remaining life of the security. Unrealised losses do not give rise to a provision.

Portfolio activity securities

Portfolio activity securities arise from investments made on a regular basis for the sole purpose of generating a capital gain over the medium term, without the intention of investing lastingly in the development of the issuer's business or taking an active role in day-to-day management. These investments are made via ad-hoc entities. They represent significant as well as permanent investments generating recurring revenues in the form of profits on disposal. These securities are recorded at cost. At the end of the period, each line is valued separately. If book value is considered to exceed fair market value, a provision is recorded representing the unrealised loss. Unrealised gains are not recorded. Fair market value is determined by reference to the issuer's general prospects and the expected period of ownership. For listed securities, the average share price may be used when it relates to a sufficiently long period.

Transfers between portfolios are permitted only when the purpose for which the securities are held has changed since their acquisition.

Treasury bills, negotiable debt instruments and interbank instruments classified as investment or held-to-maturity securities are recorded at cost, including any accrued coupon on the acquisition date. Interest income is calculated by applying the negotiated rate, any premium or discount being accreted or amortised on an actuarial basis.

Bonds classified as investment or held-to-maturity securities are recorded at cost, excluding any accrued coupon. Interest income is calculated at the securities' nominal rate. When cost differs from redemption value, the difference is recognised on a straight-line basis and recorded as income or charges as appropriate.

Securities denominated in foreign currencies are converted at the rate ruling on the year-end, or on the date nearest the year-end, in accordance with Article 5 of CRBF Regulation 89-01. Unrealised foreign exchange gains and losses are included under gains or losses arising from financial transactions.

OTHER STOCK INVESTMENTS

Other stock investments represent investments made for the purpose of promoting the development of lasting business relationships with the issuer, but without taking an active part in the management of the issuing company.

Shares in subsidiary and associated undertakings represent investments whose lasting ownership is considered useful to the activities of Crédit Mutuel, notably because they enable the Company to exercise control or significant influence over the issuing company.

Other stock investments are recorded at cost. Individual provisions are recorded against participating interests when their carrying value – determined notably by reference to the company's net assets and prospects – is lower than cost.

Stocks denominated in foreign currencies and acquired in euro continue to be reported at their initial cost. When an investment is financed in a foreign currency, the conversion difference is accounted for symmetrically in relation to the conversion difference arising on the financing.

TEMPORARY SECURITIES SALES

Temporary sales of securities are intended as collateral to guarantee short-term loans. These sales take two distinct forms according to the legal mechanism used:

- Repurchase and reverse repurchase agreements;
- Securities borrowing and lending.

Under a repurchase agreement, legal title to the securities is transferred, the buyer agreeing irrevocably to resell the securities and the seller to repurchase them at a price and date stipulated in the contract. As regards the accounting treatment, securities sold under repurchase agreements are maintained on the same

balance sheet line as before, and continue to be valued in accordance with the rules applicable to the portfolio to which they belong. Concurrently, the debt representing the cash received from the buyer is recorded as a liability in the balance sheet. Amounts receivable in connection with a reverse repurchase agreement are reported as an asset in the balance sheet.

Securities lending is classified as consumer credits as defined in the French Civil Code. An irrevocable undertaking is given by the borrower to return the borrowed securities on maturity. As a rule, securities lending is generally guaranteed by cash advances, which are kept by the lender if the borrower defaults. In this case, the transaction is accounted for as a repurchase agreement and recorded as such.

INCOME ARISING ON SECURITIES

Revenues arising on shares and units in mutual funds are recognised as dividends as distributions are made. By contrast, revenues on bonds correspond to the interest calculated on the basis of the actual period during the year for which the bonds were held. Realised gains and losses on the disposal of investment securities are reported as gains or losses on financial transactions.

Note 3.2 Investments of insurance companies

Investments of insurance companies are valued in accordance with rules applicable in that industry.

Property investments are recorded at cost. A provision for depreciation is recorded if there is a lasting and significant diminution in the value of the properties.

Bonds and other fixed income securities are recorded at cost. The difference between the cost of such securities and their redemption value is spread over the remaining life of the securities on an actuarial basis. A provision is recorded when a deterioration in the issuer's financial situation jeopardises redemption at maturity.

Shares and other variable yield securities are recorded at cost. At the end of the period, listed securities are revalued by reference to listed share prices and unlisted securities by reference to their fair market value. In the cases where the estimated value is lower than the purchase cost by at least 20% for six consecutive months prior to the valuation, a provision equal this difference is recognised.

Investments representing unit-linked policies are reported at their realisable value.

Note 3.3 Valuation of monetary assets and liabilities by credit institutions

For the banking activities, amounts due to and by customers and credit institutions are reported in the balance sheet at their nominal value or at cost, if this is different to nominal value.

Monetary assets and liabilities such as accrued interest receivable or payable are included under the balance sheet headings to which they are related.

Amounts due by third parties are reclassified as doubtful debts in the following instances:

- When an amount has been overdue for more than nine months and the borrower is a local authority, when it has been overdue for more than six months and it concerns a home buyer, and when it has been overdue for more than three months in other cases;
- When it is likely that legal action will have to be taken to recover the amount due (warning procedure, company placed in receivership, etc.);
- When there is a risk that all or part of the amount due will not be recovered.

If an amount due by a third party (person or company) is transferred to doubtful debts, this results in all other amounts due by the same third party being reclassified as doubtful.

Doubtful debts give rise to specific provisions determined individually.

Full provision is made against any outstanding interest income on doubtful debts credited to the profit and loss account. Provisions for loan losses set aside or written back, the write-off of bad loans and recovery of amounts written off that related to interest income on doubtful debts are reported on the line "Interest receivable and similar income" in the profit and loss account.

The amount of the provision against the outstanding principal represents the estimated impairment in the loan's value, determined in accordance with the concept of prudence. The provision takes into account the value of any personal guarantee or sureties provided by the borrower.

With regards to doubtful loans extended to property dealers and developers, the application of the above rules means that the market value of the property financed by loans to property dealers is taken into account. In the same way, provisions in respect of property development programmes take into account any additional financial charges incurred because of delays in completing the sale of the property.

Pursuant to CRC regulation no. 2002/03, doubtful loans that are in default or have been classified as doubtful debts for more than a year have been specifically identified as "impaired doubtful loans". This process has been automated and no use is made of the exemption facility introduced by notice no. 2003/G issued by the Urgent Issues Committee of the CNC on 18 December 2003. Interest on a debt ceases to be recorded in the financial statements when it is classified as an "impaired doubtful loan". CRC regulation no. 2002/03 also provides for specific treatment of certain restructured loans. If material, doubtful loans that have been reclassified as performing loans further to restructuring at off-market conditions are segregated into a specific category. In this case, principal and interest amounts (due or accrued, as well as future interest variances) that have been written off are immediately recorded as losses and then written back as the loan is amortised. The number of such loans is small and calculating a discount would not have a material effect on the financial statements at 31 December 2004.

Note 3.4 Fixed assets

TANGIBLE FIXED ASSETS

Tangible fixed assets are recorded at cost.

Tangible fixed assets are depreciated over their estimated useful life, as a rule using the straight-line method, except for computer equipment that is depreciated using the declining balance method.

Use of the declining balance method does not lead to excess depreciation over plan for taxation purposes.

Depreciation methods applied in the company accounts comply with group accounting policies and, accordingly, no restatement is required on consolidation.

The section of CRC regulation no. 2002/10 relating to the loss in value of assets that deals with provisions for major repairs, as amended by CRC regulation no. 2003/07, has been in force since 1 January 2003. With respect to this regulation, the group was not required to set aside any provisions for major maintenance or repair work. This regulation therefore had no impact on the financial statements at 31 December 2004.

INTANGIBLE FIXED ASSETS

Preliminary expenses are restated on consolidation and written off in the year when incurred.

Goodwill purchased for valuable consideration is written off in the year when the transaction was completed.

Note 3.5 Conversion of foreign currency transactions

Amounts receivable and payable, as well as off balance sheet commitments, which are denominated in a foreign currency are converted into euro at the exchange rate ruling at the year-end. This does not apply to items denominated in the currencies of Participating States (i.e. Member States having adopted the euro as the single currency), which are converted applying the fixed conversion rates.

Conversion differences arising on long-term investments (i.e. equity securities held for investment purposes, portfolio activity securities and held-to-maturity securities) denominated in the currencies of Participating States and financed in French francs became definitive on 1 January 1999. These conversion differences are reported on the balance sheet, and recognised in the profit and loss account only on the disposal of the assets concerned.

Realised as well as unrealised gains and losses are recognised in the profit and loss account as a period item.

Note 3.6 Fund for general banking risks

In accordance with Regulation CRBF 90-02, a fund for general banking risks was created in 1991 to cover various risks inherent to the banking industry, in particular global exposure to interest rate and counterparty risks.

Amounts set aside in the company accounts may be modified on consolidation to comply with the policy defined by the Group.

Note 3.7 Provisions and disputes

Provisions relating to assets are deducted from the corresponding receivables, which are therefore reported at their net book value. Provisions relating to off balance sheet items are recorded as provisions for risks.

Provisions set aside to cover sovereign risks as well as risks related to emerging countries are determined by reference to the economic situation of the borrowing country. That part of the provisions relating to a specific risk is deducted from the corresponding assets.

In 2000, CIC undertook to constitute general provisions for credit risks. These provisions are intended to cover existing but as yet unknown risks on sound loans. They are determined as below:

- For credit activities other than specialised financing, the average annual costs over the long term, namely 0.5% of sound loans;
- For specialised financing and foreign branches, the cost as determined from loan ratings to which are associated an average cost of default. This method takes into account less risk dispersion, the more important unitary amounts and therefore the greater volatility.

Once these general provisions for credit risks have been constituted, write-backs may be made if the contingencies that they are designed to cover actually crystallise. A general provision for high risk of the Group was constituted inside these CIC general provisions for credit risks provision since financial year 2003.

Note that European Commission decision issued on 15 January 2002 and requiring that Crédit Mutuel to reimburse part of commissions that were received from Republic of France in relation to the distribution of the Livret Bleu was quashed by a judgement of the Tribunal de Première Instance of European Community on January 18, 2005. However European Commission could appeal this judgement and take a new decision pursuant to the critics issued by judgement of Tribunal de Première Instance.

The BFCM Group is not directly concerned by this procedure that involves its parent company, Crédit Mutuel Centre Est Europe.

Note 3.8 Capitalisation reserves and technical provisions of insurance companies

Capitalisation reserves are intended to cover any impairment in the value of the assets carried by insurance companies or any reduction in their revenues.

In accordance with CRC regulation 2000-05, transfers to and from the capitalisation reserve are eliminated on consolidation. This regulation was applied for the first time on 1 January 2001, leading to the reclassification of the capitalisation reserve under shareholders' equity as at that date.

Technical provisions reflect obligations towards the policyholders. They are determined in accordance with regulations and generally accepted accounting principles. Technical provisions relating to unit-linked policies are determined by reference to the realisable value of the assets underlying the policies.

The method recommended by CRC Regulation 2000-05 in preference to other acceptable methods, which consists in calculating life insurance technical provisions applying a discount rate equal to or lower than the cautiously estimated rate of the return expected from admissible assets, was not applied by the Group's insurance companies, as it was estimated this would not increase the amount of such provisions. At the same time, provisions for financial contingencies and general provisions for management expenses were eliminated on consolidation. Provisions for equalisation which could come back to the policyholders were reprocessed as provisions for net profit contribution. Provisions for equalisation in order to cover natural events and attack are recognised in consolidated accounts.

Note 3.9 Net banking income

Interest and bank charges, as well as revenues on bonds and other fixed-income securities are recognised on a prorata temporis basis.

Fees are recognised in the year when they were generated.

Revenues from shares and other variable-yield securities are recognised as and when received.

Note 3.10 Operations involving forward financial instruments

INTEREST RATE SWAPS

In accordance with Article 2 of CRBF Regulation 90-15, interest rate swaps are classified in distinct portfolios according to their purpose: (a) isolated open positions; (b) designated as a hedge for an identifiable item or group of homogeneous items; (c) used to hedge the global interest rate risk; and (d) specialist management of a trading portfolio.

Movements between portfolios are restricted to:
Transfers from portfolio "a" to portfolio "b";
Transfers from portfolio "b" to portfolios "a" or "d";
Transfers from portfolio "d" to portfolios "c" or "b".

Market value for swaps entered into for trading purposes are determined using the discounted cash flow method with a zero coupon curve. The fixed interest component is estimated from the various maturities discounted according to the yield curve, whereas the present value of the variable interest component is estimated from the coupon amount augmented by the nominal value. Market value is obtained by comparing the two discounted amounts, adjusted to reflect the counterparty risk and future management expenses, as required by the regulations.

Balancing cash adjustments received or paid on negotiation of the swaps are recognised prorata temporis over the life of the contract. If the contract is unwound before maturity, the balancing cash adjustment is recognised immediately, except when the contract was entered into for hedging purposes. In the latter case, balancing cash adjustments are recognised over the life of the hedged item.

OTHER FORWARD FINANCIAL INSTRUMENTS

Accounting and valuation methods for these instruments are fairly similar:

Recognition of commitments

Although transactions involving these instruments constitute only potential commitments, they are recorded on inception as off balance sheet items for the nominal amount of the underlying instruments. On maturity, or when unwound, these entries are reversed.

Recognition of income and charges

A distinction is drawn between:

- Operations designated as a hedge for assets or liabilities (loans or securities), for which differences resulting from fluctuations in the value of the financial instruments are recorded in a symmetrical manner to the income or charges arising on the hedged item;
- Operations designated as market or arbitraging operations, for which differences in the value of financial instruments traded on organised or similar markets are recognised in the profit and loss account when settling daily margins or when determined by reference to their market value (notably in the case of premiums arising on interest rate options).

Gains and losses arising on over-the-counter transactions are recognised in the profit and loss account when the transactions are unwound, with provisions for losses and charges being recorded to cover any known net risk.

Note 3.11 Employee profit sharing and incentive schemes

Charges relating to employee profit-sharing and incentive schemes are included on the line "Staff costs" in the profit and loss account for the year in which incurred.

Note 3.12 Pension and other similar obligations

Recording and assessment of the pension and similar obligations have been made in compliance with CNC Recommendation 2003-R-01 related to the computation of pension and similar obligations since January 1, 2004. A negative result amounted to €1 million was recorded in net consolidated reserves.

Pension and similar obligations are set aside, if necessary, and changes are entering in financial year. The assumption for the computation of pension and similar obligations used were a rate of discount that refers to a long-term rate market issued by first category credit institutions. Rate of increase of wages was assessed on basis of an assumption of inflation and a wages increase on long term.

PENSION PLANS

Advantages subsequent to former contractual allowance plan.

Commitments are computed on basis assumptions quoted above and pursuant to the projected credit units' method in order to determine discounted value of these obligations and cost of paid allowances for financial year. Variations between changes of these assumptions and variations between the assumptions and the results form actuarial variances. Assets of the relevant plan are assess at fair value which impacts on net profit for their expected yield. Difference between expected yield and inflation-adjusted yield forms an actuarial variance. At the end of the financial year actuarial variances of every plan are deferred except the proportion that exceeds of 10 per cent. of the highest of the plan assets or obligations. This proportion sets aside provisions in income statements. Reductions and liquidations of plans generate difference of obligations which set aside in income statements of the financial year.

AFB complementary pension plans pending pension funds.

Following the professional agreement signed on 13 September 1993, employees of banks affiliated with the French Bankers' Association joined the national multi-employer retirement plans operated by ARRCO and AGIRC. Under this agreement, the bank remains liable for benefits in excess of those provided by ARRCO
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and AGIRC. This liability represents the vested rights of retired and serving employees as at 31 December 1993. Full provision is made for the bank's actuarial commitments towards these organisations.

Hedge of the actuarial commitments is up to CRPB that did not call contribution fees for year 2004 because of the operating reserves exceeded the requirement. The obligations of the CIC banks' own retirement plans are subject to a complete assessment by an actuary every two years, the latest assessment occurred 2 years ago.

Retirement benefits and long-service medals

Future retirement benefits and long-service medals are fully covered with insurance contracts or provisions. Obligations are computed in accordance with projected credit units' method pursuant to IFRS standards. Mortality according to INSEE TV 88-90 schedule, staff turnover rate, wages trend rate, social security contributions rate in assumptions and discounted rate (market rate benchmarked to State Bonds yield rate and according to actuarial duration of commitments i.e. 3.90% in 2004) especially are taken in account. Commitments of the vested rights by the staff are fully covered by insurance policies. That is why none payment additional was required in 2004. Retirement benefits and long-service medals at maturity and paid to beneficiaries have been reimbursed by insurance company.

CARMUT

Staff of the CEE Group (excluding CIC Group) has the benefit from pensions paid by Caisse de Retraite du Crédit Mutuel Centre Est Europe (CARMUT), a joint body recognised in category of complementary pension funds. Carmut turns as a capitalised fund and manages two systems, one with contributions, which are translated in points and another, which gives supplement definite allowances. Contribution fees and premiums are fully paid by employer. Special technical provisions amounted to €373.8 million and to €43.4 million for the respective systems at December 31, 2004. An independent actuary values actuarial assessment of the supplement definite allowances system on basis of unit cost by service year. Employer pays an annual premium amounted to 1.70% of the payroll in order to cover the commitment and is reported on expenses of its statements. CARMUT turns in accordance of the security social Code for benefit of its recipients and is jointly managed. Its economic advantages turn back its affiliated members and decision power that is shared between the employer and the staff representatives, could only be exercised for the benefit of its recipients. That is why CARMUT is out of the IFRS consolidation scope with respect to the IAS 27 criteria consolidations based on influence concept.

EARLY RETIREMENT

A master agreement on the application in the CIC group of the early retirement measures for the banking industry was signed on 27 June 2001.

CIC and the regional banks within the CIC group have implemented this agreement, which enables beneficiaries to stop working two to three years prior to their retirement, while being paid an allocation between 57.5% and 65% of their salary. It is possible to enter this programme until 31 March 2006.

The total future cost has been estimated for the entire period covered by this obligation. This cost is provisioned on a straight-line basis from the date the agreement took effect (approval by the Minister of Employment) to the date the employee can choose to benefit from the agreement. Given the agreement's limited duration, no attempt has been made to discount future flows to their present value, or to take into account future salary increases. The percentage of potential beneficiaries who will choose to take advantage of this system has been estimated entity by entity.

4. Basis and methods of consolidation

The consolidated accounts of the BFCM Group were prepared in accordance with Regulation CRC 99-07 on the preparation of consolidated financial statements by companies coming under the French Banking and Financial Regulation Committee (*Comité de la Réglementation Bancaire et Financière* - CRBF) as modified by Regulation CRC 2000-04.

Note 4.1 Consolidation methods

The following consolidation methods are applied:

Full method

Under this method, the investment in the subsidiary is replaced by the latter's assets and liabilities, with minority interests in the company's reserves and net profit for the year being separately identified. It is used for companies that are controlled exclusively, and whose activities represent an extension of the consolidating entity's own activities, including banking, insurance, data processing services, etc.

Equity method

Under this method, the investment in the company is replaced by the Group's share of its capital and reserves, including the net profit for the year ended. This method is applied in respect of companies over which significant influence is exercised, or those which are controlled exclusively or jointly but which apply a different chart of accounts and whose activities do not constitute an extension of the consolidating entity's own activities (SFEJICA situation).

Note 4.2 Consolidation of non-banking activities

When a company does not operate in the banking sector, accounting policies specific to its industry are included in the consolidated accounts. The assets and liabilities of non-banking subsidiaries consolidated under the full or proportional method are reported on the corresponding lines of the consolidated accounts, except as detailed below.

In order to report the activities of fully or proportionally consolidated insurance companies, the following lines have been added to the summary consolidated accounts.

BALANCE SHEET:

ASSETS

Investments of insurance companies:

LIABILITIES

Technical provisions of insurance companies

PROFIT AND LOSS ACCOUNT

A line "*Gross profit of insurance companies*" has been added to the consolidated profit and loss account to highlight the weight of the insurance activities. This includes:

- Technical income and charges (life and non-life insurance)
 - Earned premiums;
 - Claims expenses (including variations in provisions);
 - Net investment income;
 - Other underwriting income and charges.

- Non-technical income (net of related charges)

The banking sector favours classification by nature, whereas classification by function is preferred in the insurance industry. Therefore income and charges reported on the line "*Gross profit of insurance companies*" does not include items that, given their nature, can be reported on another profit and loss account line. However, when they relate to the investments of insurance companies, depreciation and provisions set aside or written back are dealt with on the line "*Underwriting results and net investment income of insurance companies*".

OFF BALANCE SHEET ITEMS

Commitments given by insurance companies are reported on a separate line.

Note 4.3 Financial year-end

All companies included in the consolidation scope have a 31 December year-end.

Note 4.4 Goodwill on acquisition

When a company is consolidated for the first time, separately identifiable assets and liabilities (including off balance sheet items) are restated at their fair value in the case of operating items and at market value for non-operating items. When the purchase consideration exceeds the share of the company's net assets as determined above, the residual goodwill is amortised over a period of between five and fifteen years.

Acquisitions and disposals completed before 1 January 2000, which is the date when Regulation CRC 99-07 took effect, were not restated in accordance with the new method laid down in this regulation, the Group having availed itself of the derogation contained in the regulation. Goodwill on acquisitions completed before 1 January 2000 is determined by comparing the purchase consideration and the Group's share of the net assets of the company concerned.

Note 4.5 Restatements and eliminations

All material transactions between fully consolidated companies are eliminated, as well as any realised gains or losses arising on these transactions.

Provisions in the nature of reserves are written back to reserves and to the profit and loss account, when appropriate after having given rise to the calculation of deferred tax.

When the amounts are material, the company accounts prepared by consolidated companies are restated in order to comply with group accounting policies. These restatements may concern banking and/or insurance companies.

The impact of transactions between group companies on the balance sheet and profit and loss account is eliminated, and gains and losses arising therefrom are reversed.

Note 4.6 Translation of the financial statements of foreign subsidiaries

The balance sheets of foreign subsidiaries are translated using the official exchange rates ruling at the year-end. Translation differences on the capital, reserves and retained earnings of these companies are reported under capital and reserves on the line "Translation adjustments". The profit and loss accounts of these companies are translated using the average exchange rate for the period.

Note 4.7 Tax

The tax charge for the year includes all taxes, both current and deferred, chargeable in respect of the income for the year ended.

Current taxes are determined in accordance with applicable tax regulations. Banque Fédérative du Crédit Mutuel (BFCM) has formed a tax group with three of its subsidiaries (including Ventadour Investissement). Another tax group has been formed by CIC with its regional banks and its subsidiaries.

Deferred taxes are calculated on a full provision basis, whereby taxes are recognised not only in respect of timing differences between profits and losses as computed for taxation purposes and as stated in the financial statements, but also when there is a difference between an asset's or liability's book value and its tax value.

An exceptional tax calculated on gain in value in long-term special reserves was instituted by supplementary budget for 2004. Pursuant to a 2005-A note issued by the CNC emergency comity, this tax was recorded in expenses that amounted to €13 million for financial year 2004.

Deferred tax liabilities are systematically recognised except when they arise from the amortisation of goodwill. Deferred tax assets are recorded only when their recovery is certain or probable.

Note 4.8 Leases

Where the lessor is a group company, property and equipment finance leases appearing on the balance sheet are restated at the amount of the net investment in the lease.

In the case of finance leases where the lessee is a fully consolidated company, assets are reclassified under fixed assets in the consolidated balance sheet. Equipment leases entered into with group companies are not restated, as transactions with other group companies do not involve material amounts.

Finance leases entered into with non-group lessors are also restated on consolidation, and the assets made available are reclassified as fixed assets in the consolidated balance sheet. The difference between the net book value of the asset and the net residual value of the lease is dealt with as exceptional income or charges in the consolidated profit and loss accounts

NOTES ANNEXED TO BFCM CONSOLIDATED FINANCIAL STATEMENTS

Unless indicated otherwise, all amounts in these notes are expressed in millions of euro

NOTE 1 - Loans and advances to credit institutions

	31 December 2004		31 December 2003	
	Repayable on demand	Repayable at maturity	Repayable on demand	Repayable at maturity
Cash in hand, balances with central banks and post office banks	2,367		4,269	
Ordinary accounts	2,379		3,424	
Loans and bills purchased under resale agreements	1,204	44,839	2,420	39,362
Securities purchased and delivered under resale agreements	1,034	19,179	279	14,948
Accrued interest	1	110	2	130
Doubtful debts	1	20	3	21
Provisions for depreciation	(0)	(18)	(2)	(19)
Total	6,985	64,130	10,395	54,442
Total loans and advances to credit institutions		71,115		64,837
Of which participating loans		201		181
Of which subordinated loans		6		4

Among the non performing loans, non performing compromised loans amounts €1 million; €(1) million are considered as provisions

Among good loans none restructured credit at non markets conditions is represented

Analysis of credit institution excluding repo, accrued interest and values not imputed	Gross loans	Doubtful loans and advances	Doubtful loans and advances compromised	Provisions
Analysis by geographics sectors				
- France	46,945	0	2	(1)
- Europe excluded France	1,900	0	0	(0)
- Others	1,398	14	4	(17)
Total	50,242	14	6	(18)

Real estate professional refinancing and emerging countries pictures

Total loans (including non-performing loans) to property dealers and developers amounted to €2,200 million.

Credits and equity financing provided to property dealers and developers amounted to €27 million.

Off balance sheet commitments in favour of property dealers and developers amounted to €2,236 million.

31.12.2004			31.12.2003		
Doubtful debts	Provisions	Provisioning rate	Doubtful debts	Provisions	Provisioning rate
88	69	78%	79	65	82%

Outstanding loans and advances to property dealers and developers are analysed below:

Analysis by market

Office and commercial property	<u>24%</u>
Residential property	<u>56%</u>
Listed property investment companies	<u>20%</u>

Analysis by beneficiary

Property dealers	<u>10%</u>
Property developers	<u>40%</u>
Other	<u>50%</u>

Analysis by geographical areas

Ile de France	<u>21%</u>
Rest of Metropolitan France	<u>53%</u>
Other	<u>26%</u>

NOTE 2 - Treasury bills and other bills eligible for refinancing with central banks

Year ended 31 December	2004				2003			
	Trading securities	Investment securities	Held to maturity securities	Total	Trading securities	Investment securities	Held to maturity securities	Total
Securities held	14,601	7,271	1,773	23,645	13,987	6,766	1,156	21,909
Securities loaned								
Translation adjustment								
Accrued interest	0	65	17	82	0	8	15	23
Gross value	14,601	7,335	1,790	23,726	13,987	6,774	1,171	21,932
Provisions		(48)		(48)		(1)		(1)
Net value	14,601	7,288	1,790	23,679	13,987	6,774	1,171	21,931
Unrealised gains		17				47		

In 2004, none transfer between portfolios has been occurred and none investment security has been sold before the term.

Positive or negative differences between the redemption value and the cost of held-to-maturity securities amounted to €(80) million; Investment securities: €(10) million

NOTE 3 - Loans and advances to customers

	31 December 2004	31 December 2003
Commercial loans	4,422	4,350
Accrued interest	0	0
Other advances to customers		
- Loans and credits	56,053	51,578
- Accrued interest	164	170
Ordinary overdrafts	5,051	5,348
Accrued interest	0	42
Doubtful loans and advances	3,647	3,677
Accrued interest	16	83
Provisions	(2,331)	(2,336)
Total	67,022	62,912
Of which participating loans	0	0
Of which subordinated loans	81	96

Among doubtful loans, doubtful compromised amounts to
and booked provision to
Among loans, restructured credit at non market conditions amounts

€ 2,696 million
€(1,951) million
€ 7 million

Analysis of loans and advances to customers included lease, excluding repo	Gross loans	Doubtful loans and advances	Doubtful loans and advances and advances compromised	Provisions
By counterparts				
- Public	35,652	562	1,295	(1,137)
- Companies	23,659	432	957	(1,176)
- Big size companies	6,389	30	131	(142)
- Specialized financing	2,515	18	199	(92)
- Others	1,391	6	161	(107)
Total	69,606	1,047	2,743	(2,654)
By activities sectors				
- Agriculture and mining industries	741	20	41	(33)
- Industries	9,866	171	649	(637)
- Companies and holdings services	11,353	270	608	(625)
- Private services	29,248	355	719	(757)
- Financial services	2,324	23	117	(112)
- Real estate services	10,550	137	290	(320)
- Transportation and communication	2,531	33	138	(85)
- Others	2,994	37	180	(86)
Total	69,606	1,047	2,743	(2,654)
By geographical sectors				
- France	63,146	1,008	2,608	(2,564)
- Europe excluding France	4,023	26	92	(68)
- Others	2,437	13	43	(22)
Total	69,606	1,047	2,743	(2,654)

NOTE 4 - Lease Financing

	31 December 2003	Acquisitions Charge	Disposals Written back	Other movements	31 December 2004
Finance leases and lease purchase agreements					
Gross value	7,102	1,488	(1,031)	(10)	7,549
<i>Of which doubtful debts</i>	125	18	(29)	(2)	112
Depreciation	(2,745)	(1,102)	850	99	(2,899)
Provision for doubtful debts	(214)	(83)	63	(77)	(311)
	(2,959)	(1,185)	913	22	(3,210)
Net value	4,142	303	(118)	12	4,339
Straight rental agreements					
Gross value	1,853	364	(355)	3	1,865
<i>Of which doubtful debts</i>	18	3	(4)	1	18
Depreciation	(780)	(351)	283	(17)	(863)
Provision for doubtful debts	(13)	(4)	6	(1)	(12)
	(792)	(355)	290	(18)	(875)
Net value	1,061	9	(65)	(15)	990
Total	5,203	312	(183)	(3)	5,329
Among doubtful loans, doubtful compromised amount	€47 million				
And booked provision amount	€(24) million				

NOTE 5 - Bonds and other fixed-income securities

	31 December 2004				31 December 2003			
	Trading securities	Investment securities	Held to maturity securities	Total	Trading securities	Investment securities	Held to maturity securities	Total
Listed securities held	8,035	10,475	8,590	27,100	4,560	8,771	8,229	21,560
Unlisted securities held		2,089	428	2,517		360	1,085	1,445
Securities loaned								
Accrued interest	6	160	205	371	4	264	206	474
Doubtful debts		20		20		23		23
Gross value	8,041	12,743	9,224	30,008	4,564	9,418	9,520	23,502
Provisions								
. for risks		(12)	(0)	(12)		(38)		(38)
. for impairment		(8)	(3)	(10)		(7)	(2)	(10)
Net value	8,041	12,724	9,221	29,986	4,564	9,373	9,518	23,454
Unrealised gains		161				147		
Of which subordinated bonds		173	52	225	0	15	103	118

Among doubtful debts, compromised doubtful debts amounted to € 11 million, booked provision to €(7) million

In 2004, investment securities amounting to €126 million were transferred to held-to-maturity securities and held-to-maturity securities amounting to €90 million were transferred to investment securities. Held-to-maturity securities amounting to €1,455 million were sold before maturity, generating a profit of €3 million.

Negative differences between the redemption value and the cost of investment securities and held-to-maturity securities amounted to respectively €(54) million and €(54) million.

Analysis of fixed income securities (bonds, government stocks)	Account receivable
By rating of Investments and held to maturity securities portfolio excluding attached credit	
- AAA, AA, A	21,391
- BBB	5,534
- Below BBB	1,920
- Doubtful loans and advances	20
- Non rated	1,781
Total	30,646

NOTE 6 - Analysis of monetary assets and liabilities by remaining maturity

ASSETS	Less than or equal to three months	Three months to one year	One to five years	Over five years and indeterminate maturity	Accrued interest	TOTAL
Loans and advances to credit institutions *	27,556	2,012	38,566	2,867	111	71,112
Loans and advances to customers **	18,778	6,302	20,409	20,035	165	65,689
Bonds and other fixed-income securities ***	2,039	2,470	10,300	6,773	365	21,947
TOTAL	48,373	10,784	69,275	29,675	641	158,748

* Excluding doubtful debts and related provisions for impairment

** Excluding non-allocated profits, property development, doubtful debts and related provisions for impairment

*** Limited to investment and held-to-maturity securities (excluding doubtful debts and related provisions for impairment)

<u>LIABILITIES</u>	Less than or equal to three months	Three months to one year	One to five years	Over five years and indeterminate maturity	Accrued interest	TOTAL
AMOUNTS OWED TO CREDIT INSTITUTIONS	43,616	8,133	34,036	757	291	86,833
CUSTOMER DEPOSITS	50,139	2,250	3,223	566	93	56,271
DEBTS EVIDENCED BY CERTIFICATES						
Cash certificates	35	16	7	1	2	61
Interbank certificates and negotiable debt instruments	21,069	4,876	2,045	2,093	446	30,529
Bonds	241	2,113	4,715	2,522	65	9,656
Other debts evidenced by certificates	354	52	778	2	1	1,187
TOTAL	115,454	17,440	44,804	5,941	898	184,537

NOTE 7 - Shares and other variable-yield securities

	31 December 2004				31 December 2003			
	Trading securities	Investment securities	Portfolio securities	Total	Trading securities	Investment securities	Portfolio securities	Total
Listed securities held	6,696	488	139	7,323	8,018	1,792	96	9,906
Unlisted securities held		196	759	955		178	517	695
Securities loaned		2		2	0			0
Accrued interest		1	15	16			13	13
Gross value	6,696	687	914	8,297	8,018	1,970	626	10,614
Provisions		(22)	(132)	(154)		(36)	(114)	(149)
Total	6,696	665	782	8,142	8,018	1,934	512	10,464
Unrealised gains		54	156	210		100	131	231

NOTE 8 - Investments of insurance companies

	31 December 2004	31 December 2003
Property, net of provisions and depreciation	66	267
Variable-income securities and UCITS	4,795	3,176
Bonds, other investments and loans	23,279	21,651
Deposits, sureties, other investments and loans	171	248
Accrued interest (including provisions for impairment)	472	425
Assets representing unit-linked policies	3,619	3,358
Total	32,402	29,124

Note 9 - Reinsurers' share of technical provisions

	31 December 2004	31 December 2003
Life insurance	15	13
Non-life insurance	198	192
Unit-linked policies		
Total	213	205

NOTE 10 - Participating interests, shares in related undertakings and other long-term securities

	31 December 2003	Acquisition Charges	Disposals Written back	Transfers	Other movements	31 December 2004
Other long-term securities						
- Listed	76	35	(3)		(18)	90
- Unlisted	102	10	(15)		17	114
Participating interests						
- Listed	31	555	(8)	(1)	6	583
- Unlisted	166	64	(15)	1	18	234
Shares in related undertakings						
- Listed	60					60
- Unlisted	28	50	(2)		28	103
Shares in companies accounted for by the equity method	126	0	(1)		(38)	87
Sub-total	588	714	(44)		13	1,271
Translation adjustment	0					1
Securities loaned	0					0
Accrued interest	3					5
Equity investments in and current account advances to property investment companies	19					23
Gross value	611					1,300
Provisions						
- Listed securities		(0)				(0)
- Unlisted securities	(99)	(10)	27		(23)	(105)
Sub-total	(99)	(10)	27		(23)	(105)
Net value	512					1,195

CEE Group, CIC Group and some of its subsidiaries are indefinitely liable associates of many non-trading real estate investment company, general partnerships and economic interest groupings, especially in the framework of management of wage savings, assets financing, community project developments within the Group and transactions in estate sector

The Group owns as participation of more than €50 million less than 5 per cent. of Crédit Logement and Veolia Environnement and less than 10 per cent. of Banque marocaine BMCE and of Banca di Legnano (Banca Popolare de Milano Group).

Shares in companies accounted for by the equity method	2004	2003
CMCP	4	4
EURO INFORMATION	35	29
SCI TREFLIERE	10	9
LA PERENNITE	11	7
SAREST*		8
SFEJIC L'ALSACE	1	4
Subsidiaries of GACM	26	22
Subsidiaries of CIC **		42
Total	86	125

* Not consolidated on 1st January 2004

** Institut de Participation de l'Ouest (IPO) consolidated in full method as from 2004

NOTE 11 - Tangible and intangible fixed assets

	31 December 2003	Acquisitions Charge	Disposals Written back	Other movements	31 December 2004
Tangible fixed assets					
Gross value					
. Land used in the operations	291	3	(0)	315	609
. Land not used in the operations	4	0	(0)	6	9
. Buildings used in the operations	1,094	178	(31)	210	1,450
. Buildings not used in the operations	22	0	(2)	0	21
. Other tangible fixed assets	1,170	161	(121)	(299)	912
Gross value	2,580	342	(154)	232	3,001
Depreciation					
. Land used in the operations	0			0	0
. Land not used in the operations	(1)		0		(0)
. Buildings used in the operations	(459)	(84)	24	(147)	(667)
. Buildings not used in the operations	(9)	(1)	0	(0)	(9)
. Other tangible fixed assets	(748)	(89)	61	91	(684)
Total depreciation	(1,216)	(174)	85	(56)	(1,361)
Net value	1,364	168	(69)	176	1,640

	31 December 2003	Acquisitions Charge	Disposals Written back	Other movements	31 December 2004
Intangible fixed assets					
Gross value					
. Business goodwill	19	2	(0)	30	51
. Research and development costs	1	0		0	1
. Other intangible fixed assets	200	15	(14)	17	219
Gross value	220	17	(14)	48	271
Amortisation					
. Business goodwill	(15)	(1)	1	(30)	(45)
. Research and development costs	(1)	(0)		0	(1)
. Other intangible fixed assets	(138)	(5)	12	(1)	(131)
Total amortisation	(154)	(6)	13	(31)	(177)
Net value	65				94

NOTE 12 - Goodwill

	31 December 2004		31 December 2003	
	Positive goodwill	Negative goodwill	Positive goodwill	Negative goodwill
Gross value	878	9	855	12
Amortisation, net	(342)	(4)	(282)	(4)
Net value	536	5	572	7

NOTE 13 - Other assets and liabilities

Other assets	31 December 2004	31 December 2003
Conditional instruments acquired	1,858	998
Securities transactions pending	765	463
Other debtors	4,497	3,143
Gold and other precious metals		
Other stocks and equivalents		
Miscellaneous debtors	174	242
Total	7,294	4,846
Other liabilities		
Conditional instruments sold	2,508	1,165
Debts in respect of securities transactions	13,357	12,129
<i>Of which relating to borrowed securities</i>	483	874
Securities transactions pending	868	779
Payments due in respect of unpaid capital	216	195
Miscellaneous creditors	2,929	2,681
Total	19,878	16,950

NOTE 14 - Other insurance assets and insurance liabilities

Other assets	31 December 2004	31 December 2003
Debtors arising from insurance and reinsurance operations	321	275
Amounts due by credit institutions	1	149
Others		
Total	322	424
Other liabilities		
	31 December 2004	31 December 2003
Creditors arising from insurance and reinsurance operations and guarantee deposits received	105	78
Amounts owed to credit institutions	20	38
Miscellaneous creditors	0	0
Others	0	0
Total	126	116

NOTE 15 - Adjustment accounts

Assets	31 December 2004	31 December 2003
-		
- Collection accounts	3,986	4,676
- Adjustment accounts	1,234	597
- Unrealised losses arising on hedging of forward financial instruments (not unwound)		
- Losses to be spread arising on hedging of forward financial instruments (unwound)	154	2
- Deferred charges	139	65
- Prepayments and accrued income	110	70
- Income to be received	1,208	809
- Other	2,584	2,498
Total	9,416	8,716

Liabilities		
- Head office and branches/network		
- Unavailable amounts on collection accounts	4,996	4,329
- Adjustment accounts	1,691	844
- Unrealised gains arising on hedging of forward financial instruments (not unwound)	0	1
- Gains to be spread arising on hedging of forward financial instruments (unwound)	165	126
- Deferred income	245	226
- Accruals	1,165	893
- Other	1,975	2,130
Total	10,239	8,550

NOTE 16 - Provisions for doubtful loan

	31 December 2003	Charge	Written back	Others movements	31 December 2004
Assets					
Provisions in respect of financing obligations	21	1	(4)	(0)	18
Provisions on customers debts	2,337	724	(716)	(13)	2,331
Provisions on lease financing and similar agreements	227	87	(69)	78	323
Provisions on bonds and others fixed income	10	3	(1)	0	11
Liabilities					
Provisions in respect of financing obligations	85	50	(44)	1	91
General provision for credit risk	382	7	(99)	(4)	286
Provisions on debts	80	30	(27)	(6)	77
Total	3,141	902	(960)	56	3,137
country risks					
assets	16	3	(6)	1	14
liabilities	5	(0)	1	0	7

NOTE 17 - Advances to credit institutions

	31 December 2004		31 December 2003	
	Repayable on demand	Repayable on maturity	Repayable on demand	Repayable on maturity
Central Banks	60		75	
Ordinary accounts	2,868		3,293	
Loan and repo	0	46,123	0	44,894
Securities in repo	250	37,241	433	32,294
Advances and Loans	10	281	12	280
Total	3,188	83,645	3,813	77,467
Total advances to credit institutions		86,833		81,280

NOTE 18 - Customer deposits

	31 December 2004		31 December 2003	
	Repayable on demand	Repayable on maturity	Repayable on demand	Repayable on maturity
Regulated savings accounts	11,202	8,697	9,782	8,512
Accrued interest	1	44	53	131
Sub-total	11,203	8,741	9,835	8,643
Other deposits	21,909	10,808	21,451	10,571
Securities sold and delivered under repurchase agreements	212	3,354	86	1,012
Accrued interest	0	44	2	43
Sub-total	22,121	14,206	21,539	11,626
Total customer deposits		56,271		51,643

NOTE 19 - Debts evidenced by certificates

	31 December 2004	31 December 2003
Cash certificates	59	69
Interbank certificates and negotiable debt instruments	30,083	29,578
Bonds	9,590	6,423
Other debts evidenced by certificates	1,186	859
Accrued interest	513	454
Total	41,432	37,383

NOTE 20 - Technical provisions of insurance companies

	31 December 2004	31 December 2003
Life insurance technical provisions	25,166	22,512
Provisions for claims outstanding	1,391	1,257
Provisions for policyholder bonuses and rebates	724	668
Provisions for unearned premiums	325	293
Other provisions (including management provision and equalisation provision)	384	309
Provisions in respect of unit-linked policies	3,615	3,356
Total of technical provisions	31,604	28,395

NOTE 21 - Provisions for risks and charges

	31 December 2003	Charge	Written back	Other movements	31 December 2004
Provisions for counterparty risk					
- Provisions in respect of financing obligations	53	45	(37)	17	79
- Provisions in respect of off balance sheet commitments	31	5	(8)	(16)	13
- Provisions for country risks	4	0	(1)	(0)	2
- General provisions for credit risk	382	7	(99)	(4)	286
- Other provisions for counterparty risks	75	30	(25)	(6)	74
Provisions for losses on forward financial instruments	45	16	(29)	(3)	28
Provisions on investments in subsidiary undertakings and participating interests	4	1	(1)	(0)	4
Provisions for risks and charges (other than counterparty risk)					
- Provisions for retirement indemnities	259	22	(76)	1	207
- Provisions for disputes (1)	24	6	(6)	(4)	19
- Other provisions for risks and charges	161	46	(46)	(20)	140
Total	1,038	176	(328)	(35)	852

(1) Excluding disputes with customers relating to loans and advances

NOTE 22 - Subordinated debts

	31 December 2003	Issued	Redeemed	Other movements	31 December 2004
Subordinated debts	3,147	300		(3)	3,444
Participating loans	131			26	156
Perpetual subordinated debt	323	750		0	1,073
Accrued interest	86			16	102
Total	3,687	1,050		38	4,775

Main subordinated debt issues

	Type	Date of issue	Amount	Outstanding at year-end	Interest rate	Maturity
Banque Fédérative du Crédit Mutuel	TSR		85 M€	85 M€	5.75	17.11.2007
Banque Fédérative du Crédit Mutuel	TSR		50 M€	50 M€	5.40	29.06.2011
Banque Fédérative du Crédit Mutuel	TSR		1,500 M€	1,500M€	6.50	19.07.2013
Banque Fédérative du Crédit Mutuel	TSS		750 M€	750M€	6.00*	

*Revisable rate Opportunity of early redemption of the undated subordinated €750 million Notes subject to restrictive conditions due to their Tier 1 Capital character.

NOTE 23 – Consolidated capital and reserves

Statement of changes in capital and reserves

	Group share					Minority Interests		Fund for general banking risks
	Capital	Premium	Reserves	Exercise net profit	Total	Total		
Consolidated capital and reserves at December 2002	1,296	564	1,318	415	3,594	829	4,423	549
Consolidated net profit				612	612	98	711	90
Appropriation of last financial year profit			415	(415)				
Dividends paid			(80)		(80)	(14)	(94)	
Increase of capital	6	14			20		20	
Changes in consolidation scope and controlling interests			(14)		(14)	(64)	(78)	
Translation adjustment			(30)		(30)	(2)	(32)	
Consolidated capital and reserves at December 2003	1,302	578	1,610	612	4,102	847	4,949	639
Consolidated net profit				714	714	115	829	10
Appropriation of last financial year profit			612	(612)				
Dividends paid			(92)		(92)	(19)	(111)	
Increase of capital								
Changes in consolidation scope and controlling interests			2		2	69	71	
Translation adjustment			(10)		(10)	(1)	(11)	
Consolidated capital and reserves at December 2004	1,302	578	2,122	714	4,716	1,011	5,727	649

Capital and reserves - Group share

Year ended 31 December	2004	2003
Capital	1,302	1,302
Legal reserves	57	47
Statutory and contractual reserves	560	470
Regulated reserves	10	10
Share premium account	578	578
Consolidated reserves, including adjustments in respect of companies accounted for by the equity method and cumulative translation adjustments	1,494	1,082
Net profit	714	612
TOTAL	4,716	4,102

Differences arising on companies accounted for by the equity method

The table below provides an analysis of the difference between the group's share of the net assets of companies accounted for by the equity method and the net book value of the investment in those companies.

Year ended 31 December	2004	2003
CMCP	3	2
EURO INFORMATION	32	23
SCI TREFLIERE	3	3
SAREST *		4
SFEJIC L'ALSACE	(6)	0
LA PERENNITE	0	0
Subsidiaries of GACM	6	1
Subsidiaries of CIC **		6
TOTAL	38	40

* Not consolidated on 1st January 2004

** Institut de Participation de l'Ouest (IPO) consolidated in full method as from 2004

NOTE 24 - Commitments in respect of forward financial instruments

Transactions involving forward financial instruments (analysed by reference to the concept of micro/macro hedging and management of open positions/specialist management involving firm and conditional transactions).

	31 December 2004			31 December 2003		
	Hedging transactions	Management transactions	Total	Hedging transactions	Management transactions	Total
Firm transactions						
<i>Organised markets</i>						
Interest rate instruments	137	36,107	36,244	251	47,548	47,798
Foreign exchange instruments	10	12	22	2		2
Other instruments	94	37,426	37,520	198	17,193	17,391
<i>Over-the-counter</i>						
Forward rate agreements	115	42,790	42,905	5,396	20,829	26,226
Interest rate swaps	207,486	407,735	615,221	175,858	464,782	640,640
Financial swaps	4,793	13,842	18,635	394	3,894	4,287
Other transactions	2	445	446	708	161	869
Other swaps		16,294	16,294			
Conditional transactions						
<i>Organised markets</i>						
<i>Interest-rate options</i>						
Bought		8,318	8,318		18,468	18,468
Sold		9,408	9,408		16,066	16,066
<i>Currency options</i>						
Bought					18	18
Sold					9	9
<i>Share and other options</i>						
Bought	252	15,012	15,264	157	5,420	5,577
Sold	174	17,043	17,216	157	6,184	6,341
<i>Over-the-counter</i>						
<i>Interest rate caps and floors</i>						
Bought	4,577	12,837	17,414	3,714	16,935	20,649
Sold	4,604	16,200	20,803	2,784	19,056	21,840
<i>Interest-rate, currency, share and other options</i>						
Bought	533	9,031	9,564	918	4,225	5,143
Sold	537	14,956	15,493	1,106	7,851	8,957
Total	223,312	657,455	880,767	191,642	648,638	840,280

Breakdown of over-the-counter interest-rate agreements by type of portfolio

31 December 2004	Isolated	Micro	Global	Specialised	Total
	open positions	hedging	interest rate risk	management	
Firm transactions					
Purchases		30		23,177	23,207
Sales		85		19,612	19,698
Swaps	13,010	204,533	2,953	394,725	615,221
Conditional transactions					
Purchases	1,237	4,070	507	11,600	17,414
Sales	1,362	4,603	1	14,838	20,803

Breakdown of over-the-counter interest-rate agreements by type of portfolio

31 December 2003	Isolated open positions	Micro hedging	Global interest rate risk	Specialised management	Total
Firm transactions					
Purchases	356	781		8,255	9,393
Sales	305	4,615		11,913	16,833
Swaps	30,213	171,009	4,849	434,569	640,640
Conditional transactions					
Purchases	2,472	2,918	796	14,463	20,649
Sales	3,163	2,723	61	15,893	21,840

Note 25 - Forward financial instruments - Counterparty risks

The counterparty risk arising on forward financial instruments is estimated applying the methodology used for calculating prudential ratios. It therefore takes into account netting agreements in force at the year-end.

Credit risks on forward financial instruments at 31 December 2004	Net replacement cost		Equivalent weighted risks	
	Contracts not benefiting from netting effect	Contracts benefiting from netting effect	Contracts not benefiting from netting effect	Contracts benefiting from netting effect

Risks on central government and similar agencies	156			
Risks on credit institutions located in the A zone	1,680		1,622	622
Risks on credit institutions located in the B zone and on customers	432		93	432
Total before effect of netting agreements	2,268		1,715	1,054
				834

Credit risks on forward financial instruments at 31 December 2003	Net replacement cost		Equivalent weighted risks	
	Contracts not benefiting from netting effect	Contracts benefiting from netting effect	Contracts not benefiting from netting effect	Contracts benefiting from netting effect

Risks on central government and similar agencies	300		1	
Risks on credit institutions located in the A zone	1,533		1,815	669
Risks on credit institutions located in the B zone and on customers	367		61	324
Total before effect of netting agreements	2,200		1,877	993
				708

NOTE 26 - Other off balance sheet commitments

Year ended 31 December	2004	2003
Currency transactions		
- To be received	2,266	7,139
- To be delivered	2,241	7,065
Commitments involving forward financial instruments		
Transactions on organised and similar markets		
- Forward currency transactions		
. Hedging	81,504	177,940
. Other transactions	219,514	144,740
- Financial currency swaps		
. Isolated open positions		2,235
. Micro hedging	4,793	394
. Global interest rate risk		
. Specialised management	13,842	1,658
Lease obligations		
- Lease payments due in respect of property finance leases (1)		
- Lease payments due in respect of equipment finance leases	1	2

(1) Property made available under finance leases is recorded as an asset and the lease obligations shown as a liability in the consolidated balance sheet.

Commitments of insurance companies	2004		2003	
	Life	Non life	Life	Non life
Commitments received				
- Bank guarantees in respect of loans				
- Commitments received on assets (caps, floors)	5,089		3,104	
- Other commitments received (interest rate swaps)				
Commitments given				
- Commitments on assets or revenues	38	72	33	70
- Other commitments	25	21	15	20
Securities received as collateral from ceding and retroceding undertakings	9	256	9	219

Fair value of derivative instruments

Year ended 31 December	2004		2003	
	Assets	Liabilities	Assets	Liabilities
Total	4,505	(5,821)	2,845	(3,739)

Presentation of this appendix is in compliance to CRC Regulations no 2004-14 to 2004-19 related to communication of fair value of financial instruments. Fair value of derivative instruments is assessed according to market to market or otherwise according to market models.

NOTE 27 - Interest income and charges

Year ended 31 December	2004		2003	
	Income	Charges	Income	Charges
Credit institutions	5,908	6,711	5,507	6,368
Customers	3,138	1,091	3,304	1,167
Lease financing and similar agreements	1,790	1,551	1,788	1,526
Bonds and other fixed-income securities	1,407	1,590	1,163	1,494
Other	92	234	32	62
<i>Of which charges on subordinated debts</i>		218		153
Total	12,336	11,177	11,794	10,617

NOTE 28 - Income from shares and other variable-yield securities

Year ended 31 December	2004	2003
Revenues from investment securities	24	4
Revenues from portfolio securities	13	9
Revenues from participating interests and other long-term securities	13	13
Revenues from shares in related undertakings	7	4
Revenues from shares in property investment companies	0	0
Total	57	30

NOTE 29 - Fees

Year ended 31 December	2004		2003	
	Income	Charges	Income	Charges
Transactions with credit institutions	8	8	7	10
Transactions with customers	571	8	555	3
Securities transactions	6	49	4	43
Foreign exchange transactions	20	11	26	9
Off balance sheet transactions				
. Commitments on securities	7		9	
. Forward financial commitments	15	32	7	17
. Loan commitments and guarantee obligations	5	14	21	11
Financial services	1,154	82	1,075	51
Fees on payment instruments		406		377
Other	29	8	18	4
Total	1,814	617	1,722	524

NOTE 30 - Charges relating to subordinated debts

Year ended 31 December	2004	2003
Charges on dated subordinated debts	(196)	(125)
Charges on perpetual subordinated debt	(22)	(27)
Other charges on subordinated debt	(0)	(0)
Total	(218)	(153)

NOTE 31 - Gains and losses on trading portfolio

Year ended 31 December	2004	2003
- Trading securities	2,000	1,108
- Foreign exchange transactions	24	45
- Forward financial instruments		
* Interest rate	(680)	254
* Exchange rate	1	(1)
* Other financial instruments (including shares)	(563)	(260)
Sub-total	781	1,147
- Provisions against financial instruments	(16)	(8)
- Provisions against financial instruments written back	29	10
Total	794	1,149

NOTE 32 - Gains and losses on investment portfolio

Year ended 31 December	2004	2003
Investment securities		
- Profits on disposal	1,013	519
- Losses on disposal	(749)	(293)
- Provisions for depreciation	(41)	(15)
- Provisions for depreciation written back	33	73
Portfolio securities		
- Profits on disposal	45	60
- Losses on disposal	(19)	(10)
- Provisions for depreciation	(27)	(33)
- Provisions for depreciation written back	32	19
Other	(0)	(0)
Total	287	321

NOTE 33- Other operating income and charges - Banking

Year ended 31 December	2004		2003	
	Income	Charges	Income	Charges
Ancillary income	33		29	
Charges transferred	3		0	
Net provisions for risks and charges		1		(9)
Miscellaneous income and charges from banking	78	28	43	33
Total	113	29	72	24

NOTE 34 - Gross profit from insurance activities

Year ended 31 December	2004	2003
Premiums earned	5,337	4,331
Claim expenses	(2,755)	(2,546)
Changes in provisions	(3,230)	(2,454)
Other technical and non-technical income and charges	64	60
Net investment income	1,223	1,140
Total	641	532

NOTE 35 - Staff costs

Year ended 31 December	2004	2003
Wages and salaries	993	1,006
Social security costs	475	464
Employee profit-sharing and incentives	93	87
Payroll and similar taxes	85	89
Net provision for retirement indemnities	(57)	(7)
Net provisions for other risks and charges	1	1
Total	1,558	1,640

Global compensations granted to the members of the board amounts €9.2 million in 2004 (2003: €8.5 million)

No director's fees has been allocated

NOTE 36 - Cost of risk

Year ended 31 December	2004	2003
Provisions for doubtful debts	726	759
Provisions for doubtful debts written back	(677)	(678)
Losses on bad debts covered by provisions	223	245
Losses on bad debts not covered by provisions	49	27
Recoveries on bad debts written off	(21)	(22)
Sub-total	300	332
Provisions for risks and charges	88	185
Provisions for risks and charges written back	(170)	(80)
Sub-total	(82)	105
Total	218	437

NOTE 37 - Gains and losses on fixed assets

	Treasury bills and other bills eligible for refinancing with central banks	Bonds and other fixed income securities	Participating interests and other long-term securities	Shares in related undertakings	2004 Total	2003 Total
Fixed asset investments						
- Gains on disposal		4	16	11	31	27
- Losses on disposal		(2)	(16)	(2)	(19)	(20)
- Provisions			(5)	(5)	(9)	(38)
- Provisions written back			13	16	28	38
Sub-total		3	8	21	31	7
Tangible and intangible assets						
- Gains on disposal					5	9
- Losses on disposal					(7)	(7)
Sub-total					(2)	2
Total					29	9

NOTE 38 - Exceptional items

Year ended 31 December	2004		2003	
	Income	Charges	Income	Charges
Exceptional items	8.60	2.90	9.80	9.50
Total	5.70	0.30		

NOTE 39 - Tax charge

Year ended 31 December	2004	2003
Current taxes	(332)	(401)
Deferred taxes	(62)	(25)
TOTAL	(394)	(426)

Year ended 31 December	2004	2003
Profit before tax	1,223	1,136
Applicable tax rate for the consolidating entity	35.4%	35.4%
Theoretical tax charge	(433)	(403)
Impact of transfer to fund for general banking risks (not tax deductible)	(4)	(32)
Other items	43	8
Actual tax charge	(394)	(426)

CIC and all its main subsidiaries that are at least 95% controlled directly or indirectly have formed a tax group. Each regional bank of CIC that is a member of the tax group has constituted a tax sub-group comprising its own subsidiaries. The creation by CIC of this tax group generated savings of €110 million in 2004.

NOTE 40 - Average staff numbers

Year ended 31 December	2004	2003
Staff	16,242	17,444
Management	9,420	9,556
Total	25,662	27,000

NOTE 41 - Analysis of results by activity and geographical area

The main criterion when analysing results by activity is the type of customer, the type of business being of minor importance and integrated into this first criterion. This approach is adapted to the group's strategy, which is positioned as a distribution network for which various products are designed and managed by specialised entities. Consolidated companies are allocated in their entity by reference to their main activity.

In this case, the company accounts are allocated on an analytical basis. Companies are allocated directly to their main activity on the basis of their contribution to the group's results. The analysis is performed by reference to the net profit before transfer to or from the fund for general banking risks (FGBR) and minority interests.

2004 Income Statement by activities

	Retail banking	Insurance	Investment banking	Private banking	Structure and Holding	Total
Net Profit before transfer to FGBR	301	272	242	75	(50)	840
Net transfer to the FGBR and Minority interests						(126)
Net profit after FGBR						714

2004 Income Statement by geographical areas

	France	Luxembourg	Switzerland	US	Germany	UK	Singapore	Total
Net Profit before FGBR	717	59	15	28	1	14	6	840
Net transfer to the FGBR and Minority interests								(126)
Net Profit								714

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

The EU has adopted a Directive regarding the taxation of savings income (the “**Savings Income Directive**”). The Savings Income Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual in another Member State, except that Austria, Belgium and Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise.

In relation to French taxation, the Savings Income Directive has been implemented in French law under Article 242 *ter* of the *Code général des impôts* and Articles 49 I *ter* to 49 I *sexies* of the Schedule III to the *Code général des impôts* (general tax code). As regards Luxembourg taxation, on 12 April 2005, the Luxembourg Parliament adopted a law implementing the Savings Income Directive.

French Taxation

BFCM has been advised that payments in respect of Notes issued by it may be made without withholding or deduction for, or on account of, the withholding tax on interest set out under Article 125 AIII of the *Code général des impôts* (general tax code) as provided by article 131 *quater* of the *Code général des impôts* if the Notes are issued outside France. Notes that constitute “*obligations*” 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 they are denominated in euro as provided in the Circular of the *Direction générale des impôts* dated 30 September 1998; or
- (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, in connection with their initial distribution, not to offer the Notes to the public in the Republic of France. Such securities may be 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 *Code monétaire et financier*, or
- (iii) in the case of non-syndicated issues of Notes denominated in currencies other than euro, if each of the subscribers is domiciled or resident for tax purposes outside the Republic of France.

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

Luxembourg Taxation

BFCM has been advised that, under Luxembourg tax law currently in effect, there is no withholding tax for Luxembourg resident and non-resident Noteholders on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax payable on payments received upon repayment of the principal or upon redemption of the Notes.

Luxembourg withholding tax on payments to individual Noteholders (resident in an EU country other than Luxembourg) will, as from 1 July 2005, be required to be made by Luxembourg paying agents pursuant to the Savings Income Directive or any law implementing or complying with, or introduced in order to conform to, the Savings Income Directive.

Luxembourg will impose a withholding system for a transitional period unless the beneficiary of the interest payments elects for the exchange of information. The withholding tax rate will initially be 15%,

increasing steadily to 20% and to 35%. The duration of such transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries.

A Luxembourg withholding tax may also be introduced in the future for interest payments made to Luxembourg individual residents.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 3 November 2005 (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 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 Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes 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 Notes to the public in that Relevant Member State:

- (i) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate,

published in another Member State and notified to the competent authority in that Relevant Member State all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;

- (ii) 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;
- (iii) 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 turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (iv) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive or any local implementing legislation.

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 legislation implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing legislation 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;¹
- (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.

Republic of France

(a) Unless the relevant Final Terms specify that the Notes are not being issued outside the Republic of France, each of the Dealers has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that the Notes are being issued outside the Republic of France.

(i) In respect of syndicated issues of Notes (except issues of Notes denominated in Euro) each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that (i) it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in the Republic of France, and (ii) offers and sales of Notes will be made in the Republic of France only to qualified investors in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier* (the “**Code**”).

(ii) In respect of non-syndicated issues of Notes (except issues of Notes which are denominated in Euro), each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that (i) it has not offered or sold and will not offer or sell, directly or indirectly, Notes in the Republic of France and (ii) each subscriber will be domiciled or resident for tax purposes outside the Republic of France.

(iii) In respect of issues of Notes (whether syndicated or non-syndicated) denominated in Euro, each of the Dealer(s) has represented and agreed and each further Dealer appointed under the

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

Programme will be required to represent and agree that (i) it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in the Republic of France and (ii) offers and sales of Notes in the Republic of France will be made in accordance with the provisions of the Code relating to offers to qualified investors.

(b) If the relevant Final Terms specify that the Notes are not being issued outside the Republic of France, in respect of non-syndicated issues of Notes which are denominated in currencies other than Euro, each of the Dealers has represented and agreed and each further dealer appointed under the Programme will be required to represent and agree that (i) it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in the Republic of France and (ii) offers and sales of Notes in the Republic of France will be made in accordance with Articles L.411-1, L.411-2 and D.411-1 of the Code relating to offers to qualified investors.

(c) In addition and in each case, 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 distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, the Base Prospectus or any other offering material relating to the Notes other than to those investors (if any) to whom offers and sales of the Notes in the Republic of France may be made, as described above.

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.

No 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 FINAL TERMS

FINAL TERMS dated [●]

[LOGO, if document is printed]

BANQUE FEDERATIVE DU CREDIT MUTUEL Euro 20,000,000,000 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 and copies may be obtained from [address] and will be available on [the Luxembourg Stock Exchange website 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/Offering Circular 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/Offering Circular] 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/Offering Circular] 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/Offering Circular] dated [original date] and the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [●]]. [The [Base Prospectus/Offering Circular] [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, 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)/ [●] [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 subparagraphs. 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: | [●] |
| | | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).</i> |
| 3. | Specified Currency (or Currencies in the case of Dual Currency Notes): | [●] |
| 4. | Aggregate Nominal Amount: | [●] |
| | (i) Series: | [●] |
| | (ii) Tranche: | [●] |
| 5. | [(i)] Issue Price of Tranche: | [●] per cent of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (<i>in the case of fungible issues only, if applicable</i>)] |
| | [(ii)] Net Proceeds: | [●] (Required only for listed issues) |
| 6. | (i) Specified Denominations: | [●]
[●] |
| 7. | [(i)] Issue Date [and Interest Commencement Date]: | [●] |
| | [(ii)] Interest Commencement Date (if different from the Issue Date) | [●] |
| 8. | Maturity Date: | <i>[specify date or (for Floating Rate Notes) Specified Interest Payment Date falling in or nearest to the relevant month and year]</i> |
| 9. | Form of Notes: | [Bearer] |
| | Type of Notes: | [Fixed Rate/Floating Rate/Zero Coupon/Index Linked/Dual Currency/Other] |
| 10. | Interest Basis: | [[●]% Fixed Rate]
[[specify reference rate] +/- [●] % Floating Rate]
[Zero Coupon] [Index Linked Interest] [Other] |

- (specify)] (further particulars specified below)
11. Redemption/Payment Basis: [Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (specify)]
12. Change of Interest or Redemption/Payment Basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]
13. Put/Call Options: [Noteholder Put] [Issuer Call] [(further particulars specified below)]
14. (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)
- Listing: [None/See "Listing Application" on page [] below]
15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions** [Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Fixed Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] 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 [●] in Nominal Amount
- (iv) Broken Amount(s): [Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]
- (v) Day Count Fraction: [30/360/Actual/Actual-(ICMA)¹][specify other] (Day count fraction should be Actual/Actual-ICMA for all fixed rate issues other than those denominated in U.S. dollars, unless the client requests otherwise)
- (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

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

([ICMA])

(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/*Give details*]

17. **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) Business Day Convention: [FRN 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)]*]

(iv) Additional Financial Centre(s): [●]

(v) Manner in which the Rate(s) of Interest and Interest Amount is to be determined: [Screen Rate Determination/other (*Give details*)]

(vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●]

(vii) Screen Rate Determination:

- Relevant Rate: [●]

[(Either LIBOR, LIBID, LIMEAN, EURIBOR or other, although additional information is required if other – [including fallback provisions in the Agency Agreement])]

– 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 Time: [●]

– Primary Source for Floating Rate: *[Specify relevant screen page or "Reference Banks"]*

– Reference Banks (if Primary Source is *[Specify four]*

“Reference Banks”):

- Relevant Financial Centre: [The Financial Centre most closely connected to the Benchmark – specify if not London]
- Benchmark: [LIBOR, LIBID, LIMEAN, EURIBOR or other Benchmark]
- Representative Amount: [Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
- Effective Date: [Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
- Specified Duration: [Specify period for quotation if not duration of Interest Accrual Period]

(viii) ISDA Determination:

- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]
- (ix) Margin(s): [+/-][●] per cent per annum
- (x) Minimum Rate of Interest: [●] per cent per annum
- (xi) Maximum Rate of Interest: [●] per cent per annum
- (xii) Day Count Fraction: [●]
- (xiii) Rate Multiplier: [●]
- (xiv) 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: [●]

18. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs 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: [●]

- (iv) Zero Coupon Early Redemption Amount: [Specify Zero Coupon Notes where Redemption Amount is variable]
19. **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) 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: [•] [Need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (iv) Interest Period(s): [•]
- (v) Determination Dates: [•]
- () [•]
- (vi) Specified Interest Payment Dates: [•]
- (vii) Interest or Calculation Periods: [•]
- (viii) Additional Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (Give details)]
- (ix) Financial Centre(s): [•]
- (x) Minimum Rate / Amount of Interest: [•] per cent per annum
- (xi) Maximum Rate / Amount of Interest: [•] per cent per annum
- (xii) Day Count Fraction: [•]
20. **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 [Give details]

Exchange:

- (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: [●]
- (v) Day Count Fraction: [●]

PROVISIONS RELATING TO REDEMPTION

21. **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 Note of [●] specified denomination
 - (iii) If redeemable in part:
 - (a) Minimum nominal amount to be redeemed: [●]
 - (b) Maximum nominal amount to be redeemed: [●]
 - (iv) Description of any other Issuer's option: [●]
 - (v) Issuer's Notice Period (if other than as set out in the Conditions) [●]
22. **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 Note of [●] specified denomination / other] (Give details)

- amount(s):
- (iii) Description of any other Noteholder's option: [●]
 - (iv) Notice Period (if other than as set out in the Conditions) [●]
23. **Final Redemption Amount** [[●] per Note of [●] specified denomination /other/see Appendix]
- In cases where the Final Redemption Amount is Index-Linked:
- (i) Index/Formula/variable: [Give or annex details]
 - (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) 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: [●]
 - (vii) Minimum nominal amount to be redeemed: [●]
 - (viii) Maximum nominal amount to be redeemed: [●]
24. **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 [Yes/No]

other than Specified Interest
Payment Dates:

- (iii) Unmatured Coupons to become void upon early redemption [Bearer Notes only]: [Yes/No]
[Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes: Bearer Notes:
- (i) Temporary or Permanent Global Note: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]
[Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- (ii) Applicable TEFRA exemptions: [C Rules/D Rules/Not Applicable]
26. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/*give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items [15 (ii), 16(iv) and 18(viii) relate]*]
27. 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*]
28. 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 if different from those specified in the Temporary Global Note, 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*]
29. Details relating to Notes redeemable in instalments: amount of each instalment, date on which each payment is to be made: [Not Applicable/*Give details*]

- | | | |
|-------|--|---|
| (i) | Instalment Amount(s): | [●] |
| (ii) | Instalment Date(s): | [●] |
| (iii) | Minimum Instalment Amount: | [●] |
| (iv) | Maximum Instalment Amount: | [●] |
| 30. | Redenomination, renominalisation and reconventioning provisions: | [Not Applicable/The provisions [in Condition [●]] [annexed to these Final Terms] apply] |
| 31. | Consolidation provisions: | [Not Applicable/The provisions [in Condition [●]] [annexed to these Final Terms] apply] |
| 32. | Other terms or special conditions: | [Not Applicable/Give details/Specify rating, if applicable/Specify any Payment Disruption Events and the consequences thereof, if applicable] |

DISTRIBUTION

- | | | |
|-----|---|--|
| 33. | (i) If syndicated, names of Managers (specifying Lead Manager): | [Not Applicable/Give names, addresses and underwriting commitments]

<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)] |
| 34. | If non-syndicated, name and address of relevant Dealer: | [Not Applicable/Give name] |
| 35. | Total commission and concession: | [[●] per cent. of the Aggregate Nominal Amount.] |
| 36. | Additional selling restrictions: | [Not Applicable/Give details] |

OPERATIONAL INFORMATION

- | | | |
|-----|--------------|-----|
| 37. | ISIN Code: | [●] |
| 38. | Common Code: | [●] |

39. Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme and the relevant identification number(s): [Not Applicable/Give name(s) and number(s)]
40. Delivery: Delivery [against/free of] payment
41. Names and addresses of additional Paying Agent(s) (if any): [Not Applicable/Give name(s), addresses]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 20,000,000,000 Euro Medium Term Note Programme of Banque Fédérative du Crédit Mutuel.]

- (i) Listing: [Regulated Market of the Luxembourg Stock Exchange²/Luxembourg Stock Exchange's EuroMTF Market/specify other/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [] with effect from [].]
[Not Applicable.]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading)*
- (iii) Estimate of total expenses related to admission to trading: [●]

POST ISSUANCE INFORMATION

The Issuer [intends][does not intend] to issue any post-issuance information concerning the underlying in connection with this issue of Notes.

[If post-issuance information is to be reported, specify what information will be reported and where such information can be obtained.]

RESPONSIBILITY

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

[[●] has been extracted from [●]. 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 [●], no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

² The Regulated Market of the Luxembourg Stock Exchange is a regulated market for purposes of the Investment Services Directive 2003/71/EC.

PART B – OTHER INFORMATION

1. RATINGS

Ratings: The Notes to be issued have been rated:

[S&P: [●]]

[Moody's: [●]]

[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.)

2. RISK FACTORS

[Include any product specific risk factors which are not covered under “Risk Factors” in the Base Prospectus. If any such additional risk factors need to be included consideration should be given as to whether they constitute “significant new factors” and consequently trigger the need for either (i) a supplement to the Base Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors’ right to withdraw their acceptances within a 48 hour time period or (ii) a Prospectus.]

[Investors may lose the value of their entire investment or part of it, as the case may be, and/or if the investor’s liability is not limited to the value of his investment, a statement of that fact, together with a description of the circumstances in which such additional liability arises and the likely financial effect.]³

3. [NOTIFICATION]

[The Commission de Surveillance du Secteur Financier, which is the Luxembourg competent authority for the purposes of the Prospectus Directive [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

³ Required for derivative securities.

4. [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."

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

(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.]⁵

(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.)

6. [Fixed Rate Notes only – YIELD]

Indication of yield: [•]

[Calculated as [include details of method of calculation in summary form] on the Issue Date.]⁶

[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.]

[7. [Floating Rate Notes only – HISTORIC INTEREST RATES]

[Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Telerate].]⁷

⁴ 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.

⁵ Not required for debt securities with a denomination per unit of at least EUR 50,000.

⁶ Not required for debt securities with a denomination per unit of at least EUR 50,000.

⁷ Not required for debt securities with a denomination per unit of at least EUR 50,000.

8. [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 a statement of the type of underlying and details of where information concerning the underlying can be obtained.

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.⁸ [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.⁹ Where the underlying is not an index need to include equivalent information.]

9. [Derivative Securities only – OTHER INFORMATION CONCERNING THE SECURITIES TO BE [OFFERED]/ [ADMITTED TO TRADING]]¹⁰

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: [•]

10. Derivative Securities only – MATURITY/EXPIRATION

Expiration/Maturity date of derivative securities [•]

Exercise date or final reference date [•]

11. Derivative Securities only – SETTLEMENT PROCEDURES FOR DERIVATIVE SECURITIES

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

⁸ Not required for debt securities with a denomination per unit of at least EUR 50,000.

⁹ Required for derivative securities.

¹⁰ Required for derivative securities.

12. **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: [•]

13. **[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.

14. **[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 application¹¹;*
- (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;*
- (vii) the categories of potential investors to which the securities are offered¹²,*

[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.

15. **[PLACING AND UNDERWRITING]¹³**

Need to include:

The name and address of the co-ordinator(s) of the global offer and of single parts of the offer¹⁴;

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

¹¹ Whether in number of securities or aggregate amount to invest.

¹² 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.

¹³ Required for derivative securities.

¹⁴ To the extent known to the Issuer, of the placers in the various countries where the offer takes place.

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" arrangements¹⁵;

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.

¹⁵ Where not all of the issue is underwritten, a statement of the portion not covered.

GENERAL INFORMATION

1. In relation to the listing of Notes issued under the Programme on the Luxembourg Stock Exchange, the Luxembourg Stock Exchange has allocated the registration number 12109 to the Programme for listing purposes.
2. 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 20,000,000,000 was authorised for a period of one year by a resolution of the *Conseil d'administration* on 31 March 2005. 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.
3. Except as disclosed on pages 66 to 67 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 30 June 2005 and no material adverse change in the financial position or prospects of the Issuer or of the Group since 31 December 2004.
4. Except as disclosed on page 61 of 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.
5. 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.
6. 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".
7. 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.
8. 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), (vi), (vii) (with the exception of the interim accounts) and (viii), 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;
 - (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 *statuts* of the Issuer;
- (vii) 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
- (viii) each Final Terms for Notes that are listed on the Regulated Market, EuroMTF or any other stock exchange.

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").

9. 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 Barbier Frinault & Autres (Ernst & Young) (represented by Richard Olivier and Olivier Durand) and KMT Audit (KPMG network) (represented by Henri Koenig). 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 unconsolidated financial statements of BFCM for the years ended 31 December 2003 and 2004 have been audited without qualification by the statutory auditors.

10. The Issuer has other bonds listed on the regulated markets of Euronext Paris and the Luxembourg Stock Exchange.

REGISTERED OFFICE OF THE ISSUER

Banque Fédérative du Crédit Mutuel

34, rue du Wacken
67000 Strasbourg

ARRANGER

BNP PARIBAS

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London NW1 6AA

DEALERS

Banque Fédérative du Crédit Mutuel

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250 Bishopsgate
London EC2M 4AA

BNP PARIBAS

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London NW1 6AA

Goldman Sachs International

Peterborough Court
133 Fleet Street
London EC4A 2BB

Morgan Stanley & Co. International Limited

25 Cabot Square
Canary Wharf
London E14 4QA

WestLB AG

Herzogstrasse 15
D-40217 Düsseldorf

FISCAL AGENT AND PRINCIPAL PAYING AGENT

BNP Paribas Securities Services, Luxembourg Branch

23 avenue de la Porte Neuve
L-2085 Luxembourg

PAYING AGENTS

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5 Carmelite Street
London EC4Y 0PA

The Bank of New York, Brussels

35 Avenue des Arts
B-1040 Brussels

BNP Paribas Securities Services

Les Collines de l'Arche
F-92057 Paris

CALCULATION AGENT

BNP PARIBAS Securities Services, Luxembourg Branch
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L-2085 Luxembourg

LUXEMBOURG LISTING AGENT

BNP PARIBAS Securities Services, Luxembourg Branch
23 avenue de la Porte Neuve
L-2085 Luxembourg

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in respect of French law*

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*To the Dealers
in respect of English law*

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