

**PROSPECTUS SUPPLEMENT NO. 2 DATED 21 DECEMBER 2012  
TO THE BASE PROSPECTUS DATED 14 MAY 2012**



**Crédit Mutuel Arkéa Home Loans SFH**  
(duly licensed French credit institution)

**€ 10,000,000,000**  
**COVERED BOND PROGRAMME**  
***FOR THE ISSUE OF OBLIGATIONS DE FINANCEMENT DE L'HABITAT***

This supplement (the "**Second Supplement**") is supplemental to, and must be read in conjunction with, the base prospectus dated 14 May 2012, (the "**Base Prospectus**") and the supplement dated 3 September 2012 (the "**First Supplement**") prepared with respect to the € 10,000,000,000 Covered Bond Programme (the "**Programme**") for the issue, from time to time, subject to compliance with all relevant laws, regulations and directives, of covered bonds (the "**Covered Bonds**") by Crédit Mutuel Arkéa Home Loans SFH (the "**Issuer**"). Unless the context otherwise requires, terms defined in the Base Prospectus have the same meaning when used in this Second Supplement.

On 14 May 2012, the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") approved the Base Prospectus as a base prospectus for the purposes of article 5.4 of Directive 2003/71/EC of 4 November 2003 (the "**Prospectus Directive**") in its capacity as competent authority in Luxembourg under the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005 which implements the Prospectus Directive in Luxembourg (the "**Luxembourg Law**"). Application has been made to the CSSF for approval of this Second Supplement as a supplement to the Base Prospectus for the purposes of article 16 of the Prospectus Directive and article 13 of Luxembourg Law.

This Second Supplement has been prepared for the purposes of taking into account in particular amendments made to certain contracts to which the Issuer is a party following the publication by Standard & Poor's of their revised criteria for counterparty.

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**GLOBAL FORMAL CHANGES TO THE BASE PROSPECTUS**

Any reference to the "Collateral Providers Agent" shall be read as reference to the "Collateral Security Agent" in the Base Prospectus.

## COVER PAGE

The cover page of the Base Prospectus is modified as follows:

The last sentence of the ninth paragraph is amended by replacing the reference to "[www.esma.europa.com](http://www.esma.europa.com))" with "<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>)".

## GENERAL DESCRIPTION OF THE PROGRAMME

The section entitled "*GENERAL DESCRIPTION OF THE PROGRAMME*" of the Base Prospectus is modified as follows:

1. On page 13 of the Base Prospectus, the second paragraph of the sub-section entitled "*Rating*" is amended by replacing the reference to "[www.esma.europa.com](http://www.esma.europa.com))" with "<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>)".
2. On page 16 of the Base Prospectus, the fourth paragraph of the sub-section entitled "*Pre-Maturity Test and Legal Liquidity Test*" is amended by replacing the reference to "A-1 (short-term) (S&P)" with "A-1 (short-term) and A (long-term) by S&P".
3. On page 16 of the Base Prospectus, the fifth paragraph of the sub-section entitled "*Pre-Maturity Test and Legal Liquidity Test*" is amended by replacing the reference to "A-1 (short-term) (S&P)" with "A-1 (short-term) and A (long-term) by S&P".
4. On page 17 of the Base Prospectus, the first paragraph of the sub-section entitled "*Collection Loss Trigger Event*" is amended by replacing the reference to "A-1 (short-term) (S&P)" with "A-1 (short-term) and A (long-term) by S&P".

## **RISK FACTORS**

The section entitled "*RISK FACTORS*" of the Base Prospectus is modified as follows:

On page 38 of the Base Prospectus, the fourth paragraph of the sub-section entitled "*Rating of the Covered Bonds and Rating Affirmation*" is deleted in its entirety.

## TERMS AND CONDITIONS OF THE FRENCH LAW COVERED BONDS

The section entitled "*TERMS AND CONDITIONS OF THE FRENCH LAW COVERED BONDS*" of the Base Prospectus is modified as follows:

On page 50 of the Base Prospectus, the definition of "Rating Affirmation" of the Conditions entitled "*Definitions*" is deleted in its entirety and replaced as follows:

**"Rating Affirmation"** means, with respect to any specified action, determination, or appointment, and except as otherwise specified herein and/or in any Programme Documents, notification by the Issuer to S&P, for so long as any Covered Bonds are rated by S&P, of such specified action, determination or appointment which does not result in the downgrading, or withdrawal, of the ratings then assigned to the Covered Bonds."

## THE ISSUER

The section entitled "*THE ISSUER*" of the Base Prospectus is modified as follows:

1. On page 97 of the Base Prospectus, the definition of "Permitted Investments" of the sub-section entitled "*Administrator's duties*" is deleted in its entirety and replaced as follows:
  - "(a) Euro denominated government securities, Euro demand or time deposits, certificates of deposit and short term debt obligations (including commercial paper) provided that in all cases such investments have a remaining maturity date of sixty (60) days or less and mature on or before the next following Payment Date and the short term or, as applicable, long term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made are rated at least A-1 (short-term) or A (long-term) by S&P;
  - (b) Euro denominated government securities, Euro demand or time deposits, certificates of deposit and debt obligations (including commercial paper) provided that in all cases such investments have a remaining maturity date of three hundred sixty five (365) days or less, and mature on or before the next following Payment Date and the short term or, as applicable, long term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made are rated at least A-1+ (short-term) or AA- (long-term) by S&P; and
  - (c) Euro denominated government securities, Euro demand or time deposits, certificates of deposit which have a remaining maturity date of more than three hundred sixty five (365) days, and mature on or before the next following Payment Date and the long term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made are rated at least AAA by S&P;".
2. On page 104 of the Base Prospectus, the first paragraph of the sub-section entitled "*Issuer Accounts Bank Rating Trigger Event*" is deleted in its entirety and replaced as follow:
 

"If an Issuer Accounts Bank Rating Trigger Event occurs, the Issuer Accounts Bank will notify the Issuer in writing of the occurrence of such event. Within sixty (60) calendar days of such occurrence (or if the S&P Extension Condition is met within such sixty (60) calendar days, then within ninety (90) calendar days of the day on which such Issuer Accounts Bank Rating Trigger Event occurs) either:

  - the Issuer (or the Administrator acting on its behalf) shall have closed then existing Issuer Bank Accounts and opened new accounts in its name under the terms of a new Issuer Accounts Agreement substantially on the same terms as the Issuer Accounts Agreement, with another financial institution whose senior unsecured, unsubordinated and unguaranteed debt obligations are rated at least A-1 (short-term) and A (long-term) by S&P; or
  - subject to prior Rating Affirmation, the Issuer Accounts Bank has obtained a guarantee of its obligations under the Issuer Accounts Agreement on terms acceptable to the Issuer, acting reasonably, from a financial institution whose senior unsecured, unsubordinated and unguaranteed debt obligations are rated at least A-1 (short-term) and A (long-term) by S&P;



provided that failure to comply with the provisions of paragraph (a) or paragraph (b) above within the relevant sixty (60) calendar day-period (or if the S&P Extension Condition is met within such sixty (60) calendar days, then within ninety (90) calendar days of the day on which such Issuer Accounts Bank Rating Trigger Event occurs) shall constitute an Issuer Accounts Bank Termination Event within the meaning of the Issuer Accounts Agreement.

For the purpose hereof:

**"S&P Extension Condition"** means with respect to any proposed action by the Issuer, the Issuer has provided S&P with its proposals in writing and S&P has confirmed to the Issuer it will delay the relevant rating action that would otherwise have been taken."

3. On page 104 of the Base Prospectus, the second paragraph of the sub-section entitled "*Issuer Accounts Bank Rating Trigger Event*" is deleted in its entirety and replaced as follow:

"For the purpose of the above, **"Issuer Accounts Bank Rating Trigger Event"** means the event in which the senior unsecured, unsubordinated and unguaranteed debt obligations of the then appointed Issuer Accounts Bank become rated below A-1 (short-term) or A (long-term) by S&P."

4. On page 104 of the Base Prospectus, the paragraph (b) of the definition of **"Issuer Accounts Bank Termination Events"** under the sub-section entitled "*Termination*" is deleted in its entirety and replaced as follow:

"(b) the failure to comply with one or the other remedies to an Issuer Accounts Bank Rating Trigger Event within sixty (60) calendar days (or if the S&P Extension Condition is met within such sixty (60) calendar days, then within ninety (90) calendar days of the day on which such Issuer Accounts Bank Rating Trigger Event occurs);".

5. On page 104 of the Base Prospectus, the paragraph (c) of the definition of **"Issuer Accounts Bank Termination Events"** under the sub-section entitled "*Termination*" is deleted in its entirety and replaced as follow:

"(c) as long as the Borrower is also the Issuer Accounts Bank, a Borrower Event of Default has occurred."

## THE COLLATERAL SECURITY

The section entitled "*THE COLLATERAL SECURITY*" of the Base Prospectus is modified as follows:

1. On page 117 of the Base Prospectus, the paragraph (s) of the sub-section entitled "*Eligible Assets*" is amended by replacing the reference to "except where prior Rating Affirmation has been obtained" with "subject to prior Rating Affirmation".
2. On page 125 of the Base Prospectus, the fourth paragraph of the sub-section entitled "*Pre-Maturity Test and Legal Liquidity Test*" is amended by replacing the reference to "A-1 (short-term) (S&P)" in the second line with "A-1 (short-term) and A (long-term) by S&P".
3. On page 125 of the Base Prospectus, the fifth paragraph of the sub-section entitled "*Pre-Maturity Test and Legal Liquidity Test*" is amended by replacing the reference to "A-1 (short-term) (S&P)" in the second line with "A-1 (short-term) and A (long-term) by S&P".
4. On page 126 of the Base Prospectus, the first paragraph of the sub-section entitled "*Collection Loss Trigger Events*" is amended by replacing the reference to "A-1 (short-term) (S&P)" in the first line with "A-1 (short-term) and A (long-term) by S&P".

## ASSET MONITORING

The section entitled "*ASSET MONITORING*" of the Base Prospectus is modified as follows:

On pages 134 and 135 of the Base Prospectus, the content of the sub-section entitled "*The Pre-Maturity Test and the Legal Liquidity Test*" is deleted in its entirety and replaced as follow:

"For a description of the Pre-Maturity Test and the Legal Liquidity Test, please refer to the section entitled "**The Collateral Security - The Cash Collateral Agreement**" of this Base Prospectus."

## THE HEDGING STRATEGY

The section entitled "*THE HEDGING STRATEGY*" of the Base Prospectus is modified as follows:

On page 152 of the Base Prospectus, the nineteenth paragraph of the sub-section entitled "*Hedging Strategy upon the occurrence of a Hedging Rating Trigger Event*" is deleted in its entirety and replaced as follow:

"In particular, upon the termination of a Hedging Agreement, the Issuer or the Borrower or any relevant Eligible Hedging Provider, as applicable, may be liable to pay any hedging termination costs to the other party in accordance with the provisions of the relevant Hedging Agreement. Such hedging termination costs, when to be paid by the Issuer and provided that the amount of such costs has not been reduced to zero (0) in accordance with the provisions of the relevant Hedging Agreement, shall be subordinated to payments under the Covered Bonds if resulting from an event of default in respect of which the relevant hedge counterparty of the Issuer is the defaulting party or from a termination event of the same as a result of an illegality in respect of which the hedge counterparty of the Issuer is the affected party, as described in section "**Cash Flow – The Issuer Priority Payment Orders**".

## FORM OF FINAL TERMS

The section entitled "*FORM OF FINAL TERMS*" of the Base Prospectus is modified as follows:

On page 167 of the Base Prospectus, the second paragraph of the sub-section entitled "*Ratings*" is amended by replacing the reference to "[www.esma.europa.com](http://www.esma.europa.com))" with "<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>)".

Copies of the Base Prospectus, the First Supplement and this Second Supplement may be obtained, without charge on request, at the principal office of the Issuer and the Paying Agents set out at the end of the Base Prospectus during normal business hours so long as Covered Bonds are capable of being issued under the Programme. Such documents will also be published on the website of the Issuer (<http://www.cmarkea.com/fr/investisseurs.html#bonds>) and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) at least during a period of twelve (12) months from the date of the Base Prospectus.

The Issuer accepts responsibility for the information contained in this Second Supplement. To the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Second Supplement is in accordance with the facts and contains no omission likely to affect its import.

Save as disclosed in this Second Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

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

In accordance with article 16.2 of the Prospectus Directive and article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for Covered Bonds before first publication of this Second Supplement have the right, exercisable within a time limit of two (2) working days after the publication of this Second Supplement (*ie* until 27 December 2012 included), to withdraw their acceptances.