

CREDIT MUTUEL ARKEA PUBLIC SECTOR SCF

Société Anonyme

1, rue Louis Lichou
29480 Le Relecq-Kerhuon

Statutory auditors' report on the financial statements

Year ended December 31, 2012

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and 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 also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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Statutory auditors' report on the financial statements

Year ended December 31, 2012

To the Shareholders,

In compliance with the assignment entrusted to us by the Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2012, on:

- the audit of the accompanying financial statements of CREDIT MUTUEL ARKEA PUBLIC SECTOR SCF ;
- the justification of our assessments;
- the specific verifications and information required by law.

These 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 financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2012 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code ("Code de commerce") relating to the justification of our assessments, we inform you that the assessments made by us focused on the appropriateness of the accounting principles used, the reasonableness of the significant estimates made by the management and the global presentation of the financial statements.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and disclosures

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

In accordance with French law, we inform you that the information required by article L.225-102-1 of the French Commercial Code (*code du commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour included in the management report of the Board of Directors is limited to the information regarding the directors who hold a mandate at the Board of Directors of the mother company Crédit Mutuel Arkéa. Consequently, we cannot attest the completeness of this information in regards to article L.225-102-1 of the French Commercial Code (*code du commerce*).

Paris-La Défense et Neuilly-sur-Seine, March 22, 2013

French original signed by

KPMG AUDIT FS I

DELOITTE & ASSOCIES

Gabriel MORIN

Jean-Marc MICKELER

Financial statements at December 31, 2012

Balance sheet

| Assets (in thousands of euros) | Notes | 12/31/12 | 12/31/11 |
|--|--------------|-----------------|-----------------|
| Cash and amounts due from central banks | | | |
| Due from banks | 1 | 786,701 | 786,688 |
| Customer items | | | |
| Equities and other variable-income securities | | | |
| Investments in non-consolidated undertakings and equity securities held for long-term investment | | 4 | 4 |
| Other participating interests | | | |
| Intangible assets | | | |
| Tangible assets | | | |
| Other assets | | 30 | 4 |
| Accrued income | 2 | 5,154 | 5,743 |
| Total | | 791,889 | 792,439 |

| Liabilities (in thousands of euros) | Notes | 12/31/12 | 12/31/11 |
|--|--------------|-----------------|-----------------|
| Due to banks | | | |
| Customer items | | | |
| Debt securities | 3 | 756,550 | 756,532 |
| Other liabilities | | 6 | 29 |
| Accrued expenses | 4 | 5,526 | 5,836 |
| Provisions for contingencies and charges | | | |
| Subordinated debts | | | |
| Reserves for general banking risks | | | |
| Shareholders' equity | | 29,807 | 30,042 |
| Share capital | 5 | 30,000 | 30,000 |
| Issue premium | | | |
| Retained earnings | 5 | 2 | 1 |
| Carried forward | 5 | 40 | 9 |
| Net income | | (235) | 32 |
| Total | | 791,889 | 792,439 |

| Off-balance sheet items (in thousands of euros) | Notes | 12/31/12 | 12/31/11 |
|--|--------------|-----------------|-----------------|
| Commitments given | | | |
| Financing commitments given | | | |
| Guarantees given | | | |
| Commitments received | | | |
| Financing commitments given | | | |
| Guarantees received | 12 | 1,028,418 | 1,063,502 |
| Relating to banks and financial institutions | | 1,028,418 | 1,063,502 |
| Financial futures and other forward agreements | | | |

Income statements

| (in thousands of euros) | Notes | 2012 | 2011 |
|---|--------------|--------------|-------------|
| Interest income and related revenues | 7 | 29,081 | 6,971 |
| Interest expense and related costs | 7 | (28,732) | (6,668) |
| Income on equities and other variable income instruments | | | |
| Commissions (income) | | | |
| Commissions (expense) | | (5) | (4) |
| Net gains (losses) on sales of securities available for sale | | | |
| Other operating income arising from banking activities | | | |
| Other operating expense from banking activities | | | |
| Net banking income | | 344 | 299 |
| Operating expense | | (579) | (245) |
| Depreciation, amortization and provisions on tangible and intangible assets | | | |
| Gross operating income | | (235) | 54 |
| Net additions to provisions for credit risks | | | |
| Operating income | | (235) | 54 |
| Income before tax | | (235) | 54 |
| Net non-recurring expense or income | | | |
| Income taxes | | | (22) |
| Movements in the reserve for general banking risks and regulated provisions | | | |
| Net income | | (235) | 32 |

Notes to the financial statements at December 31, 2012

1. THE COMPANY

Crédit Mutuel Arkéa Public Sector SCF, a French corporation (*société anonyme*) governed by a Board of Directors, is in the business of refinancing Crédit Mutuel Arkéa Group through the issuance of titre foncier-type mortgage-backed securities as part of a AAA-rated Euro Medium Term Notes program, which benefit from the special protection mentioned in Article L.515-19 of the French Monetary and Financial Code.

2. HIGHLIGHTS OF 2012

None

3. ACCOUNTING PRINCIPLES AND EVALUATION METHODS

3.1. Presentation of the financial statements

The financial statements are presented in accordance with French Accounting Regulations Committee (CRC) Standard No. 2000-03, as amended by Standard No. 2005-04 concerning publication of the annual, separate financial statements of credit institutions.

3.2. General principles and valuation methods

General principles

The financial statements of Crédit Mutuel Arkéa Public Sector SCF have been prepared in accordance with the generally accepted accounting principles as well as the regulatory provisions applicable to banks in France, in accordance with Banking Regulatory Committee (*Comité de la Réglementation bancaire*) Standard 91-01 as amended by CRC Regulations No. 99-04 and No. 2000-03.

Valuation options and methods

- *Receivables*

Receivables due from credit institutions are governed by CRC Regulation No. 2002-03 of 12 December 2002, as amended by CRC Regulation No. 2005-03 and subsequently CRC Regulation No. 2007-06 relating to the accounting treatment of the credit risk of companies falling within the jurisdiction of the Banking and Financial Regulatory Committee (*Comité de la Réglementation Bancaire et Financière*). Credits are recognized at their nominal amount. Discounts and compensatory payments on loans are spread on a straight-line basis over the life of the corresponding receivables. They are reported under accruals in the statement of financial position. The amortized portion of these discounts and compensatory payments is recognized in the income statement as interest expense or interest income. Accrued interest on these receivables is recorded as such in the statement of financial position with a corresponding entry to the income statement.

- ***Debt securities***

Debt securities are recognized at their nominal amount. The associated issuance and redemption premiums are spread on a straight-line basis over the life of the corresponding securities. They are reported under accruals in the statement of financial position. The amortized portion of these premiums is recognized in the income statement as interest expense or interest income.

Accrued interest on these securities is recorded as such in the statement of financial position with a corresponding entry to the income statement.

- ***Equity investments***

In accordance with the recommendations of the French Banking Commission (BAFI newsletter No. 2007-01), the certificates of association in the deposit guarantee fund are recognized under equity and other long-term investments.

- ***Personnel expense***

Crédit Mutuel Arkéa Public Sector SCF has no employee. In 2010, it has constituted together with Crédit Mutuel Arkéa a "groupement de fait" pursuant to articles 261B and seq. of the French General Tax Code in order to manage human and material resources shared.

Crédit Mutuel Arkéa is the employing company. It provides Crédit Mutuel Arkéa Public Sector SCF with the appropriate human resources allowing the latter to meet its contractual commitments and to comply with legal and regulatory requirements relating to its activities.

Total remuneration allocated to members of the Board of Directors for 2012 is 1.200 euros.

4. NOTES TO BALANCE SHEET, OFF-BALANCE SHEET ITEMS AND STATEMENTS OF INCOME (in thousands of euros)

Note 1. Due from banks

| | 12/31/12 | | | 12/31/11 | | |
|--|---------------|----------------|----------------|---------------|----------------|----------------|
| | On demand | On time | Total | On demand | On time | Total |
| Ordinary deposits | 30,080 | | 30,080 | 30,032 | | 30,032 |
| Loans, securities purchased under agreements to resell | | 750,000 | 750,000 | | 750,000 | 750,000 |
| Securities and bills under resale agreements | | | | | | |
| Accrued interest receivable | 1 | 6,620 | 6,621 | 54 | 6,602 | 6,656 |
| Depreciations | | | | | | |
| TOTAL | 30,081 | 756,620 | 786,701 | 30,086 | 756,602 | 786,688 |

Note 2. Accruals, prepayments and sundry assets

| | 12/31/12 | 12/31/11 |
|--------------------------------|--------------|--------------|
| Deferred assets | | |
| Bond redemption premium | 5,154 | 5,743 |
| Miscellaneous accrual accounts | | |
| TOTAL | 5,154 | 5,743 |

Note 3. Debt securities

| | 12/31/12 | | | 12/31/11 | | |
|--|----------------|--------------------------|----------------|----------------|--------------------------|----------------|
| | Gross value | Accrued interest payable | Total | Gross value | Accrued interest payable | Total |
| Interbank market instruments and negotiable debt instruments | | | | | | |
| Debenture loans | 750,000 | 6,550 | 756,550 | 750,000 | 6,532 | 756,532 |
| TOTAL | 750,000 | 6,550 | 756,550 | 750,000 | 6,532 | 756,532 |

Note 4. Accrued expenses

| | 12/31/12 | 12/31/11 |
|---|--------------|--------------|
| Tied-up collection operation accounts | | |
| Bond issuance premium | | |
| Compensatory payment on loan | 5,154 | 5,743 |
| Accrued liabilities | 372 | 93 |
| Miscellaneous sundry accounts and unearned income | | |
| TOTAL | 5,526 | 5,836 |

Note 5. Shareholders' equity

| | Beginning of the year | Allocation of the previous year result | Changes of the year | 12/31/12 |
|-------------------|--------------------------|---|------------------------|----------|
| SHARE CAPITAL | 30,000 | | | 30,000 |
| ISSUE PREMIUM | 0 | | | 0 |
| RESERVES | 1 | 1 | | 2 |
| Legal reserve | 1 | 1 | | 2 |
| Statutory reserve | | | | |
| CARRIED FORWARD | 9 | 31 | | 40 |
| RESUTAT | 32 | (32) | (235) | (235) |
| TOTAL | 30,042 | | (235) | 29,807 |

Capital is made up of 3,000,000 ordinary shares with a par value of EUR 10,

Note 6. Breakdown of certain assets / liabilities according to maturity date

| Maturity | Less than 3 months | Over 3 months - 1 year | Over 1 year - 5 years | Over 5 years | Debts and accrued interest receivable | Total |
|--|-----------------------|---------------------------|--------------------------|--------------|--|---------|
| Assets | | | | | | |
| Due from banks | 30,080 | | | 750,000 | 6,621 | 786,701 |
| Advances to customers | | | | | | |
| Other customer loans | | | | | | |
| Current accounts | | | | | | |
| Liabilities | | | | | | |
| Due to banks | | | | | | |
| Customer deposits and related | | | | | | |
| Customer time deposits | | | | | | |
| Customer demand deposits | | | | | | |
| Debts securities | | | | 750,000 | 6,550 | 756,550 |
| Interbank market instruments and negotiable debt instruments | | | | | | |
| Debenture loans | | | | 750,000 | 6,550 | 756,550 |

Note 7. Interest income and expense, related revenues and costs

| | 2012 | | 2011 | |
|---|----------|--------|---------|--------|
| | Expense | Income | Expense | Income |
| Interbank and money market items | | 29,081 | | 6,971 |
| Customers Items | | | | |
| Bonds and other fixed-interest securities | (28,732) | | (6,668) | |
| Other interest and similar income | | | | |
| TOTAL | (28,732) | 29,081 | (6,668) | 6,971 |

Note 8. Current year's net income appropriation to reserves

| | 2012 | | 2011 | |
|--|---------------|--------------|---------------|-----------|
| | Appropriation | Origin | Appropriation | Origin |
| Carried forward from the previous year | | 40 | | 9 |
| Net income | | (235) | | 32 |
| Legal reserve | | | 2 | 1 |
| Optional reserves | | | | |
| Dividends | | | | |
| Carried forward | (195) | | 40 | |
| TOTAL | (195) | (195) | 42 | 42 |

Note 9. Equity investment held for a long-term investment and shares in affiliated companies

| | Equity investment and equity securities held for a long-term investment | | Affiliated companies | |
|--|---|----------|----------------------|----------------|
| | 12/31/12 | 12/31/11 | 12/31/12 | 12/31/11 |
| ASSETS | | | | |
| Due from banks | | | 786,723 | 786,688 |
| Bonds and other fixed-income instruments | | | | |
| TOTAL ASSETS | | | 786,723 | 786,688 |
| LIABILITIES | | | | |
| Debts | | | 139 | 52 |
| Debts securities | | | | |
| TOTAL LIABILITIES | | | 139 | 52 |
| COMMITMENTS GIVEN | | | | |
| Financing commitments | | | | |
| Guarantees given | | | | |
| TOTAL | | | | |
| COMMITMENTS RECEIVED | | | | |
| Financing commitments | | | | |
| Guarantees received | | | | |
| TOTAL | | | | |

Note 10. Exemption from presenting consolidated accounts

Crédit Mutuel Arkéa Public Sector SCF does not have exclusive control of or particular influence over any company. It is not therefore required to present consolidated financial statements. The company's financial statements are fully consolidated within "Crédit Mutuel Arkéa" Group.

Note 11. Tax consolidation

The company is included in the tax group of the parent company, Crédit Mutuel Arkéa. With respect to Corporate Tax, in accordance with the tax consolidation agreement, the tax liability is determined by the subsidiary, as if the company was not consolidated for tax purposes. The amount thus calculated, after deduction of any tax credits, shall be payable to the parent company. As of December 31, 2012, the amount of tax owed to the parent company came to € 0.

Note 12. Guarantee commitments

Loans granted by Crédit Mutuel Arkéa Public Sector SCF to Crédit Mutuel Arkéa are guaranteed by eligible home mortgage loans from Crédit Mutuel Arkéa and affiliated local savings banks, as well as by Arkéa Banque Entreprises et Institutionnels. As of December 31, 2012, this guarantee totaled € 1.028.418.278.