

Offering Circular dated 22 November 2001

**Compagnie Financière  
du  
Crédit Mutuel**  
**€ 3,000,000,000**

**EURO MEDIUM TERM NOTE PROGRAMME**

Under the Euro Medium Term Note Programme described in this Offering Circular (the "**Programme**"), Compagnie Financière du Crédit Mutuel (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed € 3,000,000,000 (or its equivalent in other currencies) at the date of issue.

The Programme has been registered with the Luxembourg Stock Exchange. Application will be made in certain circumstances to list Notes issued under the Programme on the Luxembourg Stock Exchange. Notes may also be listed on an alternative stock exchange or may be unlisted. The relevant Pricing Supplement (a form of which is contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed and, if so, the relevant stock exchange(s). This Offering Circular shall, for the purposes of Notes listed on the Luxembourg Stock Exchange, be updated annually as from the date hereof.

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**") as more fully described herein.

Dematerialised Notes will at all times be in book entry form in compliance with Article L.211-4 of the French *Code monétaire et financier*. No physical documents of title will be issued in respect of the Dematerialised Notes.

Dematerialised Notes which are dealt in on a regulated market may, at the option of the Issuer, be (i) in bearer form (*au porteur*) inscribed as from the issue date in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination") including Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and the depository bank for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), or (ii) in registered form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in "Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination"), in either fully registered form (*au nominatif pur*), in which case they will be inscribed in an account maintained by the Issuer or by a registration agent (appointed in the relevant Pricing Supplement) for the Issuer, or in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholder. Dematerialised Notes which are not dealt in on a regulated market will be in registered dematerialised form (*au nominatif*) only and, at the option of the relevant Noteholder, in either fully registered form or administered form inscribed as aforesaid.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global Certificate**") will initially be issued in relation to Materialised Notes. Such Temporary Global Certificate will subsequently be exchanged for definitive Materialised Notes with, where applicable, coupons for interest attached (the "**Definitive Materialised Notes**"), on or after a date expected to be on or about the 40<sup>th</sup> day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificate in respect of Materialised Notes") upon certification as to non-US beneficial ownership as more fully described herein. Temporary Global Certificates will (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository for Euroclear and Clearstream, Luxembourg, and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the Relevant Dealer (as defined below).

Unsubordinated Notes (as defined in "Terms and Conditions of the Notes - Status") issued under the Programme have been rated A+/A-1 by Standard & Poor's Ratings Services. Subordinated Notes (as defined in "Terms and Conditions of the Notes - Status") issued under the Programme may, or may not, be rated. The rating (if any) will be specified in the relevant Pricing Supplement. 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.

ARRANGER  
HSBC CCF  
DEALERS

ABN AMRO  
COMPAGNIE FINANCIÈRE DU CRÉDIT MUTUEL  
DZ BANK AG

BNP PARIBAS  
DEUTSCHE BANK  
HSBC CCF

MERRILL LYNCH INTERNATIONAL

**The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains or otherwise incorporates by reference all information with respect to the Issuer, the Issuer and its consolidated subsidiaries taken as a whole (the "Group") and the Notes that is material in the context of the issue and offering of the Notes, that the statements contained or otherwise incorporated by reference in it relating to the Issuer, the Group and the Notes are in every material particular true and accurate and not misleading, that there are no other facts in relation to the Issuer, the Group or the Notes the omission of which would, in the context of the issue and offering of the Notes make any statement or information contained in it misleading in any material respect and that all reasonable enquiries have been made by itself to ascertain such facts and to verify the accuracy of all such information and statements. The Issuer accepts responsibility accordingly.**

**No person is authorised to give any information or to make any representation other than those contained in this Offering Circular 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, the Arranger or any of the Dealers (as defined in "Summary of the Programme"). Neither the delivery of this Offering Circular 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 Offering Circular 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 Offering Circular 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 Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction.**

**The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes may include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of Materialised Notes in bearer form, delivered within the United States or, in the case of certain Materialised Notes in bearer form, to United States persons as defined in the U.S. Internal Revenue Code of 1986. The Notes are being offered and sold outside the United States of America to Non U.S. Persons in reliance on Regulation S under the Securities Act ("Regulation S").**

**For a description of these and certain further restrictions on offers, sales and transfers of Notes and on distribution of this Offering Circular, see "Subscription and Sale".**

**This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or the Dealers to subscribe for, or purchase, any Notes.**

**The Arranger and the Dealers have not separately verified the information contained in this Offering Circular. Neither the Arranger nor any of the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. Neither this Offering Circular 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 Offering Circular 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 Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. Neither the Arranger nor any of the Dealers undertakes to review the financial or general condition of the Issuer during the life of the arrangements contemplated by this Offering Circular 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 any Tranche (as defined in "Summary of the Programme"), one of the Dealers may act as a stabilising agent (the "Stabilising Agent"). The identity of the Stabilising Agent will be disclosed in the relevant Pricing Supplement.**

**In connection with each Tranche in relation to which a Stabilising Agent is appointed, the Stabilising Agent may, in accordance with applicable laws and regulations, over-allot or effect transactions which stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.**

**In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "euro" or "EUR" are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 October 1997), references to "French francs", "FF" and "FRF" are to French francs, the non-decimal denomination of the euro in respect of the Republic of France as defined by the conversion rate irrevocably fixed in accordance with Article 123(4) of the Treaty on European Union, as amended by the Treaty of Amsterdam, references to "£", "pounds sterling" and "Sterling" are to the lawful currency of the United Kingdom, references to "\$", "USD" and "US Dollar" are to the lawful currency of the United States of America, references to "¥", "JPY" and "Yen" are to the lawful currency of Japan and references to "CHF" and "Swiss Francs" are to the lawful currency of the Helvetic Confederation.**

## **DOCUMENTS INCORPORATED BY REFERENCE**

This Offering Circular should be read and construed in conjunction with any amendments or supplements to this Offering Circular, each relevant Pricing Supplement, the most recently published audited consolidated and non-consolidated annual accounts and any interim consolidated and non-consolidated accounts (whether audited or subject to a limited review) of the Issuer published subsequently to such annual accounts of the Issuer from time to time, each of which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. All documents incorporated by reference in this Offering Circular may be obtained, free of charge, at the offices of each Paying Agent set out at the end of this Offering Circular during normal business hours so long as any of the Notes are outstanding.

## **SUPPLEMENTAL OFFERING CIRCULAR**

The Issuer has given an undertaking to the Dealers and to the Luxembourg Stock Exchange that if at any time during the duration of the Programme there is a significant change affecting any matter contained in this Offering Circular (including the "Terms and Conditions of the Notes") whose inclusion would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this Offering Circular, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Group and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Offering Circular or publish a replacement Offering Circular for use in connection with any subsequent offering of the Notes, submit such amendment or supplement to the Luxembourg Stock Exchange for approval and supply each Dealer and the Luxembourg Stock Exchange with such number of copies of such amendment or supplement as may reasonably be requested. All documents prepared in connection with the registration of the Programme will be available at the specified office of the Paying Agent in Luxembourg.

## TABLE OF CONTENTS

	<b>Page</b>
Summary of the Programme .....	6
Terms and Conditions of the Notes .....	15
Use of proceeds .....	48
Temporary Global Certificates in respect of Materialised Notes .....	49
Description of the Group .....	51
Report of the Statutory Auditors on the historical consolidated financial statements of the Issuer for the year ended 31 December 2000 .....	67
Historical consolidated financial statements of the Issuer for the year ended 31 December 2000 .....	68
Report of the Statutory Auditors on the historical non-consolidated financial statements of the Issuer for the year ended 31 December 2000 .....	93
Historical non-consolidated financial statements of the Issuer for the year ended 31 December 2000 .....	94
Report of the Statutory Auditors on the pro forma non-consolidated and consolidated financial statements of the Issuer for the years ended 31 December 2000 and 1999 .....	113
Pro forma non-consolidated and consolidated financial statements of the Issuer for the years ended 31 December 2000 and 1999 .....	114
Limited Review Report of the Statutory Auditors on the non-consolidated financial statements of the Issuer for the six months period ended 30 June 2001 .....	130
Non-consolidated financial statements of the Issuer for the six months period ended 30 June 2001 .....	131
Limited Review Report of the Statutory Auditors on the consolidated financial statements of the Issuer for the six months period ended 30 June 2001 .....	142
Consolidated financial statements of the Issuer for the six months period ended 30 June 2001 .....	143
Capitalisation table of the Issuer as of 30 June 2001 .....	160
Form of Pricing Supplement .....	161
Subscription and Sale .....	174
General Information .....	179

## SUMMARY OF THE PROGRAMME

*The following summary is qualified in its entirety by the remainder of this Offering Circular. The Notes will be issued on such terms as shall be agreed between the Issuer and the Relevant Dealer(s) and, unless specified to the contrary in the relevant Pricing Supplement, will be subject to the Terms and Conditions set out on pages 15 to 48.*

**Issuer:** Compagnie Financière du Crédit Mutuel.

**Description:** Euro Medium Term Note Programme (the "**Programme**").

**Arranger:** Crédit Commercial de France.

**Dealers:** ABN AMRO Bank N.V., BNP PARIBAS, Compagnie Financière du Crédit Mutuel, Crédit Commercial de France, Deutsche Bank AG London, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main and Merrill Lynch International.

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 Offering Circular 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 references 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 Offering Circular, only credit institutions and investment firms incorporated in a Member State of the European Union ("EU") and which are authorised by the relevant authority of such member home state to lead-manage bond issues in such Member State may act (a) as Dealers with respect to non-syndicated issues of Notes denominated in Euro and (b) as lead manager of issues of Notes denominated in Euro issued on a syndicated basis.

**Programme Limit:** Up to € 3,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.

**Fiscal Agent and Principal Paying Agent:** Kredietbank S.A. Luxembourgeoise

**Paying Agents:** Crédit Commercial de France as Paris Paying Agent  
Kredietbank S.A. Luxembourgeoise as Luxembourg Paying Agent

**Method of Issue:** The Notes will be issued on a syndicated or non-syndicated basis.

The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical save as to the first payment of interest), the Notes of each Series being intended to be interchangeable (*fongibles*) with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and which, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical (*assimilables*) to the terms of other Tranches of the same Series) will be set out in a pricing supplement to this Offering Circular (a "**Pricing Supplement**").

**Maturities:** Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of one month from the date of original issue as specified in the relevant Pricing Supplement, except (i) in the case of Subordinated Notes which proceeds constitute *fonds propres complémentaires* within the meaning of Article 4(c) of the *Comité de la Réglementation Bancaire et Financière* ("**CRBF**") Regulation n° 90-02 of 23 February 1990 as amended which will have no maturity, (ii) in the case of Subordinated Notes which proceeds constitute *fonds propres complémentaires* within the meaning of Article 4(d) of the CRBF Regulation n° 90-02 of 23 February 1990 as amended which minimum maturity will be of five years and one day, (iii) in the case of Subordinated Notes which proceeds constitute *fonds propres surcomplémentaires* within the meaning of Article 3.3 of the CRBF Regulation n° 95-02 of 21 July 1995 as amended which minimum maturity will be of two years and one day, or (iv) in any case such other minimum maturity as may be required by the applicable legal and/or regulatory requirements.

**Currencies:** Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, U.S. dollars, Japanese yen, Swiss francs and in any other currency agreed between the Issuer and the relevant Dealer(s).

### **Euro**

The Arranger, each Dealer and the Issuer will, in relation to any issue of Notes denominated in Euro, comply with the Guidelines provided by the letter dated 1 October 1998 from the French Minister of Economy, Finance and Industry to the *Président* of the *Association française des établissements de crédit et des entreprises d'investissement* (the "**Euro Guidelines**").

### **Swiss francs**

Issues of Notes denominated in Swiss francs or carrying a Swiss franc related element with a maturity of more than one year (other than Notes privately placed with a single investor with no publicity) will be effected in compliance with the relevant regulations of the Swiss National Bank based on Article 7 of the Federal Law on Banks and Savings Banks of 8 November 1934 (as amended) and Article 15 of the Federal Law on Stock Exchanges and Securities Trading of 24 March 1995 in connection with Article 2, paragraph 2 of the Ordinance of the Federal Banking Corporation on Stock Exchanges and Securities Trading of 2 December 1996. Under such regulations, the relevant Dealer or, in the case of a syndicated issue, the lead manager (the "**Swiss Dealer**"), must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland) or a securities dealer duly licensed by the Swiss Federal Banking Commission as per the Federal Law on Stock Exchanges and Securities Trading of 24 March 1995. The Swiss Dealer must report certain details of the relevant transaction to the Swiss National Bank no later than the relevant issue date for such a transaction.

### **Sterling**

Issues of Notes denominated in Sterling shall comply with all applicable laws and regulations (as amended from time to time) of United Kingdom authorities.

#### **Denomination:**

Subject to any applicable laws and regulations in force at the time, Notes will be in such denominations as may be specified in the relevant Pricing Supplement .

Dematerialised Notes shall be issued in one denomination only.

#### **Status of the Unsubordinated Notes:**

Unsubordinated Notes ("**Unsubordinated Notes**"), and, where applicable, any relative Coupons and Receipts, will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer.



**Status of the  
Subordinated Notes:**

Subordinated notes ("**Subordinated Notes**", which term shall include both Subordinated Notes with a specified maturity date ("**Dated Subordinated Notes**") and Subordinated Notes without a specified maturity date ("**Undated Subordinated Notes**")), and, where applicable, any relative Coupons and Receipts, will constitute direct, unsecured and subordinated obligations of the Issuer and will rank *pari passu* without any preference among themselves and *pari passu* with all other present or future unsecured subordinated obligations of the Issuer with the exception of any *prêts participatifs* granted to the Issuer and any *titres participatifs* issued by the Issuer. Subject to applicable laws, in the event of voluntary liquidation or judicial liquidation (*liquidation judiciaire*) of the Issuer, the rights of payment of the holders of Subordinated Notes shall be subordinated to the payment in full of the unsubordinated creditors of the Issuer but, subject to such payment in full, the holders of Subordinated Notes shall be paid in priority to any *prêts participatifs* granted to the Issuer and to any *titres participatifs* issued by the Issuer.

The proceeds of the Subordinated Notes may or may not, as described in the applicable Pricing Supplement and subject to the approval of the *Secrétariat Général de la Commission Bancaire*, constitute (i) *fonds propres complémentaires* within the meaning of Article 4(c) of the CRBF Regulation n° 90-02 of 23 February 1990 as amended; (ii) *fonds propres complémentaires* within the meaning of Article 4(d) of the CRBF Regulation n° 90-02 of 23 February 1990 as amended; and (iii) *fonds propres surcomplémentaires* within the meaning of Article 3.3 of the CRBF Regulation n° 95-02 of 21 July 1995 as amended, if such Regulation is applicable. See "Terms and Conditions of the Notes – Status".

Payments of interest in respect of Undated Subordinated Notes will be subject to deferral in accordance with Condition 5(h). See "Terms and Conditions of the Notes – Interest and Other Calculations".

**Negative Pledge for  
Unsubordinated Notes:**

There will be a negative pledge in respect of Unsubordinated Notes as set out in Condition 4. See "Terms and Conditions of the Notes – Negative Pledge".

**Events of Default:**

The terms of the Notes will contain events of default in respect of Unsubordinated Notes as set out in Condition 9(a) and limited events of default only in respect of Subordinated Notes as set out in Condition 9(b). See "Terms and Conditions of the Notes – Events of Default".

**Redemption Amount:**

Subject to any applicable laws and regulations in force at the time, the relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable.

- Optional Redemption:** The Pricing Supplement 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 Noteholders, and if so the terms applicable to such redemption.
- Redemption by Instalments:** The Pricing Supplement 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.
- Early Redemption:** Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to their stated maturity only for tax reasons and, in respect of Subordinated Notes, subject to the approval of the *Secrétariat Général de la Commission Bancaire*. See "Terms and Conditions of the Notes – Redemption, Purchase and Options".
- Taxation:** 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 as provided by Article 131 *quater* of the French *Code général des impôts*, to the extent that the Notes are issued (or deemed to be issued) outside France.
- The Notes constituting *obligations* under French law will be issued (or deemed to be issued) outside France (i) 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 France in connection with their initial distribution and such Notes are offered in France only through an international syndicate to qualified investors (*investisseurs qualifiés*) as described in Article L.411-2 of the French *Code monétaire et financier* or (iii) in the case of 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.
- However, if so provided in the relevant Pricing Supplement, Notes constituting *obligations* under French law and denominated in currencies other than Euro may be issued on a non-syndicated basis and placed with subscribers not all of whom are resident outside the Republic of France. In such cases, the Notes will not benefit from the exemption from deduction at source provided by Article 131 *quater* of the French *Code général des impôts* and payments under such Notes made to a non-French resident will be exempt from withholding or deduction at source only if the beneficiary of the payment provides certification that he is not resident in France, all in accordance with the provisions of Article

125 A III of the French *Code général des impôts*, as more fully described in "Terms and Conditions of the Notes - Taxation".

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

**Interest Periods and Interest Rates:**

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, 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 Pricing Supplement.

**Fixed Rate Notes:**

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

**Floating Rate Notes:**

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an AFB Master Agreement incorporating the Interest and Currency Swap Technical Annex, or
- (ii) by reference to LIBOR or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement),

in each case as adjusted for any applicable margin.

Interest periods will be specified in the relevant Pricing Supplement.

**Zero Coupon Notes:**

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

**Dual Currency Notes:**

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Pricing Supplement.

- Index Linked Notes:** Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement. "**Index Linked Redemption Notes**", which may not be Subordinated Notes constituting *fonds propres complémentaires* or *fonds propres surcomplémentaires*, are Notes in respect of which amounts of principal shall be calculated by reference to an index and/or formula, and "**Index Linked Interest Notes**" (together with Index Linked Redemption Notes, "**Index Linked Notes**") are Notes in respect of which amounts of interest shall be calculated by reference to an index and/or formula.
- Other Notes:** Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, partly paid Notes and any other type of Notes that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement.
- Redenomination:** Notes issued in the currency of any Member State of the EU which participates in the third stage (or any further stage) of European Monetary Union may be redenominated into Euro, all as more fully provided in "Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination" below.
- Consolidation:** Notes of one Series may be consolidated with Notes of another Series as more fully provided in "Terms and Conditions of the Notes - Further Issues and Consolidation".
- Form of Notes:** Notes may be issued in either dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").
- Dematerialised Notes which are dealt in on a regulated market may, at the option of the Issuer, be issued in bearer form (*au porteur*) or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant holder, in either fully registered form (*au nominatif pur*) or administered form (*au nominatif administré*). No physical documents of title will be issued in respect of Dematerialised Notes. Dematerialised Notes which are not dealt in on a regulated market will be issued in registered dematerialised form only and, at the option of the relevant holder, in either fully registered (*nominatif pur*) or administered registered (*nominatif administré*) form. See "Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination".

Materialised Notes will be in bearer form only. A Temporary Global Certificate will initially be issued in respect of each Tranche of Materialised Notes. Materialised Notes may only be issued outside France.

- Governing Law:** French.
- Clearing Systems:** Euroclear France as central depository in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.
- Initial Delivery of Dematerialised Notes:** One Paris business day before the issue date of each Tranche of Dematerialised Notes, the *Lettre comptable* relating to such Tranche shall be deposited with Euroclear France as central depository.
- Initial Delivery of Materialised Notes:** On or before the issue date for each Tranche of Materialised Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer(s).
- Issue Price:** Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
- Listing:** The Luxembourg Stock Exchange and/or any other stock exchange as specified in the relevant Pricing Supplement. As specified in the relevant Pricing Supplement, a Series of Notes may be unlisted.
- Rating:** Unsubordinated Notes issued under the Programme have been rated A+/A-1 by Standard & Poor's Ratings Services. Subordinated Notes issued under the Programme may, or may not, be rated. The rating (if any) will be specified in the relevant Pricing Supplement. 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.

**Selling Restrictions:**

There are restrictions on the offer and sale of Notes and the distribution of offering material in various jurisdictions. In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed in the relevant Pricing Supplement. See "Subscription and Sale".

The Issuer is Category 1 for the purposes of Regulation S.

Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**") unless (i) the relevant Pricing Supplement states that such Materialised Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**C Rules**") or (ii) such Materialised 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 Pricing Supplement as a transaction to which TEFRA is not applicable.

Dematerialised Notes do not require compliance with the TEFRA Rules.

## 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 Pricing Supplement, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed, amended, supplemented or varied by the relevant Pricing Supplement. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement (and subject to simplification by the deletion of non-applicable provisions) or (ii) these terms and conditions as so completed, amended, supplemented or varied, shall be endorsed on Definitive Materialised Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. 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 Compagnie Financière du Crédit Mutuel (the "**Issuer**") in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical save as to 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. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions which, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a pricing supplement to this Offering Circular (a "**Pricing Supplement**"). In accordance with article L. 228-39 of French Commercial Code, the assets and liabilities of the Issuer have been subject to an audit presented to the Ordinary General Meeting of the shareholders of the Issuer dated 8 November 2001. The Notes are issued with the benefit of an agency agreement (as amended or supplemented from time to time, the "**Agency Agreement**") dated 22 November 2001 between the Issuer, Kredietbank S.A. Luxembourgeoise as fiscal agent and principal paying agent and the other agents named therein. The fiscal agent, the paying agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent) and the "**Calculation Agent(s)**". The holders of the interest coupons (the "**Coupons**") relating to interest bearing Materialised Notes and, where applicable in the case of such Notes, talons (the "**Talons**") for further Coupons and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Materialised Notes of which the principal is redeemable in instalments are respectively referred to below as the "**Couponholders**" and the "**Receiptholders**".

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

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

#### (a) Form

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**"), as specified in the relevant Pricing Supplement.

- (i) Title to Dematerialised Notes will be evidenced in accordance with Article L.211-4 of the French *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article 7 of Decree no. 83-359 of 2 May 1983) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes which are dealt in on a regulated market (*admisses aux négociations sur un marché réglementé*) within the meaning of Article L.422-1 of the French *Code monétaire et financier* are issued, at the option of the Issuer, in either bearer form (*au porteur*), which will be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders, or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant holder in either administered registered form (*nominatif administré*) inscribed in the books of an Account Holder designated by the relevant holder of Notes or in fully registered form (*au nominatif pur*) inscribed in an account maintained by the Issuer or a registration agent (designated in the relevant Pricing Supplement) acting on behalf of the Issuer (the "**Registration Agent**").

Dematerialised Notes which are not dealt in on a regulated market (*admisses aux négociations sur un marché réglementé*) within the meaning of Article L.422-1 of the French *Code monétaire et financier* are issued in registered form (*au nominatif*) only and, at the option of the relevant holder, in either administered registered form (*au nominatif administré*) or in fully registered form (*au nominatif pur*) inscribed as aforesaid.

For the purpose of these Conditions, "**Account Holder**" means any authorised financial intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and the depositary bank for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**").

- (ii) Materialised Notes are issued in bearer form only. Materialised Notes in definitive form ("**Definitive Materialised Notes**") are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes 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. Instalment Notes are issued with one or more Receipts attached.

*In accordance with Article L.211-4 of the French Code monétaire et financier, securities (such as Notes constituting obligations under French law) in materialised form and governed by French law must be issued outside the French territory.*

The Notes may be "**Fixed Rate Notes**", "**Floating Rate Notes**", "**Zero Coupon Notes**", "**Index Linked Notes**", "**Dual Currency Notes**" or a combination of any of the foregoing, depending on the Interest Basis and the redemption method specified in the relevant Pricing Supplement.

**(b) Denomination**

Notes shall be issued in the specified denomination(s) as set out in the relevant Pricing Supplement (the "**Specified Denomination(s)**"). Dematerialised Notes shall be issued in one Specified Denomination only.



**(c) Title**

- (i) Title to Dematerialised Notes in bearer form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts maintained by the Issuer or by the Registration Agent.
- (ii) Title to Definitive Materialised Notes, including, where appropriate, Receipt(s), Coupons and/or a Talon attached, shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note (as defined below), Coupon, Receipt 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, 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.
- (iv) In these Conditions,

"**Noteholder**" or, as the case may be, "**holder of any Note**" means (a) in the case of Dematerialised Notes, the individual or entity whose name appears in the account of the relevant Account Holder, the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (b) in the case of Definitive Materialised Notes, the bearer of any Definitive Materialised Note and the Coupons, Receipts or Talons relating to it.

Capitalised terms have the meanings given to them in the relevant Pricing Supplement, the absence of any such meaning indicating that such term is not applicable to the Notes.

**(d) Redenomination**

- (i) The Issuer may (if so specified in the relevant Pricing Supplement), on any date, without the consent of the holder of any Note, Coupon, Receipt or Talon, by giving at least 30 days' notice in accordance with Condition 13 and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the third stage of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the "**EC**", as amended from time to time (the "**Treaty**")) or events have occurred which have substantially the same effects (in either case, "**EMU**"), redenominate all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Pricing Supplement accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the "**Redenomination Date**".

- (ii) Unless otherwise specified in the relevant Pricing Supplement, the redenomination of the Notes pursuant to Condition 1(d)(i) shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to Article 123(4) of the Treaty and rounding the resulting figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to holders of Notes in accordance with Condition 13. Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euros on the Redenomination Date in the manner notified to holders of Notes by the Issuer.
- (iii) In the case of Dematerialised Notes only, the Issuer may also redenominate all, but not some only, of the Notes of any Series into Euro in accordance with Article L.113-4 of the French *Code monétaire et financier* provided that references to the Franc or the ECU contained in such article shall be deemed to be references to the currency of any Member State participating in the third stage of the EMU.
- (iv) Upon redenomination of the Notes, any reference hereon to the relevant national currency shall be construed as a reference to Euro.
- (v) Unless otherwise specified in the relevant Pricing Supplement, the Issuer may, with the prior approval of the Fiscal Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 14, without the consent of the holder of any Note, Receipt, Coupon or Talon, make any changes or additions to these Conditions or Condition 14 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated Euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Notes, Receipts, Coupons and Talons and shall be notified to holders of Notes in accordance with Condition 15 as soon as practicable thereafter.
- (vi) Neither the Issuer nor any Paying Agent shall be liable to the holder of any Note, Receipt, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euros or any currency conversion or rounding effected in connection therewith.

## 2. Conversions and Exchanges of Notes

### (a) Dematerialised Notes

- (i) Dematerialised Notes issued in bearer form (*au porteur*) may not be converted for Dematerialised Notes in registered form, whether in fully registered form (*au nominatif pur*) or in administered registered form, (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered form (*au nominatif*) may not be converted for Dematerialised Notes in bearer form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the holder of such Notes, be converted into Notes in administered registered form (*au nominatif administré*), and *vice versa*. The exercise of any such option by such holder shall be made in accordance with Article 4 of Decree no. 83-359 of 2 May 1983. Any such conversion shall be effected at the cost of such holder.

### (b) Materialised Notes

Materialised Notes of one Specified Denomination may not be exchanged for Materialised Notes of another Specified Denomination.

## 3. Status

The obligations of the Issuer under the Notes may be either unsubordinated ("**Unsubordinated Notes**") or subordinated ("**Subordinated Notes**"), as specified in the relevant Pricing Supplement.

### (a) Status of Unsubordinated Notes

The Unsubordinated Notes, and, where applicable, any relative Coupons and Receipts are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer.

### (b) Status of Subordinated Notes

The Subordinated Notes (which term shall include both Subordinated Notes with a specified maturity date ("**Dated Subordinated Notes**") and Subordinated Notes without a specified maturity date ("**Undated Subordinated Notes**")), and, where applicable, any relative Coupons and Receipts, are direct, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and *pari passu* with all other present or future unsecured and subordinated obligations of the Issuer with the exceptions of the *prêts participatifs* granted to the Issuer and *titres participatifs* issued by the Issuer. Subject to applicable law, in the event of voluntary liquidation or judicial liquidation (*liquidation judiciaire*) of the Issuer, the rights of payment of the holders of Subordinated Notes shall be subordinated to the payment in full of the unsubordinated creditors of the Issuer but, subject to such payment in full, the holders of Subordinated Notes shall be paid in priority to any *prêts participatifs* granted to the Issuer, to any *titres participatifs* issued by the Issuer. In the event of an incomplete payment of unsubordinated creditors, the obligations of the Issuer in connection with the Subordinated Notes will be terminated. The holders of Subordinated Notes shall take all steps

necessary for the enforcement of their rights in any collective proceedings or voluntary liquidation.

The relevant Pricing Supplement may provide for additions or variations to the Conditions applicable to the Subordinated Notes for the purposes of, *inter alia*, enabling the proceeds of the issue of such Subordinated Notes to count as (i) *fonds propres complémentaires* within the meaning of Article 4(c) of the *Comité de la Réglementation Bancaire et Financière* ("CRBF") Regulation n° 90-02 of 23 February 1990 as amended; (ii) *fonds propres complémentaires* within the meaning of Article 4(d) of the CRBF Regulation n° 90-02 of 23 February 1990 as amended; or (iii) *fonds propres surcomplémentaires* within the meaning of Article 3.3 of the CRBF Regulation n° 95-02 of 21 July 1995 as amended, if such Regulation is applicable.

The proceeds of issues of Undated Subordinated Notes may be used, as set out in the relevant Pricing Supplement, for the purposes of off-setting losses of the Issuer and, thereafter, to allow it to continue its activities in accordance with French banking regulations. The proceeds of such issues will be classified amongst the funds of the Issuer in accordance with article 4(c) of *Règlement* no. 90-02 of the CRBF. This provision does not in any way affect any French law applicable to (i) accounting principles relating to allocation of losses, (ii) duties of the shareholders and (iii) the rights of the Noteholders to receive payment of principal and interest under the relevant Notes in accordance with the terms and conditions of such Notes.

#### 4 Negative Pledge

So long as any of the Unsubordinated Notes or, if applicable, any Receipts or Coupons relating to them, is outstanding (as defined below), the Issuer will not create or permit to subsist any mortgage, charge, pledge or other form of security interest (*sûreté réelle*) upon any of its assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below) or any guarantee or indemnity in respect of any Relevant Indebtedness unless, at the same time or prior thereto, the Issuer's obligations under the Notes, and, if applicable, Receipts or Coupons relating to them, are equally and rateably secured therewith.

For the purposes of these Conditions:

"**outstanding**" means, in relation to Unsubordinated Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption, Arrears of Interest, as the case may be, and any interest payable after such date) have been duly paid as provided in Condition 7, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in the Conditions, (e) in the case of Definitive Materialised Notes (i) those mutilated or defaced Definitive Materialised Notes that have been surrendered in exchange for replacement Definitive Materialised Notes, (ii) (for the purpose only of determining how many such Definitive Materialised Notes are outstanding and without prejudice to their status for any other purpose) those Definitive Materialised Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Definitive Materialised Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Notes, pursuant to its provisions.

**"Relevant Indebtedness"** means any present or future indebtedness for borrowed money in the form of, or represented by, bonds (*obligations*) or other securities which are for the time being, or capable of being, quoted, listed, or ordinarily dealt in on any regulated stock exchange, over-the-counter market or other securities market (and includes *Titres de Créance Négociables* governed by Articles L.213-1 to L.213-4 of the French *Code monétaire et financier*).

The provisions of this Condition 4 shall not apply to Subordinated Notes.

## 5. Interest and other Calculations

### (a) Definitions

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

**"Benchmark"** means the reference rate as set out in the relevant Pricing Supplement.

**"Business Day"** means:

- (i) in the case of euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer or any successor thereto (the **"TARGET System"**) is operating (a **"TARGET Business Day"**), and/or
- (ii) in the case of a Specified 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
- (iii) in the case of a Specified Currency and/or one or more additional business centre(s) specified in the relevant Pricing Supplement (the **"Additional Business Centre(s)"**), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business 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"**, **"Actual/365-AFB"** or **"Actual/Actual-ISDA"** is specified in the relevant Pricing Supplement, 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/Actual-ISMA"** is specified in the relevant Pricing Supplement:
  - (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,

in each case, 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 in the relevant Pricing Supplement or, if none is so specified, the Interest Payment Date.

- (iii) if "**Actual/Actual-AFB**" is specified in the relevant Pricing Supplement, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period). If the Calculation Period is of a duration of more than one year, the basis shall be calculated as follows:
  - the number of complete years shall be counted back from the last day of the Calculation Period;
  - this number shall be increased by the fraction for the relevant period calculated as set out in the first paragraph of this definition.
- (iv) if "**Actual/365 (Fixed)**" is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 365.
- (v) if "**Actual/360**" is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 360.
- (vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Pricing Supplement, 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)).
- (vii) if "**30/360-AFB**" or "**Actual 30A/360 (American Bond Basis)**" is specified in the relevant Pricing Supplement, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days calculated as for 30E/360-AFB, subject to the following exception:

where the last day of the Calculation Period is the 31<sup>st</sup> and the first day is neither the 30<sup>th</sup> nor the 31<sup>st</sup>, the last month of the Calculation Period shall be deemed to be a month of 31 days.

Using the same abbreviations as for 30E/360-AFB the fraction is:

If  $dd2 = 31$  and  $dd1 \neq (30,31)$

then :

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + (dd2 - dd1)]$$

or

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)].$$

- (viii) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Pricing Supplement, 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).
- (ix) if "**30E/360-AFB**" is specified in the relevant Pricing Supplement, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days elapsed during such period, calculated on the basis of a year comprising 12 months of 30 days, subject to the following the exception:

if the last day of the Calculation Period is the last day of the month of February, the number of days elapsed during such month shall be the actual number of days.

Where:

D1 (dd1, mm1, yy1) is the date of the beginning of the period

D2 (dd2, mm2, yy2) is the date of the end of the period

The fraction is :

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)].$$

"**Effective Date**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Pricing Supplement 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 (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 October 1997).

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

**"Interest Amount"** means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

**"Interest Commencement Date"** means the Issue Date or such other date as may be specified in the relevant Pricing Supplement.

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

**"Interest Payment Date"** means the date(s) specified in the relevant Pricing Supplement.

**"Interest Period"** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**"Interest Period Date"** means each Interest Payment Date unless otherwise specified in the relevant Pricing Supplement.

**"Page"** means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 ("**Reuters**") and Bridge/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 as disclosed in the relevant Pricing Supplement.

**"Rate of Interest"** means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the relevant Pricing Supplement.

**"Reference Banks"** means the institutions specified as such in the relevant Pricing Supplement 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 or EONIA is the relevant Benchmark, shall be the Euro-zone).

**"Relevant Financial Centre"** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Pricing Supplement or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR or EONIA, shall be the Euro-zone) or, if none is so connected, Paris.



**"Relevant Date"** means, in respect of any Note or Coupon, the date on which payment in respect of it first became 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 (in the case of Materialised Notes if earlier) the date seven days after that on which notice is duly given to the holders of such Materialised Notes that, upon further presentation of the Materialised Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

**"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 in the relevant Pricing Supplement 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 and for this purpose **"local time"** means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11:00 a.m. (Brussels time).

**"Representative Amount"** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Pricing Supplement 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 in the relevant Pricing Supplement 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 in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Pricing Supplement or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(c)(ii).

**(b) Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding nominal amount 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 Interest Payment Date except as otherwise provided in the relevant Pricing Supplement.

If a fixed amount of interest ("**Fixed Coupon Amount**") or a broken amount of interest ("**Broken Amount**") is specified in the relevant Pricing Supplement, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Pricing Supplement.

(c) **Interest on Floating Rate Notes and Index Linked Interest Notes**

- (i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount 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 arrears on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Pricing Supplement, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Pricing Supplement as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *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 (A) 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 (x) such date shall be brought forward to the immediately preceding Business Day and (y) 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, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) 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 (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Pricing Supplement and the provisions below relating to either AFB Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Pricing Supplement.

(A) AFB Determination for Floating Rate Notes

Where AFB Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Agent as a rate equal to the relevant AFB Rate plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (A), "**AFB Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Agent under a swap transaction (*Echange*) made pursuant to an AFB master agreement (*convention cadre AFB*) and the then applicable Interest and Currency Technical Annex (*Echange de conditions d'Intérêt ou de Devises - Additif Technique*) (the "**AFB Definitions**") and under which:

- (a) the Floating Rate is as specified in the relevant Pricing Supplement and
- (b) the Floating Rate Determination Date is as specified in the relevant Pricing Supplement

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Agent**" and "**Floating Rate Determination Date**" are translations of the French terms "*Taux Variable*", "*Agent*" and "*Date de Détermination du Taux Variable*", respectively, which have the meanings given to those terms in the AFB Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest 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:

- (a) if the primary source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
- (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or
  - (ii) 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 as disclosed in the relevant Pricing Supplement.
- (b) if the primary source for the Floating Rate is Reference Banks or if sub-paragraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (a)(ii) 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
- (c) if paragraph (b) 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 (I) 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) (II) 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).

(iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Pricing Supplement and interest will accrue by reference to an Index or Formula as specified in the relevant Pricing Supplement.

**(d) Zero Coupon Notes**

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date pursuant to an Issuer's Option or, if so specified in the relevant Pricing Supplement, pursuant to Condition 6(e) or otherwise and is not paid when due, the amount due and payable prior to the Maturity Date shall, unless otherwise provided in the relevant Pricing Supplement, be the Early Redemption Amount. 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 6(e)(i)).

**(e) Dual Currency Notes**

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.

**(f) 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 relevant Pricing Supplement.

**(g) Accrual of Interest**

Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.

**(h) Deferral of interest**

In the case of Undated Subordinated Notes, interest shall be payable on each Compulsory Interest Payment Date (as defined below) in respect of the interest accrued in the Interest Period ending on the day immediately preceding such date. On any Optional Interest Payment Date (as defined below) there may be paid (if the Issuer so elects) the interest accrued in the Interest Period ending on the day immediately preceding such date but the Issuer shall not have any obligation to make such payment. Notice of any Optional Interest Payment Date shall be given to the Noteholders in accordance with Condition 15 and to the stock exchange(s) on which the Notes are listed, as the case may be. Such notice shall be given at least seven days prior to the relevant Optional Interest Payment Date(s). Any interest normally due on an Optional Interest Payment Date but deferred by a resolution of the Board of Directors of the Issuer shall, so long as the same remains unpaid, constitute "**Arrears of Interest**" which term shall include interest on such unpaid interest as referred to below. Arrears of Interest may, at the option of the Issuer,

be paid in whole or in part at any time upon the expiration of not less than seven days' notice to such effect given to the Noteholders in accordance with Condition 15 but all Arrears of Interest on all Undated Subordinated Notes outstanding shall become due in full on whichever is the earliest of:

- (i) the Interest Payment Date immediately following the first *Assemblée Générale Ordinaire* of the shareholders of the Issuer noticing distributable earnings; or
- (ii) the commencement of a liquidation or dissolution of the Issuer.

For the avoidance of doubt, any such Arrears of Interest will be subordinated.

If notice is given by the Issuer of its intention to pay the whole or part of Arrears of Interest, the Issuer shall be obliged to do so upon the expiration of such notice. When Arrears of Interest are paid in part, each such payment shall be applied in or towards satisfaction of the full amount of the Arrears of 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. Arrears of Interest shall (to the extent permitted by law) bear interest accruing (but only, in accordance with Article 1154 of the French *Code civil*, after such interest has accrued for a period of one year) and compounding on the basis of the exact number of days which have elapsed at the prevailing rate of interest on the Undated Subordinated Notes in respect of each relevant Interest Period. For these purposes the following expressions have the following meanings:

**"Compulsory Interest Payment Date"** means any Interest Payment Date unless the *Assemblée Générale Ordinaire* of the shareholders of the Issuer approving the annual accounts of the Issuer for the fiscal year then ended has noticed before the Interest Payment Date the absence of distributable earnings.

**"Optional Interest Payment Date"** means any Interest Payment Date, as the case may be, other than a Compulsory Interest Payment Date.

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

- (a) If any Margin or Rate Multiplier is specified in the relevant Pricing Supplement (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 (c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.
- (b) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Pricing Supplement, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (c) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (w) if AFB Determination is specified in the relevant Pricing Supplement, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest ten-thousandth of a percentage point (with halves being rounded up), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest fifth decimal (with halves being rounded up), (y) all figures shall be rounded to seven 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 of such currency.

**(j) Interest on Undated Subordinated Notes**

Payment of interest on Undated Subordinated Notes may be postponed in accordance with applicable French banking laws and regulations and, in particular, Article 4(c) of Regulation n° 90-02 dated 23 February 1990 of the CRBF, as amended from time to time.

**(k) 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 nominal 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

**(l) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts**

As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation 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 Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the holders of Notes, 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 Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(c)(ii), the Interest Amounts and the 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. The determination of any rate or amount, the obtaining of each quotation 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.

**(m) 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 relevant Pricing Supplement and for so long as any Note is outstanding (as defined above). 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, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, 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 Paris or Luxembourg office, as appropriate, 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.

**6. Redemption, Purchase and Options**

**(a) Final Redemption**

Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's option in accordance with Condition 6(c) or any Noteholder's option in accordance with Condition 6(d), each Note shall be finally redeemed on the Maturity Date specified in the relevant Pricing Supplement at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 6(b) below, its final Instalment Amount. Subordinated Notes the proceeds of which constitute *fonds propres complémentaires* within the meaning of Article 4(c) of the CRBF Regulation n° 90-02 of 23 February 1990 as amended shall be Undated Subordinated Notes. The Maturity Date, in relation to Subordinated Notes the proceeds of which constitute *fonds propres complémentaires* within the meaning of Article 4(d) of the CRBF Regulation n° 90-02 of 23 February 1990 as amended, will not be less than five years and one day from the Issue Date and where the proceeds constitute *fonds propres surcomplémentaires* within the meaning of Article 3.3 of the CRBF Regulation n° 95-02 of 21 July 1995 as amended, will not be less than two years and one day from the Issue Date.

**(b) Redemption by Instalments**

Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified in the relevant Pricing Supplement) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(c) or (d), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Pricing Supplement. The outstanding nominal 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 nominal 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 (i)

in the case of Dematerialised Notes, on the due date for such payment or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount. The first Instalment Date, in relation to Dated Subordinated Notes the proceeds of which constitute *fonds propres complémentaires* within the meaning of Article 4(d) of the CRBF Regulation n° 90-02 of 23 February 1990 as amended and for the purposes of the Guide, will not be less than five years and one day from the Issue Date and where the proceeds constitute *fonds propres surcomplémentaires* within the meaning of Article 3.3 of the CRBF Regulation n° 95-02 of 21 July 1995 as amended, will not be less than two years and one day from the Issue Date.

**(c) Redemption at the Option of the Issuer, Exercise of Issuer's Options and Partial Redemption**

If a Call Option is specified in the relevant Pricing Supplement, the Issuer may, subject to the prior approval of the *Secrétariat Général de la Commission Bancaire* in the case of Subordinated Notes the proceeds of which constitute *fonds propres complémentaires* within the meaning of Articles 4(c) and (d) of the CRBF Regulation n° 90-02 of 23 February 1990 as amended or *fonds propres surcomplémentaires* within the meaning of Article 3.3 of the CRBF Regulation n° 95-02 of 21 July 1995 as amended and subject to compliance by the Issuer of all the relevant laws, regulations and directives and on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 15 to the holders of Notes (or such other notice period as may be specified in the relevant Pricing Supplement) redeem all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest), if any. Any such redemption must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed as specified in the relevant Pricing Supplement and no greater than the maximum nominal amount to be redeemed as specified in the relevant Pricing Supplement.

If any other Issuer's Option (as may be described in the relevant Pricing Supplement) is specified in the relevant Pricing Supplement, the Issuer may, subject to compliance by the Issuer of all the relevant laws, regulations and directives and on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 15 to the holders of Notes (or such other notice period as may be specified in the relevant Pricing Supplement) exercise any Issuer's Option in relation to, all or, if so provided, some, of the Notes on any Option Exercise Date. Any such exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount in respect of which such option has been exercised as specified in the relevant Pricing Supplement and no greater than the maximum nominal amount in respect of which such option has been exercised as specified in the relevant Pricing Supplement.

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 in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the numbers of the Definitive Materialised 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.



In the case of a partial redemption of, or a partial exercise of an Issuer's Option in respect of, Dematerialised Notes, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full, or applying the option to, some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed or in respect of which such Option has been exercised and those Dematerialised Notes of any Series that will not be redeemed or in respect of which such Option has not been exercised shall be made in accordance with Article 9 of Decree no. 83-359 of 2 May 1983 and the provisions of the relevant Pricing Supplement, subject to compliance with any other applicable laws and stock exchange requirements.

So long as the Notes are listed on 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 specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes a list of any Materialised Notes, drawn for redemption but not surrendered.

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

If a Put Option is specified in the relevant Pricing Supplement and provided that the relevant Note is not a Subordinated Note the proceeds of which constitute *fonds propres complémentaires* within the meaning of Articles 4(c) and (d) of the CRBF Regulation n° 90-02 of 23 February 1990 as amended or *fonds propres surcomplémentaires* within the meaning of Article 3.3 of the CRBF Regulation n° 95-02 of 21 July 1995 as amended, the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Pricing Supplement) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption including, where applicable, any Arrears of Interest.

If any other Noteholder's Option (as may be described in the relevant Pricing Supplement) is specified in the relevant Pricing Supplement, the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Pricing Supplement) exercise any Noteholder's Option in relation to such Note on the Option Exercise Date at its Optional Redemption Amount together with interest accrued to the date fixed for redemption including, where applicable, any Arrears of Interest.

To exercise such option or any other Noteholders' option that may be set out in the relevant Pricing Supplement the Noteholder must deposit with a Paying Agent at its specified office a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained during normal business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period. In the case of Materialised Notes, the Exercise Notice shall have attached to it the relevant Notes (together with all unmatured Receipts and Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paying Agent with a specified office in Paris, as specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred, may be withdrawn without the prior consent of the Issuer.

**(e) Early Redemption**

*(i) Zero Coupon Notes*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(f) or (g) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Nominal Amount (calculated as provided below) of such Note unless otherwise specified in the relevant Pricing Supplement.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such Note shall be the scheduled Final 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 in the relevant Pricing Supplement, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Amortised Nominal Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or (g) 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 Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable was the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgement) 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 Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).

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 as provided in the relevant Pricing Supplement.

*(ii) Other Notes*

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(f) or (g) or upon it becoming due and payable as provided in Condition 9 shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest) unless otherwise specified in the relevant Pricing Supplement.

**(f) 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 8(b) below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Pricing Supplement, at any time, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, and, in the case of Subordinated Notes the proceeds of which constitute *fonds propres complémentaires* within the meaning of Articles 4(c) and (d) of the CRBF Regulation n° 90-02 of 23 February 1990 as amended or *fonds propres surcomplémentaires* within the meaning of Article 3.3 of the CRBF Regulation n° 95-02 of 21 July 1995 as amended, subject to the prior approval of the *Secrétariat Général de la Commission Bancaire*, redeem all, but not some only, of the Notes at their Early Redemption Amount together with, unless otherwise specified in the Pricing Supplement, any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest) 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, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8(b) below, 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 15, and, in the case of Subordinated Notes the proceeds of which constitute *fonds propres complémentaires* within the meaning of Articles 4(c) and (d) of the CRBF Regulation n° 90-02 of 23 February 1990 as amended or *fonds propres surcomplémentaires* within the meaning of Article 3.3 of the CRBF Regulation n° 95-02 of 21 July 1995 as amended, subject to the prior approval of the *Secrétariat Général de la Commission Bancaire*, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount together with, unless otherwise specified in the Pricing Supplement, any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest) on (A) the latest practicable 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 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 in the relevant Pricing Supplement, 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, or, if applicable, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

**(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 6 and the provisions specified in the relevant Pricing Supplement.

**(h) Purchases**

The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise (including by tender offer) at any price. In the case of a Series of Subordinated Notes the proceeds of which constitute *fonds propres complémentaires* within the meaning of Articles 4(c) and (d) of the CRBF Regulation n° 90-02 of 23 February 1990 as amended or *fonds propres surcomplémentaires* within the meaning of Article 3.3 of the CRBF Regulation n° 95-02 of 21 July 1995 as amended, any such purchase will be subject to the prior approval of the *Secrétariat Général de la Commission Bancaire* (i), if made in the open market, if it relates (individually or when aggregated with any previous purchase) to more than ten per cent. of the principal amount of the Notes or (ii) if made by way of a public tender offer or public exchange offer or on the over-the-counter market.

**(i) Cancellation**

All Notes purchased by or on behalf of the Issuer must be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Notes, by surrendering the relevant Temporary Global Certificate or the Definitive Materialised Notes in question, together with all unmatured Receipts and Coupons and all unexchanged Talons, if applicable, to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Definitive Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

**7. Payments and Talons****(a) Dematerialised Notes**

Payments of principal and interest in respect of Dematerialised Notes shall (i) in the case of Dematerialised Notes in bearer dematerialised form or administered registered form, be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the holders of Notes and, (ii) in the case of Dematerialised Notes in fully registered form, to an account denominated in the relevant currency with a Bank designated by the relevant holder of Notes. All payments validly made to such Account Holders or Bank will be an effective discharge of the Issuer in respect of such payments.

**(b) Definitive Materialised Notes***(i) Method of payment*

Subject as provided below, payments in a Specified Currency will be made by credit or transfer to an account denominated in the relevant Specified Currency, or to which the Specified Currency may be credited or transferred (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is euro, shall be any country in the Euro-zone, and, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively).

*(ii) Presentation and surrender of Definitive Materialised Notes, Receipts and Coupons*

Payments of principal in respect of Definitive Materialised Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of partial payment of any sum due, annotation) of such Notes, and payments of interest in respect of Definitive Materialised Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, annotation) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of Definitive Materialised Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, annotation) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, annotation) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Materialised Note to which it appertains. Receipts presented without the Definitive Materialised Note to which they appertain do not constitute valid obligations of the Issuer.

Upon the date upon which any Definitive Materialised Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment will be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes or Index Linked Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, 5 years from the date on which such Coupon would otherwise have become due, but in no

event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any Definitive Materialised Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against presentation and surrender (if appropriate) of the relevant Definitive Materialised Note.

**(c) Payments in the United States**

Notwithstanding the foregoing, if any Materialised 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.

**(d) 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 Condition 8. No commission or expenses shall be charged to the holders of Notes or Couponholders in respect of such payments.

**(e) 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 at the end of the Offering Circular relating to the Programme of the Notes of the Issuer. The Fiscal Agent, the Paying Agents and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for 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, Registration Agent or Calculation Agent and to appoint other Fiscal Agent, Paying Agent(s), Registration Agent(s) or Calculation Agent(s) or additional Paying Agent(s), Registration Agent(s) or Calculation Agent(s), 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) Paying Agents having specified offices in at least two major European cities (including Luxembourg so long as the Notes are listed on the Luxembourg Stock Exchange and, so long as the Notes are listed on any other stock exchange, such other city where the Notes is listed) (iv) in the case of Materialised Notes, if the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 are implemented, a Paying Agent having its specified office in a Member State of the EU that will not oblige such Paying Agent to

withhold or deduct tax pursuant to the EU Directive on the taxation of savings (which may be any of the Paying Agents referred to in (iii) above), (v) in the case of Dematerialised Notes in fully registered form, a Registration Agent and (vi) 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 Materialised Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the holders of Notes in accordance with Condition 15.

**(f) Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised 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 10).

**(g) Business Days for Payment**

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 unless otherwise specified in the relevant Pricing Supplement, 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) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) in such jurisdictions as shall be specified as "**Additional Financial Centres**" in the relevant Pricing Supplement and (C) (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.

**(h) Bank**

For the purpose of this Condition 7, "**Bank**" means a bank in the principal financial centre of the relevant currency or, in the case of Euro, in a city in which banks have access to the TARGET System.

**8. Taxation**

**(a) Tax Exemption for Notes issued or deemed to be issued outside France**

Unless it is specified in the relevant Pricing Supplement that Condition 8(c) shall apply to the Notes, interest and other revenues with respect to Notes constituting *obligations* under French law which, as may be specified in the relevant Pricing Supplement are being issued or deemed to be issued outside the Republic of France, benefit from the exemption provided for in Article 131 *quater* of the French *Code général des impôts* from deduction of tax at source. Accordingly such payments do not give the right to any tax credit from any French source. The tax regime applicable to Notes which do not constitute *obligations* will be set out in the relevant Pricing Supplement.

*As to the meaning of the expression "issued or deemed to be issued outside the Republic of France" see "Summary of the Programme - Taxation" above.*

**(b) Additional Amounts**

If French law should require that payments of principal or interest in respect of any Note, Receipt or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Receiptholders and the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon, as the case may be:

(i) Other connection

to, or to a third party on behalf of, a Noteholder, Receiptholder or Couponholder who is liable to such taxes or duties by reason of his having some connection with the Republic of France other than the mere holding of the Note, Receipt or Coupon; or

(ii) More than 30 days after the Relevant Date

in the case of Definitive Materialised Notes, more than 30 days after the Relevant Date except to the extent that the Noteholder, Receiptholder or Couponholder would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or

(iii) Payment to individuals

where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(iv) Payment by another Paying Agent

in the case of Definitive Materialised Notes presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 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 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.



**(c) Article 125 A III**

If it is provided in the relevant Pricing Supplement that this Condition 8(c) applies to the Notes, payments in respect of the Notes, Receipts or Coupons made to non-French residents 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, provided that holder of the Notes, Receipts or Coupons supplies proof of non-residency (in the form made available by the Issuer or any Paying Agent) to the Issuer or any Paying Agent in accordance with the provisions of Article 125 A III of the French *Code général des impôts*.

**9. Events of Default**

The Representative (as defined in Condition 11), upon request of any Noteholder, or in the event the Noteholders of any Series have not been grouped in a *Masse*, any Noteholder, may, upon written notice to the Fiscal Agent (with copy to the Issuer) given before all defaults shall have been cured, cause the principal amount of all Notes held by such Noteholder to become due and payable, together with any accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent if:

**(a) In the case of Unsubordinated Notes**

- (i) the Issuer is in default in the payment of principal of, or interest on, any Note (including the payment of any additional amounts mentioned in Condition 8) when due and payable and such default shall continue for more than seven (7) days thereafter; or
- (ii) the Issuer is in default in the performance of any of its other obligations under the Notes and such default has not been cured within fourteen (14) days after the receipt by the Fiscal Agent of the written notice of such default by the Representative or a Noteholder; or
- (iii) if any other present or future indebtedness for borrowed monies of the Issuer in excess of € 5,000,000 (or its equivalent in any other currency), whether individually or collectively, becomes or becomes capable of being declared due and payable prior to its stated maturity as a result of a default thereunder, or any such indebtedness shall not be paid when due or, as the case may be, within any originally applicable grace period therefor or any steps shall be taken to enforce any security in respect of any such indebtedness or any guarantee or indemnity given by the Issuer for, or in respect of, any such indebtedness of others shall not be honoured when due and called upon; or
- (iv) if the Issuer makes any proposal for a general moratorium in relation to its debt or applies for, or is subject to, the appointment of a conciliator (*conciliateur*) or a *mandataire ad hoc* or enters into an amicable settlement (*accord amiable*) with its creditors or a judgement is issued for the judicial liquidation (*liquidation judiciaire*), the judicial recovery (*redressement judiciaire*) or the transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or, to the extent permitted by applicable law, if the Issuer is subject to any other insolvency or bankruptcy proceedings or makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors; or

- (v) if the Issuer ceases or publicly threatens to cease to carry on all or a material part of its business or other operations or sells, transfers, lends or otherwise disposes of, directly or indirectly, all or a material part of its undertakings or assets, except in the case of a disposal, liquidation, merger or other reorganisation in which all of the Issuer's assets are transferred to a legal entity which simultaneously assumes all of the Issuer's liabilities, including the Notes, and whose main purpose, or one of whose main purpose, is the continuation of, and which effectively continues, the Issuer's activities; or
  - (vi) if it is or will become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes.
- (b) **In the case of Subordinated Notes**, and in accordance with Condition 3(b), if any judgement shall be issued for the judicial liquidation (*liquidation judiciaire*) 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 3(b), at their principal amount together with any accrued interest to the date of payment.

## 10. Prescription

Claims against the Issuer for payment in respect of any amount due under 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 5 years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 11. Representation of Noteholders

Except as otherwise provided by the relevant Pricing Supplement, holders of Notes will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the "**Masse**").

The Masse will be governed by the provisions of the French *Code de commerce* (the "**Code**") with the exception of Articles L.228-48, L.228-59 and L.228-71 and by the decree no. 67-236 of 23 March 1967, with the exception of Articles 218, 222 and 224 subject to the following provisions:

### (a) Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through a general meeting of the holders of Notes (the "**General Meeting**").

The Masse alone, to the exclusion of all individual holders of Notes, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

**(b) Representative**

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

- (i) the Issuer, the members of its *Conseil d'Administration*, its general managers (*directeurs généraux*), its statutory auditors, its employees and their ascendants, descendants and spouses; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their board of directors, executive board or supervisory board, their statutory auditors, employees and their ascendants, descendants and spouses; or
- (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative and its alternate will be set out in the Pricing Supplement. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its function or duties, if any, as set out in the relevant Pricing Supplement.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by the alternate Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

**(c) Powers of Representative**

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the holders of Notes.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

**(d) General Meeting**

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 15.

Each Noteholder has the right to participate in a General Meeting in person or by proxy. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

**(e) Powers of the General Meetings**

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase amounts payable by Noteholders, nor establish any unequal treatment between the Noteholders and that no amendment to the status of Subordinated Notes the proceeds of which constitute (i) *fonds propres complémentaires* within the meaning of Article 4(c) of the CRBF Regulation n° 90-02 of 23 February 1990 as amended; (ii) *fonds propres complémentaires* within the meaning of Article 4(d) of the CRBF Regulation n° 90-02 of 23 February 1990 as amended; and (iii) *fonds propres surcomplémentaires* within the meaning of Article 3.3 of the CRBF Regulation n° 95-02 of 21 July 1995 as amended.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a quarter of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by Noteholders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 15.

**(f) Information to Noteholders**

Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.

**(g) Expenses**

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

**(h) Single Masse**

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 14, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche or Series of Notes will be the Representative of the single Masse of all such Series.

*In respect of any Tranche of Notes issued or deemed to be issued outside France, this Condition 11 may, if so specified in the relevant Pricing Supplement, be waived, amended or supplemented, and in respect of any Tranche issued inside France, this Condition 11 shall be waived in its entirety and replaced by the full provisions of the Code.*

**12. Modifications**

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

**13. Replacement of Definitive Materialised Notes, Receipts, Coupons and Talons**

If, in the case of any Materialised Notes, a Definitive Materialised 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 Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for this purpose and notice of whose designation is given to Noteholders, 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 Definitive Materialised 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 Definitive Materialised Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## 14. Further Issues and Consolidation

### (a) Further Issues

Unless otherwise provided in the relevant Pricing Supplement, the Issuer may from time to time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further Notes to be assimilated (*assimilées*) with the Notes provided such Notes and the further Notes carry rights identical in all respects (or identical in all respects save as to the first payment of interest) and that the terms of such Notes provide for such assimilation, and references in these Conditions to "Notes" shall be construed accordingly.

### (b) Consolidation

Unless otherwise provided in the relevant Pricing Supplement, the Issuer, with the prior approval of the Fiscal Agent (which shall not be unreasonably withheld), may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days' prior notice to the Noteholders in accordance with Condition 15, without the consent of the Noteholders, Receiptholders or Couponholders, consolidate the Notes of one Series denominated in Euro with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

## 15. Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*); provided that, so long as such Notes are listed on any stock exchange(s), notices shall be valid if published in a daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes is/are listed which in the case of the Luxembourg Stock Exchange, is expected to be the *Luxemburger Wort*.
- (b) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published in a daily leading newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are listed on any stock exchange, in a leading daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes is/are listed which in the case of the Luxembourg Stock Exchange, is expected to be the *Luxemburger Wort*.
- (c) If any such publication is not practicable, notice shall be validly given if published in a leading daily English language newspaper with general circulation in Europe. 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 Materialised Notes in accordance with this Condition.

- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) (*au porteur* or *au nominatif*) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 15 (a), (b), (c), above; except that (i) so long as such Notes are listed on any stock exchange(s) and the rules of that stock exchange so require, notices shall also be published in a daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes is/are listed and (ii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 11 shall also be published in a leading newspaper of general circulation in Europe.

## **16. Governing Law and Jurisdiction**

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

The Notes, Receipts, Coupons and Talons are governed by, and shall be construed in accordance with, French law.

### **(b) Jurisdiction**

Any claim against the Issuer in connection with any Notes, Receipts, Coupons or Talons may be brought before any competent court in Paris.

## **USE OF PROCEEDS**

The net proceeds of the issue of Unsubordinated Notes will be used for the Issuer's general corporate purposes unless otherwise specified in the relevant Pricing Supplement. The net proceeds of the issue of Subordinated Notes will be used by the Issuer in accordance with the provisions of the relevant Pricing Supplement.



## **TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF MATERIALISED NOTES**

### **Temporary Global Certificates**

A Temporary Global Certificate without interest coupons (a "**Temporary Global Certificate**") will initially be issued in connection with each Tranche of Materialised Notes, which will be delivered on or prior to the issue date of the Tranche with a common depository (the "**Common Depository**") for Euroclear Bank S.A./N.V., as operator of the Euroclear system ("**Euroclear**") and for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Upon the delivery of such Temporary Global Certificate with a Common Depository, Euroclear, Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depository may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, a nominal amount of Notes that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg, or other clearing systems.

### **Exchange**

Each Temporary Global Certificate issued in respect of Materialised Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Pricing Supplement indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Summary of the Programme-Selling Restrictions"), in whole, but not in part, for Definitive Materialised Notes and
- (ii) otherwise, in whole but not in part, upon certification as to non-U.S. beneficial ownership for Definitive Materialised Notes.

### **Delivery of Definitive Materialised Notes**

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to, or to the order of, the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Notes. In this Offering Circular, "**Definitive Materialised Notes**" means, in relation to any Temporary Global Certificate, the Definitive Materialised Notes for which such Temporary Global Certificate 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 Temporary Global Certificate and a Talon). Definitive Materialised Notes will be security printed in accordance with any applicable legal and stock exchange requirement.

**Exchange Date**

"**Exchange Date**" means, in relation to a Temporary Global Certificate in respect of any Materialised Notes, the day falling after the expiry of 40 days after its issue date, provided that in the event any further Materialised Notes which are to be assimilated with such first mentioned Materialised Notes are issued prior to such day pursuant to Condition 14(a), the Exchange Date may, at the option of the Issuer, be postponed to the day falling after the expiry of 40 days after the issue date of such further Materialised Notes.

## DESCRIPTION OF THE GROUP

### **I - The Crédit Mutuel de Bretagne - Crédit Mutuel du Sud-Ouest Group**

---

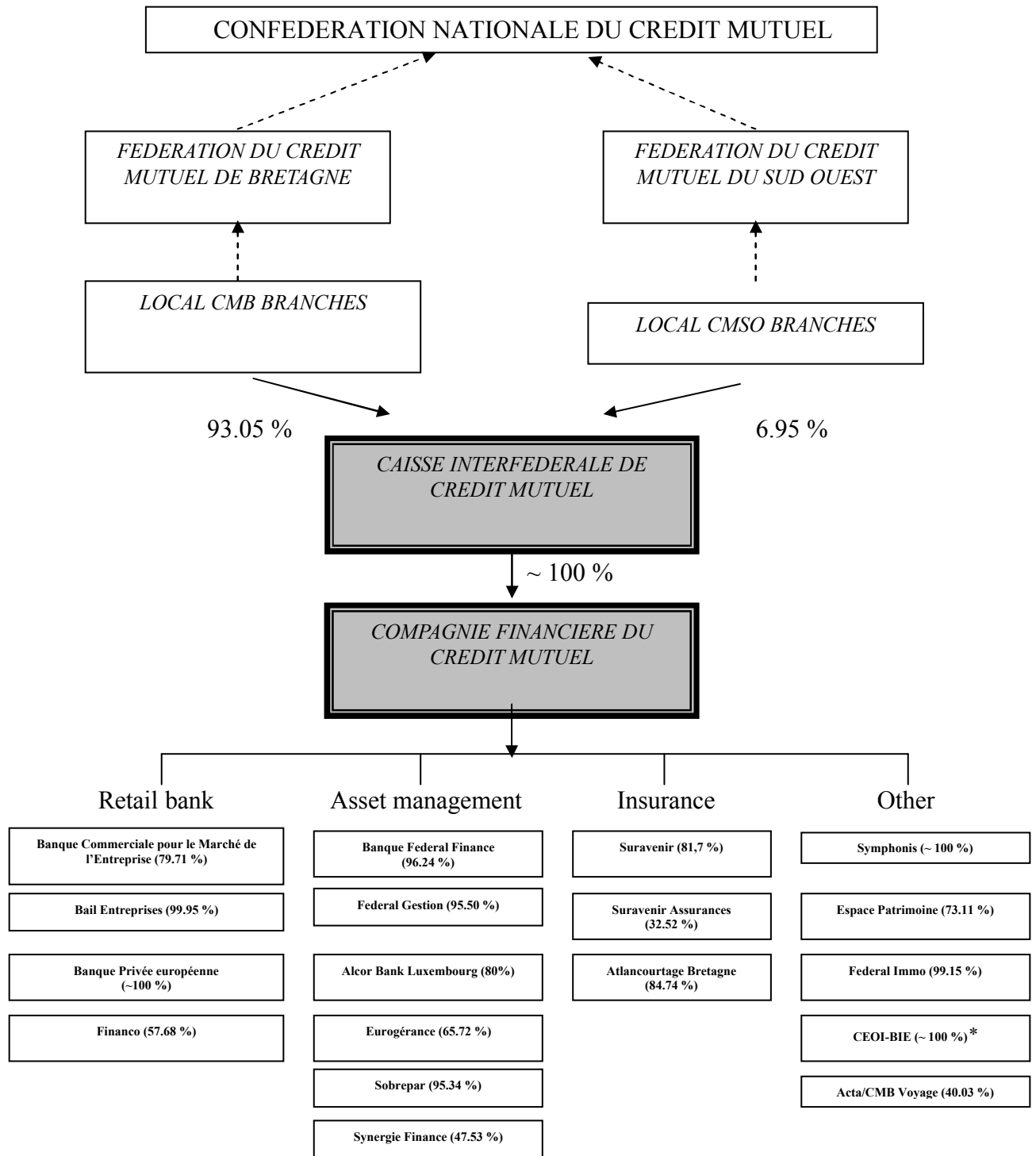
- **Structure of the Crédit Mutuel de Bretagne-Crédit Mutuel du Sud-Ouest Group**

The Crédit Mutuel de Bretagne-Crédit Mutuel du Sud-Ouest group ("CMB-CMSO Group") is a member of the Confédération Nationale du Crédit Mutuel ("CNCM") which represents the various regional federations of Crédit Mutuel.

CMB-CMSO group was set up as a unique banking entity comprising two groups:

- One, with a co-operative, mutualist status, controls the whole CMB-CMSO Group and is made up of the local branches (*Caisses Locales*) of Crédit Mutuel de Bretagne and of Crédit Mutuel du Sud-Ouest, the two federations (*Fédérations*) of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest and the Caisse Interfédérale de Crédit Mutuel ("CICM");
- The other, with a banking status, is made up of the Issuer ("CFCM"), an almost wholly-owned subsidiary of the CICM, and its own subsidiaries. The Issuer is both a holding company and a investment and capital markets bank.

This organisational structure means that the CMB-CMSO Group maintains the operating flexibility which ensures its originality and efficiency. It also encourages the development of partnerships both within and outside Crédit Mutuel.



\* *Compagnie Européenne d'Opérations Immobilières – BIE*

The current organisational structure of the CMB-CMSO Group was the result of legal and institutional reform completed in May 2001.

The former structure of the CMB-CMSO Group dated from 1991, when the Crédit Mutuel de Bretagne group decided to adopt a new internal set-up more suited to the requirements of the highly diversified banking and financial group it had become through the creation of numerous subsidiaries.

The 1991 structure was based on:

1. The transformation of the Caisse Fédérale du Crédit Mutuel de Bretagne into a company with a double role:
  - A holding company role including responsibility for developing and increasing the equity holdings of the Groupe Crédit Mutuel de Bretagne and managing the development of its subsidiaries,
  - A role as manager of external financial activities (refinancing and intervention on the capital markets).

At that time, this company was called the Compagnie Financière du Crédit Mutuel de Bretagne.

2. The creation of a Caisse Fédérale, a retail banking entity, responsible in accordance with the articles of Crédit Mutuel for internal banking activities. This company went under the name of the Caisse Fédérale du Crédit Mutuel de Bretagne.

This organisational structure adequately met the expectations of Groupe Crédit Mutuel de Bretagne, allowing it to:

- manage equity holdings and external financial partnerships in a more specific and individual way;
- set up a genuine management structure for its subsidiaries; and
- optimise capital management.

Since the 1991 restructuring, however, a major development occurred in the shape of the 1995 extension of the collective authorisation (from which the CFCMB benefited for its local CMB branches) to cover the local branches of Crédit Mutuel affiliated to the former CFCMSO.

This extension gave birth to the CMB-CMSO Group under the aegis of the CICM, the former Caisse Fédérale du Crédit Mutuel de Bretagne.

The CICM thus became, in fact, the parent company of a much larger group, which has achieved national coverage through its subsidiaries. The collective authorisation, under the terms of Act No. 84-46 of 24 January 1984 in relation to the activity and control of credit institutions (now codified in the legislative part of the Monetary and Financial Code) has given it legal, regulatory and financial responsibilities, which it could not fully assume under the existing organisation.

Taking account of all the consequences of the collective authorisation, it became clear that CICM would have to be positioned as the pivotal entity of the CMB-CMSO Group by, in particular, making the Issuer a subsidiary.

It was to this end that it was decided to modify the legal and institutional framework of the CMB-CMSO Group in order today to:

- Position CICM as the pivotal entity of the CMB-CMSO Group, assuming its full responsibilities as parent company, i.e. guaranteeing the financial security of the CMB-CMSO Group and ensuring its control, as well as consolidating the group's strategy and major policies
- Optimise operating methods, as well as internal and external transparency, by organising the group into two distinct arms:
  - A co-operative and mutualist arm comprising the local branches of CMB, of CMSO and of the CICM. This controls the group as a whole.
  - An arm governed by general company law comprising the Issuer and its subsidiaries.

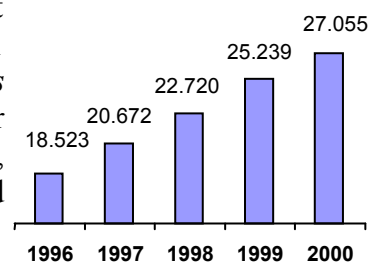
### • Activities of the CMB-CMSO Group

As a banking-insurance business, the CMB-CMSO Group, with a staff of 5,980, operates in the fields of banking, finance and personal and property insurance. It is expanding through:

- on the one hand, the extension of the physical network of Crédit Mutuel local branches: there are currently 239 branches covering Brittany and 64 covering the South-West region, which provide neighbourhood banking facilities for their customers. The creation of a further 20 local branches is planned between now and 2003 in order to increase the Group's presence in the South-West; and
- On the other hand, the reinforcing of its presence on a national level through its subsidiaries.

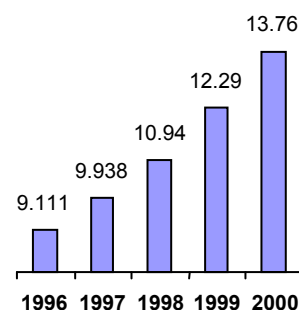
### SAVINGS OUTSTANDING (EURbn)

The CMB-CMSO group aims always to give maximum access to the widest range of banking, financial and insurance savings products. As at 31 December 2000, the CMB-CMSO group, through its *local branch networks* and its specialist subsidiaries, had EUR27.055bn in savings under management and, in particular, *Suravenir* for life and prudential insurance, *Federal Gestion* for asset management (investment and mutual funds) and *Banque Federal Finance* for private clients.



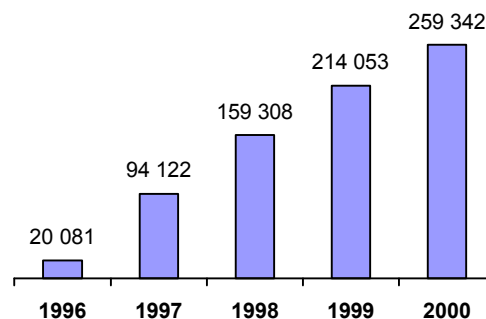
### LOANS OUTSTANDING (EURbn)

As an investment partner for its customers, the CMB-CMSO Group's outstanding loans amounted to EUR13.755m. at the end of 2000. A major player in the home lending field, the CMB-CMSO group operates on national level through the *Banque Privée Européenne* for mortgage lending, *Financo* for consumer credit, *Bail Entreprises* for property leasing and the *Banque Commerciale pour le Marché de l'Entreprise* for company financing.



## NON-LIFE INSURANCE (No. of contracts in portfolio)

Through its subsidiaries *Suravenir* and *Suravenir-Assurances*, the CMB-CMSO Group managed 725,000 life insurance contracts and more than 259,000 accident and complementary health insurance contracts as at 31 December 2000.



With the support of its specialised subsidiaries, the CMB-CMSO group is continually developing and expanding its complete commercial range of banking, financial and insurance services intended for its client base of individuals, local professionals, companies and associations. The subsidiaries operate mainly in the fields of commercial banking, asset management, private banking and insurance.

Stakes in the subsidiaries (which are either fully controlled by the CMB-CMSO Group, common to several Crédit Mutuel groups, or shared with organisations outside Crédit Mutuel) are held by the Issuer on behalf of the CMB-CMSO Group.

### COMMERCIAL BANKING

This field of activity includes the branch network and the subsidiaries specialised in company financing and consumer credit.

BRANCHE COMMERCIALE POUR LE MARCHÉ DE L'ENTREPRISE



Banque Commerciale pour le Marché de l'Entreprise ("BCME")

A 79% subsidiary of the Issuer, the BCME specialises in company finance which turnover exceeded EUR4m and lending to local authorities. In a strong position because of the establishment of 13 branches (notably in Paris, Lyon, Bordeaux, Nantes and Rennes), the bank managed interest-earning loans totalling EUR1.83bn outstanding as at 31 December 2000, an increase of 18% on 1999. Net annual profit was up by 23.4% on 1999, to EUR4.74m (FRF31.1m).



Financo

A 57.7% subsidiary of the Issuer, Financo specialises in consumer credit (point-of-sale credit, leasing, issuing and management of credit cards, etc.) and operates throughout France via a network of 17 regional branches. Financo has been strengthened by the creation of a telesales platform in Amiens, which helped it win new clients and provide services for third parties, and it has also just set up of a new multi-media debt recovery centre in Brest.

With 15,000 sales agents, it is one of the ten largest companies in its sector. It granted EUR381m of new credit in the 2000 financial year, bringing the level of outstanding loans to EUR585.4m as at 31 December 2000.

## ASSET MANAGEMENT, PRIVATE BANKING, AND INSURANCE

This business sector includes the CMB-CMSO Group's subsidiaries specialising in UCITS management, asset management, life assurance and accident insurance.



FEDERAL  
GESTION

Federal Gestion

A subsidiary specialising in collective fund management and almost wholly owned by the Issuer, Federal Gestion creates and manages a complete range of UCITS, including monetary, bond-based, and French and international equity mutual funds and investment trusts aimed at both individuals and companies. In partnership with ARESE (an agency specialising in the ethical rating of companies), Federal Gestion launched an ethical fund, *Federal Actions Ethique*, in 2000. As at 31 December 2000, the assets under management amounted to EUR4.34bn (a rise of 18% over the year), generating a net annual profit of EUR5.52m (FRF36.2m).

Symphonis



Created at the end of 2000, Symphonis is an on-line financial broker authorised to undertake banking and investment business by the Bank of France and the Conseil des Marchés Financiers (the French financial services watchdog). This company, again almost wholly owned by the Issuer, offers a wide range of financial instruments on all the world's financial markets. Its services are offered through the eight regional groups of Crédit Mutuel, Symphonis' partners.



La Banque Privée Européenne ("BPE")

An almost wholly-owned subsidiary of the Issuer, BPE offers its expertise in property finance matters to home buyers, occupants and investors. Since 1997, it has been expanding its asset management business on a national level through its network of 24 branches established in the largest French cities.

At the end of December 2000, and despite increasingly fierce competition, it turned in a strong performance, since it reached 112% of its savings target, raising outstandings to EUR169m. In the field of real estate financing, it granted EUR400m in new credit in the 2000 financial year, bringing loans outstanding to EUR1.5bn. Net annual profit came out at EUR1.55m or FRF10.2m.



Banque Federal Finance

97%-owned by the Issuer, Banque Federal Finance specialises in wealth management. Assets under management reached a level of EUR912m at the end of the 2000 financial year (up by 23%), and net profit was EUR3.98m (FRF26.1m).





## Alcor Bank Luxembourg

80%-owned by the Issuer and 20%-owned by Banca Popolare di Milano, Luxembourg-registered Alcor Bank Luxembourg specialises in international wealth management and operates in a consulting role and through mandates.



Suravenir

An 81.7% owned subsidiary of the Issuer, Suravenir ranks among the 20 leading French life assurance companies. As a provider and distributor of life and prudential policies, in partnership with several Crédit Mutuel federations, Suravenir has 480,000 members and manages 725,000 contracts (*Prévi-Retraite, Prévi-Option*, etc.). Moreover, it insures around 750,000 borrowers for a total of some EUR13bn against "death, invalidity and loss of employment".

As at 31 December 2000, turnover was up by 30% in comparison with December 1999, to EUR1.23bn. Net annual profit was EUR37.81m (FRF248m) on EUR10.4bn worth of loans outstanding (the latter was up by 11%).

- **CMB-CMSO group earnings over the past three years**

Against a backdrop of rising market rates in 2000, net banking income (NBI) increased by virtue of higher deposit and loan volumes as well as strong growth in commission income.

Owing to tight credit risk control, and despite heavy investment over the last few years, the CMB-CMSO Group's share of net earnings rose by EUR35.2m in two years.

<i>EURm</i>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Net bank insurance income	706.3	749.2	817.3
Gross operating profit	259.3	283.0	309.5
Group share of net profit	91.9	110.4	127.1

## II – The Issuer

The Issuer was incorporated on 20 October 2000 with the name of Eurobretagne VI and took the form of a *société anonyme* (French public limited company).

The company is a subsidiary of the CICM, which is in turn 93.05%-owned by the local branches of CMB and 6.95%-owned by the local branches of CMSO. It adopted the name Compagnie Financière du Crédit Mutuel in May 2001.

Its life span was fixed at 99 years as from the date of its incorporation.

The company is governed by the following regulations:

- The Commercial Code (the former Act of 24 July 1966 in relation to commercial companies); and
- The Monetary and Financial Code *Code monétaire et financier* (the former Act of 24 January 1984 in relation to the activities and control of credit institutions).

The Issuer has taken over the twin objects of the former CFCMB:

- To carry out, on behalf of the CMB-CMSO Group, all financial operations on capital markets and to execute foreign operations in association with its network of correspondent foreign banks and in particular:
  - To carry out all banking and related or supplementary operations, in France and abroad, notably investment services under the terms of article L 321-1 of the French *Code monétaire et financier*, as well as insurance brokerage activities;
  - To accept, hold and manage any direct or indirect holdings in any credit institution, investment firm or financial institution or in any other company or firm which exists or may be set up; and
  - To undertake, more generally, any financial, commercial, industrial, securities or property operations which are directly or indirectly related to its objects, as well as any similar connected or complementary operations.
- To carry out the functions of a holding company and thus bring together and develop all of the CMB-CMSO Group holdings, be they subsidiaries or affiliates of subsidiaries.

In the context of the institutional reform initiated in first half 2001, the Issuer has prepared pro forma financial statements as of 31 December 2000 and 1999. These financial statements appear in the section headed "Pro forma non-consolidated and consolidated financial statements of the Issuer for the years ended 31 December 2000 and 1999" of this Offering Circular. Further, the financial statements of the former Caisse Fédérale du Crédit Mutuel de Bretagne appear in the section headed "Historical non-consolidated and consolidated financial statements of the Issuer for the year ended 31 December 2000" of this Offering Circular

The Issuer carries on its activities from its headquarters in Brest together with all of the service activities of the CMB-CMSO Group.

The headquarters of its subsidiaries have been set up in both Brittany and Paris. The Issuer's capital is almost wholly owned by CICM.

- **Activities**

The Issuer carries out the banking activities of the CMB-CMSO Group, which can be split mainly into four divisions: management of the parent company's cash reserves, refinancing the subsidiaries of the CMB-CMSO Group, the provision of services to client companies and the banking and financial entities of the CMB-CMSO Group as well as trading activities for its own account.

Given the progressive shift of customer's bank savings towards financial instruments and insurance savings, the increase in resources provided by the local branches, the banking subsidiaries and the full centralisation of *livret bleu* passbook savings accounts, the Issuer's market activities intensified further in 2000, confirming its role as the bank for the CMB-CMSO Group.

In addition to refinancing agreements with the *caisses fédérales* of Crédit Mutuel partners, the Issuer, which has an Aa3 rating from ADEF (Agence d'Evaluation Financière), perspective A+ negative (long-term) and A1, T1 (short-term) ratings from Standard and Poor's, provides the CMB-CMSO Group subsidiaries (structural borrowers by virtue of their activity) with the appropriate financing to match their lending in terms of amount, rates and maturity.

The year 2000 was characterised by a decline in the volume of parent company cash flow essentially owing to the growth in lending. The composition of the investment portfolio led to satisfactory, above market average yields, due notably to the bond portfolio.

At the end of 2000, the Issuer was managing EUR10.7bn invested as much in the financial markets as in the financing of subsidiaries.

In addition to carrying out these two main activities, the Issuer has expanded its business activities due to work on ALM activities, and a finer steering of the interest rate position and of the transformation of the CMB-CMSO Group.

In pursuit of its objective strengthening its presence in the various segments of the financial services market, the Issuer has expanded its corporate finance activity aiming on the one hand to accompany regional and national enterprises in their development and on the other hand to further diversify the CMB-CMSO Group's activities. During the course of the 2000 financial year, it played a part in some LBO's on a regional level, and in even larger transactions, involving major French or international banking players. As at 31 December 2000, the outstanding commitments in this regard totalled EUR76m.

The CMB-CMSO Group's international positions have also been considerably strengthened, notably through partnerships, in order to meet the new needs of corporate clients of BCME, the Issuer's banking subsidiary, and the local branches of Crédit Mutuel. The number of foreign operations increased by 8% and the financial flows thus generated rose by a satisfactory 30%. These performances were accompanied by an increase in commissions on commercial operations (up 13% in one year). The group, moreover, strengthened links with its network of correspondent banks in order to improve service quality and deal more effectively with competition.

- **Risk monitoring and control**

Operating in the fields of banking, finance, and property and personal insurance, the CMB-CMSO Group is exposed to specific risks in counterparties, credit, ALM, etc. These risks are the concern of committees with responsibility for analysing and monitoring them and suggesting measures aimed at reducing risk exposure.

- Ⓜ General organisation

- The *Comité de Contrepartie* (counterparty committee) meets quarterly and decides on credit lines and changes of credit limits on the basis of studies carried out by the credit analysis service.
- The *Comité de Gestion de Bilan* (ALM committee), which meets several times a year, analyses balance sheet risks and draws up risk management and prevention strategies.
- In accordance with regulations, credit limit compliance is monitored daily by the market risk department within CICM that is independent of the Issuer's trading floor. This department ensures that all limits are complied with and reports any contraventions to the *Comité de Trésorerie* (treasury committee).
- The *Comité d'Audit* (audit committee), which exists within the CMB-CMSO Group, is made up of the Chairman of CICM, the Issuer's Chairman, members of the CICM Board of Directors and the General Managing Director of CICM. It examines all of the work carried out by the internal monitoring and auditing teams, issues recommendations and monitors their effective implementation.

The market risk management policy is based on a system of limits covering the main risk categories, namely, counterparty, interest rates, liquidity, and operational and criminal risks.

- Ⓜ Counterparty risk

- In market operations:

The counterparty limits applicable throughout the CMB-CMSO Group are proposed by the Counterparty Committee and approved by the Board of Directors. The limits for each counterparty are based on a grid taking into account the counterparty's various ratings, its key figures, its outstanding borrowings on the market and the CMB-CMSO Group's own funds.

An intrinsic limit is assigned to each counterparty in terms of amount and maturity. The group's lending policy is designed to give greater importance to the quality of the loan portfolio. As at 31 December 2000, more than 96% of loans in the portfolio concerned at least A-rated counterparties, of which more than 36% were AAA-rated.

Breakdown of the loans by rating:

AAA	36%
AA	29%
A	31%
BBB, and not rated	4%
<b>Total</b>	<b>100%</b>

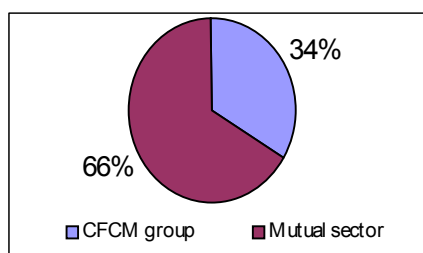
Geographically, the Group is exposed primarily to the euro zone, which accounts for 90% of commitments.

## - Credit activities

The risk analyses of the following counterparties are based on outstanding loans excluding interbank transactions.

### 1. Breakdown of outstandings within the CMB-CMSO group

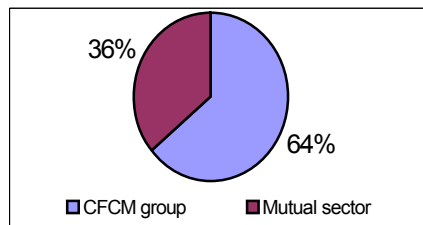
**Outstanding loans:  
CFCM's share of outstandings**



The Issuer's outstanding loans represent about a third of the CMB-CMSO Group total (EUR13.7bn).

#### 1.1 Doubtful CMB-CMSO group loans

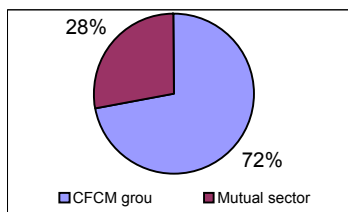
**Doubtful loans:  
CFCM's share of doubtful loans**



The CMB-CMSO Group's outstanding doubtful loans total EUR597m. The Issuer's consolidated share amounts to 64%.

#### 1.2 Provisions at the CMB-CMSO Group

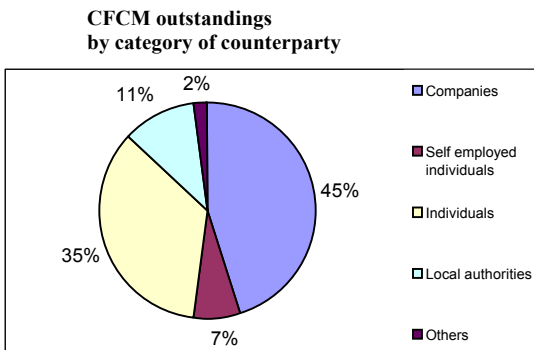
**Total provisions:  
CFCM's share**



In respect of funding, the Issuer, once consolidated, accounts for 72% of total provisions (EUR318m) - at the whole CMB-CMSO Group.

## 2. The Issuer's outstanding loans (CFCM's Group)

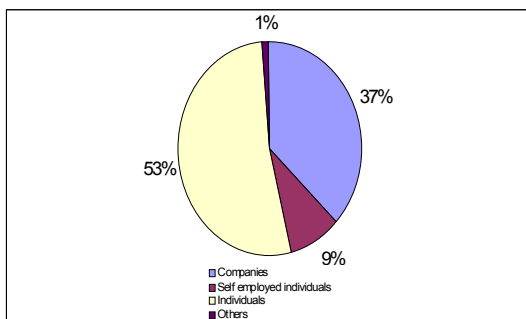
### 2.1 Outstanding loans by category of counterparty



The bulk of outstanding loans granted by the Issuer is divided between individuals and professionals (companies and self-employed individuals), which account for 35% and 52% of the total respectively. The balance mainly concerns assistance granted to local authorities. 99% of outstanding loans are domiciled in France.

### 2.2 The Issuer's doubtful loans by category of counterparty

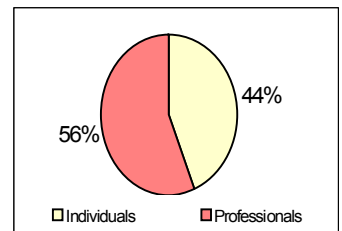
#### Doubtful Issuer loans by category of counterparty



53% of doubtful Issuer loans concern private individuals client base.

56% of Issuer provisions are allocated to the professional client base (companies, self-employed professionals and others).

#### Issuer provisions:



### ® Interest rate risk

Interest rate risk on capital market transactions is monitored through daily analysis of the impact of an instantaneous 100 bp movement in the rate curve as well as that of a uniform 300 bp fluctuation in this rate curve (the 'catastrophe scenario'). From the viewpoint of preventive risk management, portfolios exposed to interest rate risk undergo selective simulations of rate curve flattening or distortion. Daily sensitivity monitoring is carried out per portfolio and the results are then aggregated per type of business operated on the trading floor.

As at 31 December 2000, interest rate risk on capital market transactions totalled EUR30m for a 100 bp uniform fluctuation, i.e., 0.27% of total outstandings, against 0.4% as at 31 December 1999.

The CMB-CMSO Group's exposure to currency markets is still very low, and does not arise in respect of emerging markets.

- **Internal controls**

In view of the policy of developing the capital market activities carried out by the CMB-CMSO Group and its subsidiaries, the group decided to reinforce internal control mechanisms by setting up a central risk management team within CICM. The unit was set up in the final quarter of 2000, and became operational on 1 January 2001. The department in charge of monitoring capital market risks now reports to this team.

The Issuer carries out centralised management functions for the CMB-CMSO Group by covering all of its needs in the banking sector and supervising the activities of its insurance and fund management subsidiaries.

Control mechanisms are applied to all group entities, which, in addition to credit institutions, include the subsidiaries whose activities are liable to generate risks (insurance companies, wealth management companies, brokerage companies, etc.).

The responsibility for internal control is by the general monitoring and internal audit department, which reports directly to the Managing Director of CICM. Efforts are made to co-ordinate their work with the external auditors and all others involved in internal controls.

The programme of audit assignments is decided by the Internal Control and Auditing Committees (Comités de Contrôle Interne et d'Audit).

The internal audit's methods of intervention are defined in the auditing charter, which was overhauled in 2000. The charter has been distributed within the CMB-CMSO Group.

The major risk areas such as lending, capital market activities, financial operations and IT undergo an annual audit, as do each of the CMB-CMSO Group's main subsidiaries.

All audit reports are followed up by systematic monitoring of the implementation of progress action plans.

Management assumes the responsibility for internal controls. A group-wide charter has defined the aims and means and specifies the reporting obligations.

The major risk businesses have their own full-time internal control teams to strengthen the set of control measures put in place. These teams' functional co-ordination is ensured by the internal audit, so as to ensure that a common methodology is being applied group-wide, in all areas of business activity. As from the 2001 financial year, this internal control co-ordination function has been assigned to the central risk management team, which was established on 1 January.

Internal controls are assessed annually at all CMB-CMSO Group structures via a system of questionnaires followed by interviews in order to identify and quantify the operational risks that these structures incur. The effectiveness of internal controls is thus against the level of the risks, which allows each entity's residual risk to be ascertained and the risk profile of the CMB-CMSO Group as a whole to be established. Based on this analysis, any corrective measures deemed necessary are put in place the following year. This approach allows all personnel concerned to be made aware of the level of risk and the need to put in place effective internal controls.

- **Financial elements**

The financial year runs from 1 January to 31 December.

*Statutory appropriation of earnings*

At least 5% of annual earnings are allocated to legal reserves which appear on the balance sheet. This obligation is waived once the level of reserves represents 10% of the share capital.

Thereafter, other sums are allocated for the remuneration of shareholders. Dividends can be paid in the form of shares if the AGM so decides.

*Annual reserves*

Against a background of rising market rates in 2000, net banking and insurance income increased by 8%, driven notably by higher commission volumes. The Group's share of net profit increased by EUR10.8m, i.e. a rise of 21%.

<b>1. EURM</b>	<b>1999</b>	<b>2000</b>
Net banking and insurance income	268.4	289.9
Gross operating profit	137.3	147.8
Attributable net profit	51.1	61.9

- **Share capital**

The issuer's share capital totals EUR715m, made up of 71.5m ordinary shares with a par value of EUR10, and numbered from 1 to 71,500,000.

The share capital can be increased by all lawful means.

New shares can be issued either at par value or with an issue premium.

Capital increases can only be approved by an extraordinary general shareholder meeting, after submission of a report by the Board of Directors.

Capital increases at above par value require the unanimous approval of all shareholders, unless they are to be carried out by incorporating reserves, earnings or issue premiums.

The shareholders meeting can delegate the necessary powers to the Board of Directors to carry out capital increases in one or more tranches, to set the terms, to certify that they have been carried out and to amend the company's statutes accordingly.

Capital decreases are approved by an extraordinary general meeting of shareholders, which can delegate to the Board of Directors all the necessary powers to carry them out.



- **Composition of the management**

The company is administered by a Board of Directors. One third of the seats come up for renewal every three years. The Board elects a re-eligible Chairman from amongst its members, whose mandate cannot exceed his or her mandate as director. Upon the Chairman's proposal, the Board can nominate a physical person to assist the Chairman in the capacity of Managing Director.

The members of the company's Board of Directors are:

**Chairman:**

Mr Yves LE BAQUER

**Directors:**

Mr Marcel BARON  
Mr Rémy CABARET  
Mr Christian CADIOU  
Mr Jean Pierre CORLAY  
Mr Amand DENIEUL  
Mr Jean Louis DUSSOUCHAUD  
Mr Marcel GARNIER  
Mr Jean Pierre GUEDON  
Mr Rémi GUEGUEN  
Mr Albert LE GUYADER  
Mr Jean Jacques LE PAPE  
Mr François NICOLAS  
Mr Christian TOUZALIN

**General management:**

Mr Claude FOUYET, Managing Director

Company acts or commitments of whatever nature can be validly signed by the Chairman or, as the case may be, by director temporarily carrying out the Chairman's functions, by the Managing Director, or by any other representative who has been granted special authority, acting within the limits of their authority.

### III - Recent developments

---

Since the beginning of 2001, the CMB-CMSO Group's business activities have been carried on at a brisk pace.

New loans to both private individuals and professionals remained stable, raising total outstandings by 10% between August 2000 and August 2001.

New savings business was equally spread over bank savings deposits, financial products and life assurance. Total funds managed by the CMB-CMSO Group increased by 3% between August 2000 and August 2001.

The non-life insurance portfolio continued to grow at a buoyant rate, rising by 18.5% in 12 months.

In launching *Eurocompte* on 16 October 2000, the CMB\_CMSO Group wanted to transform customers' image of the bank. This product offers a range of services, which can be completely personalised. Customers draw up their own personalised packages so that the overall cost is less than the sum of the cost of each service. Since its launch, *Eurocompte* has already attracted nearly 245,000 customers in Brittany and the South-West.

The CMB-CMSO Group is also actively involved in the *Monéo* smartcard experiment initiated on 6 November 2000, in Brest, Morlaix and Quimper. This card can be used for daily purchases and has been very well received. Since mid-November 2000, more than 47,000 clients in Brittany and the South-West have already subscribed to the card and 2,200 shopkeepers have already been equipped to accept the card.

Lastly, the CMB-CMSO Group has strengthened its Internet presence through Symphonis, a subsidiary specialising in on-line financial services. Its site has been in operation since the end of September 2000 and offers brokerage services and UCITS.

In the coming months, against a background of mounting competition, development will remain a priority for the CMB-CMSO Group. This development will:

- Give greater importance to efficiency, quality, and the anticipation of customers needs,
- Take into account the need for profitability, and
- Be carried out within a cooperative framework, with a strengthening of exchanges and partnerships among the members.

**REPORT OF THE STATUTORY AUDITORS ON THE HISTORICAL  
CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER  
FOR THE YEAR ENDED 31 DECEMBER 2000**

In compliance with the assignment entrusted to us by your shareholders' annual general meeting, we have audited the accompanying consolidated financial statements of Compagnie Financière du Crédit Mutuel de Bretagne drawn up in Euros, for the year ended 31 December 2000.

The 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.

We conducted our audit in accordance with the professional standards applied 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 any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in these financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 group's financial position and its assets and liabilities, and of the results of the group's operations included in the consolidation, in accordance with accounting principles generally accepted in France.

In accordance with French Rule CRC 99-07, the Company has changed its consolidated accounting methods as discussed in Preliminary Notes and in Note 36.

We also verified the information given in the Group's management report. We have no comment as to the fair presentation and the conformity with the consolidated financial statements of this information.

*Paris and Brest, 12 March 2001*

Statutory Auditors

**MAZARS & GUERARD** Jean-Gabriel Rangeon

*Associé*

Gérard Vincent-Genod

*Associé*

**SA STERENN**

Patrick Franchet

*Associé*

**HISTORICAL CONSOLIDATED  
FINANCIAL STATEMENTS OF THE ISSUER  
FOR THE YEAR ENDED 31 DECEMBER 2000**

## Consolidated financial statements

### Balance sheet

<b>Assets (in thousands of euros)</b>	<b>Notes</b>	<b>31/12/00</b>	<b>31/12/99</b>	<b>31/12/98</b>
Cash, due from central banks and French postal system		157 405	329 841	330 012
Treasury bills and similar items	1	1 290 946	2 205 921	2 461 648
Due from banks	2	8 364 606	8 324 396	6 898 970
On demand		2 835 790	2 400 607	1 052 724
On time		5 528 816	5 923 789	5 846 246
Advances to customers	3	4 938 080	4 436 394	4 260 976
Discounted bills		97 000	102 730	100 482
Other customer loans		4 478 057	4 052 411	3 893 899
Customer current accounts receivable		363 023	281 253	266 595
Leasing receivables		283 885	268 209	252 907
Bonds and other fixed-interest securities	4	5 633 455	2 828 922	1 953 033
Shares and other dividend-bearing securities	5	94 910	66 276	44 706
Investments held by insurance companies	6	10 016 619	9 029 092	7 781 014
Re-insurers' share in technical reserves		12 154	14 612	17 062
Investments in non-consolidated undertakings, other participating interests and equity securities held for long-term investment	7	54 380	65 064	76 826
Investments in compagnies carried under the equity method	8	72 897	70 035	65 176
Non-financial		11 015	10 742	11 728
Financial		61 882	59 293	53 448
Intangible assets	9	19 839	17 533	13 802
Tangible assets	9	63 649	61 227	61 167
Uncalled subscribed capital		1 322	621	2 183
Other assets	10	190 237	207 208	213 594
Other assets related to insurance activities		171 735	129 694	112 096
Sundry accounts and prepaid expenses	11	915 999	670 342	639 483
Goodwill	12	3 953	4 919	5 207
<b>Total assets</b>		<b>32 286 071</b>	<b>28 730 306</b>	<b>25 189 862</b>
<b>Off-balance sheet items (in thousands of euros)</b>	<b>Notes</b>	<b>31/12/00</b>	<b>31/12/99</b>	<b>31/12/98</b>
<i>Commitments received</i>				
Financing commitments		1 040	845	
from banks and financial institutions		1 040	845	
Guarantees received		101 477	83 467	82 621
from banks and financial institutions		101 477	83 467	82 621
Commitments received relating to insurance activities		782 601	785 746	765 264
Securities transactions		21 665	134 200	12 078
Securities sold under repurchase agreements				777
Other commitments		21 665	134 200	11 301
<b>Financial futures instruments</b>	<b>23</b>	<b>16 752 618</b>	<b>13 395 832</b>	<b>11 114 032</b>

<b>Liabilities (in thousands of euros)</b>	<b>Notes</b>	<b>31/12/00</b>	<b>31/12/99</b>	<b>31/12/98</b>
Due to banks	14	8 548 735	7 931 688	7 537 415
On demand		419 940	275 462	283 534
On time		8 128 795	7 656 226	7 253 881
Customer deposits and related	15	3 838 019	3 677 229	3 485 021
Special savings accounts		3 284 609	3 274 189	3 047 028
On demand		511 225	458 439	412 787
On time		2 773 384	2 815 750	2 634 241
Other liabilities		553 410	403 040	437 993
On demand		350 592	288 509	255 039
On time		202 818	114 531	182 954
Debt represented by a security	16	7 542 714	5 993 278	4 336 267
Certificates of deposit		15 441	15 442	21 403
Interbank market instruments and negotiable debt instruments		7 018 243	5 724 608	4 131 082
Debenture loans		509 030	253 228	183 782
Technical reserves of insurance companies	17	10 595 358	9 488 305	8 275 272
Other liabilities	18	103 102	104 241	99 810
Other liabilities related to insurance activities		37 630	46 125	34 821
Sundry accounts and unearned income	19	529 586	467 533	443 423
Provisions for contingencies and charges	20	56 657	52 370	67 253
Reserves for general banking risks		24 851	22 669	26 328
Subordinated debt	21	149 589	170 397	170 492
Subscribed capital		236 025	236 006	236 006
Additional paid-in capital		4 906	4 906	4 906
Consolidated retained earnings	22	538 140	467 711	418 763
CFCMB's share		441 352	380 729	340 990
Minority interests		96 788	86 982	77 773
Net income for the year	22	80 759	67 848	54 085
CFCMB's share		70 754	59 225	45 830
Minority interests		10 005	8 623	8 255
<b>Total liabilities</b>		<b>32 286 071</b>	<b>28 730 306</b>	<b>25 189 862</b>
<b>Off-balance sheet items (in thousands of euros)</b>	<b>Notes</b>	<b>31/12/00</b>	<b>31/12/99</b>	<b>31/12/98</b>
<b>Commitments given</b>				
Financing commitments		1 327 320	870 032	792 470
to banks and financial institutions		5 737	1 097	153 742
in favor of customers		1 321 583	868 935	638 728
Guarantees		466 632	524 536	552 407
to banks and financial institutions		10 882	38 824	38 586
in favor of customers		455 750	485 712	513 821
Commitments given relating to insurance activities			10 000	
Commitments on securities		225 255	210 634	6 529
Other commitments		225 255	210 634	6 529

## Statement of Income

(in thousands of euros)	Notes	31/12/00	31/12/99	31/12/98
<b>Operating income and expenses arising from banking activities</b>				
<i>Interest income and revenues</i>		1 127 725	923 099	905 635
Interest income and revenues arising from transactions with financial institutions		457 218	383 085	363 354
Interest income and revenues arising from transactions with customers		293 325	276 944	294 825
Interest income and revenues arising from bonds and other fixed-interest securities		317 774	218 898	205 558
Gains on lease financing and related revenues		58 893	43 970	41 302
Other interest income and revenues		515	202	596
<i>Interest expenses and related costs</i>		-932 394	-724 878	-692 986
Interest expenses and related costs arising from transactions with financial institutions		-485 078	-403 178	-394 124
Interest expenses and related costs arising from transactions with customers		-122 198	-118 581	-113 449
Interest expenses and related costs arising from bonds and other fixed-interest securities		-284 939	-171 162	-155 503
Interest expenses and related costs arising from lease financing		-37 556	-30 559	-25 367
Other interest expenses and related costs		-2 623	-1 398	-4 543
<i>Revenues from dividend-bearing securities</i>	24	3 194	1 619	1 085
<i>Commissions (income)</i>	25	92 718	72 113	67 935
<i>Commissions (expenses)</i>	25	-44 267	-39 680	-36 801
<i>Gains on financial transactions</i>	26	1 871	6 067	5 532
Balance (gain) on trading security transactions		83	430	8
Balance (gain) on transactions in securities available for sale				1 486
Balance (gain) on foreign exchange transactions		1 788		4 038
Balance (gain) on financial futures transactions			5 637	
<i>Losses on financial transactions</i>	26	-3 622	-6 958	-1 407
Balance (loss) on trading security transactions				
Balance (loss) on transactions in securities available for sale		-3 496	-6 040	
Balance (loss) on foreign exchange transactions			-918	
Balance (loss) on financial futures transactions		-126		-1 407
<b>Technical and financial margins on insurance activities</b>	27	<b>56 427</b>	<b>43 770</b>	<b>24 384</b>
<b>Other business revenues</b>		<b>18 033</b>	<b>18 165</b>	<b>13 335</b>
<b>Other regular revenues and expenses</b>				
<i>Other operating income</i>		110 848	105 856	102 744
Other operating income arising from banking activities		11 233	12 688	19 725
Other operating income arising from other activities		99 615	93 168	83 019
<i>General operating expenses</i>		-236 888	-214 753	-201 408
Personnel costs	28	-106 425	-95 290	-94 124
General operating expenses		-130 463	-119 463	-107 284
<i>Depreciation, amortization and provisions on tangible and intangible assets</i>		-11 985	-8 957	-10 679
<i>Other operating expenses</i>		-17 678	-19 966	-31 884
Other operating expenses from banking activities		-6 071	-7 060	-8 611
Other operating expenses from other activities		-11 607	-12 906	-23 273
<i>Balance (loss) of value adjustments on debt and off-balance sheet items</i>	29	-34 125	-38 846	-53 228
<i>Balance (gain) on value adjustments on debt and off-balance sheet items</i>				
<i>Balance (loss) of value adjustments on long-term investments</i>	30		-4 599	
<i>Balance (gain) of value adjustments on long-term investments</i>	30	2 635		4 475
<i>Surplus of allocation on releases of reserves for general banking risks</i>		-2 012		-2 393
<i>Surplus of allocation on releases of reserves for general banking risks</i>			3 664	
<i>Pre-tax income</i>		130 480	115 716	94 339
<b>Non-recurring income and expenses</b>				
<i>Non-recurring income</i>	31		326	2 125
<i>Non-recurring expenses</i>	31		-572	-2 021
<i>Net extraordinary items</i>			-245	104
<b>Income taxes</b>	32	<b>-52 052</b>	<b>-50 038</b>	<b>-41 993</b>
<b>Share in net income of companies accounted for under the equity method</b>		<b>2 331</b>	<b>2 415</b>	<b>1 635</b>
<i>Non-financial</i>		299	380	-69
<i>Financial</i>		2 032	2 035	1 704
<b>Net income</b>		<b>80 759</b>	<b>67 848</b>	<b>54 085</b>
<i>CFCMB's share</i>		70 754	59 225	45 830
<i>Minority interests</i>		10 005	8 623	8 255

## Notes to Consolidated Financial Statements

The consolidated financial statements of Compagnie Financière du Crédit Mutuel de Bretagne have been prepared in compliance with rule 99-07 from 24 November 1999 of the Account Regulation Committee (Comité de la Réglementation Comptable) relating to the business consolidation rules of the French Banking Regulation Committee (Comité de la Réglementation Bancaire et Financière).

In order to ensure comparability, the financial statements published 31 December 1999 and 1998 have been restated in accordance with the new rules and are presented in note 36. This new methodology provides, in particular, for the full consolidation of banking and insurance operations.

### **1. CONSOLIDATION PRINCIPLES**

#### **1.1. Consolidation criteria**

Companies that are not material for consolidation are excluded from the scope of consolidation.

##### *ζ Fully consolidated companies*

Companies under sole control are fully consolidated. Sole control is assumed from the moment that CFCMB holds, directly or indirectly, at least 40% of the voting rights for the company and provided that no other associate or shareholder possesses, directly or indirectly, a larger percentage. This rule applies to financial companies and also to companies whose operations are a continuation of the banking and financial sectors, for example insurance companies and property development companies.

##### *ζ Companies consolidated by the proportionate method*

Companies, for which CFCMB ensures joint control with a limited number of shareholders, are consolidated under the proportionate method.

##### *ζ Companies accounted for under the equity method*

Companies under significant influence and those under sole or joint control, whose operations are not a continuation of the banking and financial sectors, are accounted for under the equity method. Significant influence is assumed when CFCMB holds, directly or indirectly, at least 20% of the voting rights for this company.

##### *ζ Changes in scope of consolidation*

Symphonis, a bank specializing in on-line brokerage, is new to the group and is included in the 2000 consolidated financial statements.

Furthermore, with the implementation of the new consolidation regulations as set forth in rule 99-07, Synergie Finance, SNC Foncière Investissement, Espace Patrimoine, Eurogérance and Atlancourtage Bretagne, which until 1999 were accounted for under the equity method, are now fully consolidated companies.

Restatements of Consolidated Financial Statements for 1999 and 1998 are presented in note 36.

The consolidated entities are presented in note 35.

## **1.2. Balance sheet date**

All consolidated companies close their accounts on 31 December.

## **1.3. Goodwill arising on consolidation**

### *ζ Variation of evaluation*

Variation of evaluation amounts to the difference between the book value of assets, liabilities and off balance sheet items, and their evaluation at the date the company entered into the scope of consolidation.

### *ζ Goodwill*

Goodwill represents the difference between acquisition cost and the evaluation of assets, liabilities and off balance sheet items.

Goodwill is being amortized over 10 years on the straight-line basis.

## **1.4. Consolidation adjustments**

### *ζ Inter-company transactions*

Inter-company transactions between fully or proportionally consolidated companies are eliminated; from the moment they assume significant importance.

Dividends received during the fiscal year are put back into reserves.

### *ζ Leases*

Rental and leases with a buy-out clause are re-processed in such a way as to take financial accounting into consideration.

### *ζ Deferred tax*

Deferred taxes stem from temporary differences between the book value of assets or liabilities and their tax values. Deferred tax assets are only taken into account if their recovery by the company is likely, thanks to anticipated future accounting profits or deferred tax liabilities. Deferred taxes are reported net for the same tax unit.

Deferred taxes are assessed in accordance with the tax rate and fiscal regulations resulting from texts in force at the end of the fiscal year and which will apply when the temporary differences are realized.



## **2. ACCOUNTING PRINCIPLES AND EVALUATION METHODS**

### **2.1. Fixed assets**

Fixed assets appear at historical cost, minus accumulated depreciation. Depreciation is exercised using the straight-line method for the following periods of time:

- Buildings 25 years
- Fixtures and fittings 10 years
- Furniture and equipment 10 years
- Computers 4 years
- Software 3 years

Due to the difference in depreciation rates between the parent company and certain subsidiaries, depreciation reprocessing of the latter is carried out.

### **2.2. Reserve for general banking risks**

In accordance with rule 90-02 of the French Banking Regulation Committee, some consolidated financial institutions have set up a general provision, in order to cover risks inherent to banking.

The provision for risks inherent to banking, is made up of coverage for registered home ownership savings plans (*épargne logement*), for which the total is calculated using a rate of loss, representing the difference between the combined rate of resources and the lending rates, for the theoretical amount outstanding on loans creatable at the end of the savings period. A similar type of provision has been set up in the consolidated financial statements for the deferred loans transactions of which production was interrupted in 1994.

### **2.3. Provisions for contingencies and charges**

Provisions for contingencies and charges are set up in order to cover clearly defined and measurable risks and charges. They notably consist of deferred tax provisions, provisions for off balance sheet commitments and provisions for future sundry loss or risk. Pursuant to statement 97-01 of the French National Accounting Council (*Comité d'Urgence du Conseil National de la Comptabilité*), a provision has been set up to cover expenses associated with the conversion of CFCMB to the Euro currency.

### **2.4. Pension costs**

Pension commitments give rise to policies being taken out with insurance companies or being provided for through reserves. The present value of pension related commitments is therefore fully taken into account.

### **2.5. Foreign currency transactions**

In accordance with rule 89-01 of the French Banking Regulation Committee, assets, liabilities and off balance sheet items denominated in foreign currencies are assessed at the prevailing year-end exchange rate. Forward exchange commitments follow the same method.

## 2.6. Securities Portfolio

Securities transactions are accounted for in accordance with rule 90-01 of the French Banking Regulation Committee.

### ζ *Trading securities*

Trading securities are recorded at their cost price, accrued interest and charges included. At each year-end, these securities are revalued at their market price, the appraisal increment being recorded on a statement of profit and loss.

### ζ *Securities available for sale*

Bonds are recorded at cost excluding acquisition costs and accrued interest. Accrued interest at acquisition date is recorded as "Interest purchase". At year-end, net accrued interest is recognized as income. Money market securities are recorded at cost, including accrued interest.

The difference between the acquisition price and the redemption price is amortized over the remaining life of the securities. The straight-line method applies to bonds and the actuarial method for money market securities.

Securities available for sale that do not fall under a hedging strategy give rise to a reserve from the moment their market value is less than their book value. Unrealized capital gains are not recorded.

### ζ *Investment securities*

Securities recorded as investment securities are backed either with long-term resources assigned to the financing of these securities or to interest rate hedging instruments. Backing resources can include stockholders' equity within the limit of stockholders' equity after investments, subordinated debts and other fixed assets have been deducted. The depreciation rule of the difference between the acquisition price and the redemption price is identical to that which is applied to securities held for sale. Unrealized capital losses resulting from the difference in book value and the market price are not provided for. Only the risk of issuer credit failure can constitute a provision.

### ζ *Securities bought and sold under repurchase agreements*

Securities bought and sold under repurchase agreements are kept in the assets of CFCMB and are valued according to the rules applying to the category they belong. Assignee debt is accounted for as liability.

### ζ *Investments in non-consolidated undertakings and equity securities held for long term investment*

Equity investments have been accounted for in accordance with rule 90-01 and rule 91-01 of the French Banking Regulation Committee.

It includes all securities:

- for which the total value represents more than 10% of the share capital of another bank or company,
- for which the total value represents less than 10% of the share capital of a company under common management or when the acquisition is long-term and strategic in nature, creating a strong link with the issuer.

Investments in non-consolidated undertakings and equity securities held for long term investment are valued at the lower cost of either the value in use or book value. Depreciation reserves are set up for unrealized capital losses.

## **2.7. Accounting for derivative instruments and hedging activities**

Financial instruments are recorded in accordance with rules 88-02 from 22 February 1988, 90-15 from 18 December 1990 (as amended by rule 92-04 on 17 July 1992) and rule 94-04 from 14 March 1994 of the French Banking Regulations Committee.

Off-balance sheet commitments on future financial instruments are recorded at their face value. This total only gives an indication of the volume of transactions in progress at the end of the fiscal year, and does not reflect the market risks for these instruments.

### ζ *Interest rate instruments*

- Organized markets

Future market contracts are revalued at the end of each fiscal year at their market value. Income and expenses relating to hedging operations are applied symmetrically to those arising in connection with the item hedged. For stand-alone positions, the gains and losses shown in the revaluation are directly recorded in the statement of profit and loss.

- Principal-to-principal markets

The exchange contracts of interest rates (swaps) and future rate agreements ("FRA") are recognized *pro rata temporis* over their respective life. Income and expenses related to a single contract are netted.

Accrued interest and premiums on options contracts (cap, floor, collar) are recorded *pro rata temporis*.

Isolated open positions are re-valued according to the "zero coupon" method and unrealized capital losses are covered by a reserve for contingencies and charges.

### ζ *Currency swaps*

With regard to currency swaps, the exchange rate difference arising from the valuation of the swap is recorded, at balance sheet date, as income or expense.

For foreign currency option contracts, premiums are spread out over the duration of the contract. When the option reaches maturity, currencies are either bought or sold.

## 2.8. Doubtful accounts receivable

### ζ *Classification*

In accordance with the rules defined by the French Banking Commission, doubtful accounts receivable include debt for which there is a probable risk of total or partial non-recovery, or which in the case of real-estate credit, shows outstanding payments of more than six months, or more than three months for all other types of loans.

### ζ *Provisions*

Doubtful loans and accounts receivable are provisioned for if there is a probable risk of total or partial non-recovery. Provisions are recorded in the balance sheet as a deduction of the corresponding receivable. The interests on recognized doubtful account receivable in revenues are fully provisioned for.

## 2.9. Tax status

The consolidated tax return includes mainly Compagnie Financière du Crédit Mutuel de Bretagne, Compagnie Européenne d'Opérations Immobilières and Murs II. Tax savings are allocated to each entity.

## 2.10. Non-recurring income and expenses

Extraordinary items, which are not linked with current business, are recorded under this paragraph.

## 2.11. Investments held by insurance companies

### ζ *Investments representing contracts in units of account*

Investments affected by representing contracts in units of account are assessed at their current value at the end of the fiscal year, so that their total value corresponds to the value commitments towards policyholders on this same date.

### ζ *Other investments*

- Real-estate and related investments

Real-estate investments include land and buildings owned directly by insurance companies, as well as those stocks held in special real estate investment companies (*sociétés civiles immobilières*) and the current accounts of these entities. They are registered at their acquisition cost or cost price including accessory expenses.

Stocks and similar securities are recorded at cost, with no acquisition costs included. Output is carried out at cost, using the First-in, First-out method (FIFO).

Buildings are depreciated over 25 years on the straight-line basis.

A provision for permanent decline in value is henceforth recorded when an investment asset shows an unrealized capital loss, which is deemed to be long-term and significant.

A provision for payability risk of technical commitments is set up in the statement of profit and loss, when the market value amount of the assets ruled by section R332-20 of the Insurance Code is lower than the net book value.

Market value of the assets is computed as follows:

- ◆ Marketable securities are retained for the last quoted market value on the day of inventory.
  - ◆ The shares of mutual funds (FCP / SICAV) are evaluated based on the last redemption price, published on the day of inventory day.
  - ◆ Non-listed securities are reported at their fair value, which is estimated by using a variety of techniques such as cash flow analysis, market value, net asset value...
  - ◆ Fair value of buildings and of non-quoted stocks in real estate companies is based on an appraisal performed every five years. A professional certified by the Insurance Control Commission conducts the appraisal. In-between appraisals, the fair value is adjusted in accordance with the general evolution of the market.
- Debt securities

Debt securities are recorded on the balance sheet at their cost excluding outstanding purchased interest or acquisition costs. Output is carried out at cost, using the First-in, First-out method (FIFO).

In accordance with rules set forth in the December 28, 1991 decree, the difference between the redemption value and the historical cost (not including interest bought) is spread out over the remaining life of the securities. This rule is applied whether the difference is positive or negative. The calculation is made using the discounting method. For fixed rate securities, the calculation takes into account future coupon flow.

Unrealized capital losses, which could be recorded between their acquisition price and their market or redemption value at closing, are not provisioned.

However, when overdue payments or interests remain outstanding at the end of the year, the borrower's financial situation is analyzed and, if necessary, a provision is recorded.

## 2.12. Technical reserves of insurance companies

Technical reserves cover the commitments with regard to policyholders and beneficiaries of insurance contracts.

### ζ *Mathematical annuity reserves*

Mathematical annuity reserves represent the commitment of insurance companies with respect to policyholders. For life insurance, mathematical reserves are capitalized using the technical interest rate plus profit sharing allocated to policyholders. Mathematical provisions are based on the TPRV 93 mortality table.

As for provision activities, the applicable present value is 3.50%.

Mathematical reserves for disability annuities are calculated using the old tables of the *Bureau Commun des Assurances Collectives* ("BCAC") for the insurance of borrowers, and the new tables stipulated in the March 28, 1996 order regarding personal and group provisions. Mathematical provisions with respect to temporary annuities are calculated using the INSEE 88-90 table.

### ζ *Claims reserve*

For non-life insurance, the claims reserve is intended to cover the costs of all claims incurred, which have not been settled by December 31. Claims are evaluated at gross value, the reinsurer's share being registered in the assets.

The claims reserve is evaluated in accordance with sections R331-6, R331-15, R331-16 and R331-26 of the Insurance Code. The claims reserve corresponds to the estimated cost of internal and external expenditure, necessary for the settlement of all claims incurred until December 31, whether they are declared or not. When the cashing of recoveries is expected, the estimated amount is presented deductible from the claims reserve.

### ζ *Reserve for unearned premiums*

The reserve for unearned premiums is intended to record, for each policy, the share of the issued premiums relating to the time between the fiscal year closing and policy expiry date.

### ζ *Reserve for claims incurred but not yet reported*

With regards to the period between the fiscal year end and the term of contracts in progress on this date, the reserve for claims incurred but not yet reported makes it possible, if necessary, to cover for the estimated future charge of claims and contract-related expenses (administration and acquisition) which would not be covered by the reserve for unearned premiums.

### ζ *Administrative cost reserve*

An administrative cost reserve is made when future administrative costs are not covered by weighting of premiums or by withdrawals of envisaged investment income. These charges are calculated according to administrative expenses of the contracts evaluated by using actual data from the previous year.

### ζ *Profit-sharing reserve*

The profit-sharing reserve represents earnings yields obtained for the policyholders' account, but which have not yet been credited.

### ζ *Provision for investment yields*

A provision for investment yields is provided if, at the time of the statement of profit and loss, the actual yield of assets discounted by 20%, is lower than the quotient for the total amount of technical interests and profit-sharing guaranteed under the total portfolio of policies divided by the average amount of mathematical reserves.

### ζ *Mathematical reserves on unit-linked insurance policies*

Mathematical reserves on unit-linked insurance policies are estimated based on the value of the underlying assets comprising these policies. Gains and losses resulting from the revaluation of the underlying assets are recorded in the statement of profit and loss in order to neutralize the variation impact of technical provisions.

### ζ Reserve for depreciation of securities

The reserve for depreciation of securities is intended to cover the depreciation of securities included in the insurance company's assets and the reduction of their income. At the time of transfer of redeemable transferable securities, the difference between the sale price and the actual value of the securities sold is taken to the reserve for depreciation of securities, provided that the latter does not show a negative balance.

## **3. NOTES TO BALANCE SHEET, OFF-BALANCE SHEET ITEMS AND STATEMENT OF INCOME**

### **Note 1. Treasury bills and similar items**

	31.12.2000			31.12.1999		
	Available for sale	Invest.	Total	Available for sale	Invest.	Total
Security holdings (gross value)	920 543	338 878	1 259 421	1 713 681	426 131	2 139 812
Accrued interest receivable	23 670	7 855	31 525	54 138	11 971	66 109
<b>GROSS TOTAL</b>	<b>944 213</b>	<b>346 733</b>	<b>1 290 946</b>	<b>1 767 819</b>	<b>438 102</b>	<b>2 205 921</b>
Allowances						
<b>NET TOTAL</b>	<b>944 213</b>	<b>346 733</b>	<b>1 290 946</b>	<b>1 767 819</b>	<b>438 102</b>	<b>2 205 921</b>
Increase in value	35 478	13 316	48 794	38 024	13 371	51 395
Difference between purchase price and redemption price	27 754	-19 031	8 723	18 918	-16 594	2 324

There were no transfers in 2000 between the different portfolio categories.

There were no sale of investment securities prior to their maturity date in 2000.

Listed securities accounted for 76.70 % in 2000 compared to 48 % in 1999.

### **Note 2. Due from banks**

	31.12.2000		31.12.1999	
	On demand	On time	On demand	On time
Ordinary deposits	2 832 397		2 399 961	
Loans, securities purchased under agreements to resell		5 380 737		5 730 041
Securities and bills under resale agreements				76 326
Accrued interest receivable	3 393	148 079	646	117 422
<b>TOTAL</b>	<b>2 835 790</b>	<b>5 528 816</b>	<b>2 400 607</b>	<b>5 923 789</b>

### **Note 3. Advances to customers**

	31.12.2000	31.12.1999
Discounted bills	96 891	102 429
Other loans		
Loans and credit	4 297 122	3 835 366
Accrued interest receivable	45 390	24 167
Customer current accounts-receivable	349 768	267 511
Accrued interest receivable	6 574	4 437
Restructured and doubtful accounts	358 714	432 872
Allowances	-216 379	-230 388
<b>TOTAL</b>	<b>4 938 080</b>	<b>4 436 394</b>

The coverage rate of allowances for doubtful accounts amounted to 60.32% in 2000 compared to 53.22% in 1999. With relation to the debt total, the coverage rate went from 4.94% in 1999 to 4.20% in 2000.

Loans qualifying at the Banque de France amounted to 69 885 thousand euros in 2000 compared to 121 600 thousand euros in 1999. The assignment of receivables accounted for 98% of the qualifying loans compared to 12% in 1999.

**Note 4. Bonds & other fixed-interest securities**

	In thousands of euros					
	31.12.2000			31.12.1999		
	Available for sale	Invest.	Total	Available for sale	Invest.	Total
Holding securities (gross value)	5 393 983	143 497	<b>5 537 480</b>	2 617 727	161 330	<b>2 779 057</b>
Accrued interest receivable	93 412	4 032	<b>97 444</b>	48 606	3 108	<b>51 714</b>
<b>GROSS TOTAL</b>	<b>5 487 395</b>	<b>147 529</b>	<b>5 634 924</b>	<b>2 666 333</b>	<b>164 438</b>	<b>2 830 771</b>
Allowances	-1 469		<b>-1 469</b>	-1 849		<b>-1 849</b>
<b>NET TOTAL</b>	<b>5 485 926</b>	<b>147 529</b>	<b>5 633 455</b>	<b>2 664 484</b>	<b>164 438</b>	<b>2 828 922</b>
Increase in value	31 889	2 492	<b>34 381</b>	32 722	1 519	<b>34 241</b>
Difference between purchase price and redemption price	-6 781	540	<b>-6 241</b>	-6 928	-231	<b>-7 159</b>

During the year, no transfer between trading securities, available for sale, and investment securities occurred.

There were no sale of investment securities prior to their maturity date.

Listed securities accounted for 41.76 % in 2000 compared to 44.48 % in 1999.

Securities issued by public agencies amounted to 246 559 thousand euros in 2000 compared to 245 062 thousand euros in 1999.

**Note 5. Shares and other dividend-bearing securities**

	In thousands of euros	
	31.12.2000	31.12.1999
Security holdings	108 758	73 955
Allowances	-13 848	-7 679
<b>NET TOTAL</b>	<b>94 910</b>	<b>66 276</b>
Increase in value	9 625	17 449

All of these securities are classified as available for sale securities. The listed securities represent 41.92% of the portfolio.

**Analysis of mutual funds:**

Mutual funds	2000				1999			
	France		Abroad		France		Abroad	
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution
Security holdings	35 476	245	1 519	3	24 893	235	1 030	97

**Note 6. Investments held by insurance companies**

	In thousands of euros	
	31.12.2000	31.12.1999
. Investments representing contracts in units of account	2 118 413	1 568 673
. Other investments	7 898 206	7 460 419
. Shares, mutual funds and other dividend-bearing securities	400 198	202 381
. Bonds and other fixed-interest securities	7 207 961	6 886 512
. Various	290 047	371 526
<b>TOTAL</b>	<b>10 016 619</b>	<b>9 029 092</b>

**Note 7. Investments in non-consolidated undertakings and equity securities held for long-term investment**

- Changes in net book values

	In thousands of euros	
	Participations	
. Gross amount at the beginning of the year		82 237
. Gross amount at the end of the year		71 447
. Cumulated amount of allowances		17 067
<b>NET TOTAL</b>		<b>54 380</b>



- List of the main investments in non consolidated undertakings

Company name and address	Capital share held	Shareholders' equity	In thousands of euros	
			Shareholders' equity	Last year-end net income
<b>COMPANIES IN WHICH CFCMB HOLDS AN INTEREST GREATER THAN 3 MILLION EUROS</b>				
GACM 34, rue du Wacken - 67010 STRASBOURG	0,90%	320 830		68 556
SDR BRETAGNE 6, place de Bretagne - 35044 RENNES CEDEX	8,86%	26 594		3 065

### Note 8. Investments in companies carried under the equity method

	In thousands of euros	
	2000	1999
<i>NON-FINANCIAL COMPANIES</i>		
Acta / CMB-Voyages	1 207	976
Groupe Federal Immo	1 762	1 778
Société Civile Immobilière Interfédérale	8 046	7 988
<b>TOTAL NON-FINANCIAL COMPANIES</b>	<b>11 015</b>	<b>10 742</b>
<i>FINANCIAL COMPANIES</i>		
Caisse Centrale de Crédit Mutuel	43 622	40 962
Banque de Marchés et d'Arbitrage	10 972	11 012
Sodelem	5 424	5 534
Crédit Mutuel Paiement Electronique + Holding Eurocard + Europay France	1 864	1 785
<b>TOTAL FINANCIAL COMPANIES</b>	<b>61 882</b>	<b>59 293</b>

### Note 9. Tangible and intangible assets

	In thousands of euros			
	Amount at beginning of year	Increase	Decrease	Amount at the end of year
<b>TANGIBLE ASSETS</b>				
Gross amount	120 870	9 731	3 006	127 595
Depreciation	-59 643	-5 566	-1 263	-63 946
<b>Net amount</b>	<b>61 227</b>	<b>4 165</b>	<b>1 743</b>	<b>63 649</b>
<b>INTANGIBLE ASSETS</b>				
Gross amount	27 138	6 901	1 079	32 960
Depreciation	-9 605	-3 819	-303	-13 121
<b>Net amount</b>	<b>17 533</b>	<b>3 082</b>	<b>776</b>	<b>19 839</b>

### Note 10. Other assets

	In thousands of euros	
	2000	1999
Consumer savings for housing premium	98 528	98 422
Codevi management	21 232	21 983
Securities transactions	1 752	10 398
Other various receivables	68 725	76 405
<b>TOTAL</b>	<b>190 237</b>	<b>207 208</b>

### Note 11. Sundry accounts and prepaid expenses

	In thousands of euros	
	2000	1999
Checks and notes in course of collection	473 029	281 747
Adjustment accounts	28 773	21 354
Losses on financial futures	75	761
Deferred charges	28 947	964
Sundry accounts and prepaid expenses	385 175	365 516
<b>TOTAL</b>	<b>915 999</b>	<b>670 342</b>

**Note 12. Goodwill**

	In thousands of euros	
	2000	1999
GROSS VALUE	24 264	24 264
AMORTIZATION	20 311	19 345
NET VALUE	3 953	4 919

**Note 13. Subordinated assets**

	In thousands of euros	
	2000	1999
Due from banks	18 244	12 892
Advances to customers		25

**Note 14. Due to banks**

	In thousands of euros			
	31.12.2000		31.12.1999	
	On demand	On time	On demand	On time
Current accounts	256 273		274 726	
Borrowings and securities given under repurchase agreements	163 000	6 351 187		5 059 474
Securities or bills sold under repurchase agreement		1 651 812		2 502 105
Accrued interest payable	667	125 796	736	94 647
<b>TOTAL</b>	<b>419 940</b>	<b>8 128 795</b>	<b>275 462</b>	<b>7 656 226</b>

**Note 15. Customer deposits and related**

	In thousands of euros					
	31.12.2000			31.12.1999		
	On demand	On time	Total	On demand	On time	Total
Special savings accounts	511 225	2 773 384	3 284 609	458 439	2 815 750	3 274 189
<b>TOTAL</b>	<b>511 225</b>	<b>2 773 384</b>	<b>3 284 609</b>	<b>458 439</b>	<b>2 815 750</b>	<b>3 274 189</b>
Current accounts	350 148		350 148	288 500		288 500
Customer time deposits and borrowings		159 702	159 702		102 944	102 944
Securities or bills sold under repurchase agreements		42 365	42 365		11 419	11 419
Accrued interest payable	444	751	1 195	9	168	177
<b>TOTAL</b>	<b>350 592</b>	<b>202 818</b>	<b>553 410</b>	<b>288 509</b>	<b>114 531</b>	<b>403 040</b>

Special savings accounts are composed of consumer savings for housing accounts and plans.

**Note 16. Debt represented by a security**

	In thousands of euros					
	31.12.2000			31.12.1999		
	Gross value	Accrued interest payable	Total	Gross value	Accrued interest payable	Total
Certificates of deposit	14 235	1 206	15 441	14 158	1 284	15 442
Interbank market instruments and negotiable debt instruments	6 937 506	80 737	7 018 243	5 675 406	49 202	5 724 608
Debenture loans	505 809	3 221	509 030	250 823	2 405	253 228
<b>Total</b>	<b>7 457 550</b>	<b>85 164</b>	<b>7 542 714</b>	<b>5 940 387</b>	<b>52 891</b>	<b>5 993 278</b>

**Note 17. Technical reserves of insurance companies In thousands of euros**

In thousands of euros

	2000	1999
Technical reserves	10 501 830	9 412 011
Life	8 349 486	7 812 238
Non-life	33 996	31 100
in units of account	2 118 348	1 568 673
Capitalization reserves	93 528	76 294
<b>TOTAL</b>	<b>10 595 358</b>	<b>9 488 305</b>

**Note 18. Other liabilities**

In thousands of euros

	2000	1999
Security payments in progress	1 448	4 039
Settlement accounts relating to securities transactions	432	10 614
Miscellaneous	101 222	89 588
<b>TOTAL</b>	<b>103 102</b>	<b>104 241</b>

**Note 19. Sundry accounts and unearned income**

In thousands of euros

	2000	1999
Tied-up collection operation accounts	242 200	222 781
Adjustment accounts	30 918	64 633
Gains on financial futures and other forward agreements		429
Miscellaneous sundry accounts and unearned income	256 468	179 690
<b>TOTAL</b>	<b>529 586</b>	<b>467 533</b>

**Note 20. Provisions for contingencies and charges**

In thousands of euros

	31.12.1999	Amounts set aside	Releases	31.12.2000
Provision for deferred taxes (1)	8 074	3 299		11 373
Provision for off-balance sheet commitments (2)	3 878	1 412	1 570	3 720
Provision Euro	5 821		1 520	4 301
Other provisions	34 597	8 000	5 334	37 263
<b>TOTAL</b>	<b>52 370</b>	<b>12 711</b>	<b>8 424</b>	<b>56 657</b>

(1) Existence of a deferred income tax credit balance of 6 326 thousand euros in 2000 compared to 718 thousand euros in 1999

(2) The provision for off-balance sheet commitments includes the provisions for financial instruments.

**Note 21. Subordinated debt**

In thousands of euros

Subordinated debts representing at least 10 % of the total subordinated debts	AMOUNT	CURRENCY	RATE	DUE
Caisse Centrale de Cr�dit Mutuel	19 056	FRF	9,57	20/11/01
	7 622	FRF	11,18	19/11/02
	16 769	FRF	9,37	18/11/03
	9 147	FRF	8,86	23/11/04
	12 196	FRF	6,44	15/11/05
	3 049	FRF	8,08	14/11/03
	3 049	FRF	6,73	20/11/01
	5 336	FRF	7,02	20/11/01
Other	21 624	FRF		
Accrued interest payable	808	FRF		
Redeemable subordinated securities	24 789	LUF	7,375	16/07/01
	24 789	BEF	8,250	28/09/04
Accrued interest payable	1 355			
<b>TOTAL</b>	<b>149 589</b>			

Subordinated debt expenses amounted to 12 135 thousand euros in 2000 compared to 12 868 thousands euros in 1999.

## Note 22. Shareholders' equity

							In thousands of euros	
SHAREHOLDERS' EQUITY : CFCMB							Minority interests	General banking risks (2)
Capital stock	Reserves (1)	Revaluation adjustment	Translation adjustments	Net income	Total			
							(3)	(3)
Position at the beginning of the year	236 006	435 883	4 067	5	675 960	95 605	22 669	
Changes in capital stock of consolidating company	19				19			
Consolidated net income for the year (before appropriation)					70 754	10 005		
Distributions for the year						-3 467		
Impacts of translation rate variations								
Impacts of restructurations and internal disposal of assets								
Effects of changes in scope of perimeter		1 398			1 398	-91		
Effects of changes in consolidation method						4 742		
RGBR changes							2 182	
Other changes								
<b>POSITION AT THE END OF THE YEAR</b>	<b>236 025</b>	<b>437 281</b>	<b>4 067</b>	<b>5</b>	<b>70 754</b>	<b>106 794</b>	<b>24 851</b>	

(1) Including RGBR of companies accounted for under the equity method (8.76 million euros at year-end) .

(2) Pertains solely to the RGBR of fully consolidated companies.

(3) Including last year's net income.

## Note 23. Transactions in financial futures and other forward agreements

- according to contract type (nominal value of contracts)

							In thousands of euros	
2000			1999					
financial futures		other		financial futures		other	Total	
transactions		transactions		transactions		transactions		
<b>FIRM TRANSACTIONS</b>								
Organized market transactions								
interest rate contracts		10 000		10 000		147 000		147 000
Principal-to-principal market transactions								
future rate agreements		60 000		60 000		9 147		9 147
interest rate swaps		14 442 725		18 000		14 460 725		12 290 088
<b>CONDITIONAL TRANSACTIONS</b>								
Organized market transactions								
Interest rate options								
bought		4 206		4 206				
sold		4 206		4 206				
Principal-to-principal market transactions								
Interest rate contracts (floor, cap)								
bought		1 108 749		1 108 749		683 009		683 009
sold		842 683		1 549		844 232		23 808
Interest rate options, currency and other								
bought		138 558		138 558		150 416		150 416
sold		121 942		121 942		92 364		92 364
<b>TOTAL</b>		<b>16 723 069</b>		<b>29 549</b>		<b>16 752 618</b>		<b>13 112 124</b>
						<b>283 708</b>		<b>13 395 832</b>

- according to fixed term remaining

In thousands of euros

	2000			Total
	less than 1 year	Over 1 year - 5 years	+ 5 years	
<b>INTEREST RATE INSTRUMENTS</b>				
<i>Organized markets</i>				
Purchases				
Sales	10 000			10 000
<i>Principal-to-principal markets</i>				
Purchases	20 000	45 735		65 735
Sales	40 000			40 000
Interest rate swaps	9 845 553	3 867 718	879 478	14 592 749
<b>CURRENCY SWAPS</b>				
<i>Principal-to-principal markets</i>				
Purchases	76 291	1 085		77 376
Sales	79 840			79 840
<b>OTHER FINANCIAL FUTURES</b>				
<i>Organized markets</i>				
Purchases		4 206		4 206
Sales		4 206		4 206
<i>Principal-to-principal markets</i>				
Purchases	804 022	168 149	138 000	1 110 171
Sales	700 316	68 019		768 335
<b>Total</b>	<b>11 576 022</b>	<b>4 159 118</b>	<b>1 017 478</b>	<b>16 752 618</b>

- Financial futures - credit risks

The credit risk equivalent is determined according to the market price method

In thousands of euros

	2000	1999
Central administrations and related, network	5 948	6 772
Financial institutions and OECD local administrations	138 737	97 465
Customers	608	703
<b>TOTAL</b>	<b>145 293</b>	<b>104 940</b>

## Note 24. Revenues from dividend-bearing securities

In thousands of euros

	2000	1999
Shares and other dividend-bearing securities	1 162	709
Investments in non-consolidated undertakings, other participating interests	2 032	910
<b>TOTAL</b>	<b>3 194</b>	<b>1 619</b>

## Note 25. Commissions

In thousands of euros

	2000		1999	
	EXPENSES	INCOME	EXPENSES	INCOME
. Interbanking transactions	21 857	4 962	19 716	4 543
. Customer transactions	68	10 208	83	5 482
. Securities transactions	1 537	48 928	939	32
. Foreign exchange transactions		2 615		2 405
. Financial futures transactions	172	158	94	91
. Financial services income	20 633	25 847	18 848	59 560
<b>TOTAL</b>	<b>44 267</b>	<b>92 718</b>	<b>39 680</b>	<b>72 113</b>

**Note 26. Gains and losses on financial transactions**

	In thousands of euros	
	31.12.2000	31.12.1999
Certificates and bonds transactions		
Gains on sale of securities	13 999	1 642
Losses on sale of securities	-11 627	-7 909
Provisions made for depreciation	-15 616	-3 444
Releases of allowances for depreciation	9 748	3 671
<b>TOTAL</b>	<b>-3 496</b>	<b>-6 040</b>
Derivative instruments and hedging transactions		
Interest rate	-190	3 027
Foreign exchange	548	-267
Other derivative instruments and hedging transactions	-484	2 877
<b>TOTAL</b>	<b>-126</b>	<b>5 637</b>

**Note 27. Technical and financial margins on insurance activities**

	In thousands of euros	
	31.12.2000	31.12.1999
<b>LIFE ACTIVITY</b>		
Premiums	1 262 774	967 434
Net investment income	493 689	577 570
Adjustments related to unit-of-account policies	5 359	279 315
Other technical income	13 538	5 788
Claims	542 910	413 829
Charges related to technical reserves	625 105	743 798
With-profits policyholders' share	511 335	514 059
Acquisition and administrative expenses	49 213	89 289
Other technical expense and losses	7 560	44 965
<b>TOTAL</b>	<b>39 237</b>	<b>24 167</b>
<b>NON-LIFE ACTIVITY</b>		
Premiums	43 122	27 820
Net technical investment income	6 053	5 729
Other technical income	5 818	5 328
Claims	32 850	20 116
Charges related to technical reserves	245	595
With-profits policyholders' share	3 058	3 043
Acquisition and administrative expenses	8 018	5 246
Other technical expense and losses	2 711	1 344
<b>TOTAL</b>	<b>8 111</b>	<b>8 533</b>
Reintegration of operating expenses	36 663	33 376
Elimination of intercompany transactions internal to CMB-CMSO	27 584	22 306
<b>TECHNICAL AND FINANCIAL MARGINS</b>	<b>56 427</b>	<b>43 770</b>

**Note 28. Personnel costs**

	In thousands of euros			
	2000		1999	
	Salaried staff	On-call personnel	Salaried staff	On-call personnel
Salaries and wages	68 633		59 924	
Fringe benefits	25 861		24 557	
<i>including pension costs</i>			6 003	5 567
Profit sharing and incentive scheme	3 788		3 346	
Payroll-related taxes	8 143		7 463	
<b>TOTAL</b>	<b>106 425</b>		<b>95 290</b>	
	<b>2000</b>		<b>1999</b>	
	Salaried staff	On-call personnel	Salaried staff	On-call personnel
· Employees	834	52	706	55
· Executives	1050	37	974	38
<b>TOTAL</b>	<b>1884</b>	<b>89</b>	<b>1680</b>	<b>93</b>

**Note 29. Balance of value adjustments on debt and off-balance sheet items**

		In thousands of euros	
		2000	1999
DEBT	. Provisions	60 401	55 638
	. Releases used	-53 892	-185 153
	. Releases made available	-25 469	-18 441
	. Recoveries on bad debt written off	-7 295	-6 535
OFF-BALANCE SHEET COMMITMENTS	. Provisions	1 419	1 318
	. Releases used	-944	-819
	. Releases made available	-407	-1 214
BAD DEBT	. Covered	55 912	190 184
	. Not covered	4 400	3 868
<b>BALANCE</b>		<b>34 125</b>	<b>38 846</b>

**Note 30. Balance of value adjustments on long-term investments**

						In thousands of euros
						Net amount
		Provisions made	Losses on sale	Allowances released	Gains on sale	
EQUITY INVESTMENTS			69		3 710	3 641
INVESTMENT SECURITIES			1 031			-1 031
OTHER LONG-TERM INVESTMENTS		1 111		1 136		25
<b>TOTAL</b>		<b>1 111</b>	<b>1 100</b>	<b>1 136</b>	<b>3 710</b>	<b>2 635</b>

**Note 31. Non-recurring income and expenses**

		In thousands of euros	
		2000	1999
INCOME	Miscellaneous		326
	<b>TOTAL</b>		<b>326</b>
EXPENSES	Miscellaneous		572
	<b>TOTAL</b>		<b>572</b>

**Note 32. Income tax**

		In thousands of euros	
		2000	1999
Current income tax expense		52 545	50 038
Net deferred income tax expense		-493	
<b>NET INCOME TAX EXPENSE</b>		<b>52 052</b>	<b>50 038</b>
Income before taxes, amortization of goodwill and income of companies accounted for under the equity method, GB		134 026	112 576
Effective rate CFCMB		<b>38,84%</b>	<b>44,45%</b>

Deferred income taxes recorded in the balance sheet at December 31, 2000 are allocated as follows :

		In thousands of euros	
		2000	1999
<b>ASSETS</b>			
Temporary differences		6 326	718
<b>TOTAL ASSETS</b>		<b>6 326</b>	<b>718</b>
<b>LIABILITIES</b>			
Temporary differences		11 372	8 074
<b>TOTAL LIABILITIES</b>		<b>11 372</b>	<b>8 074</b>
<b>NET DEFERRED TAX LIABILITIES</b>		<b>5 046</b>	<b>7 356</b>

**Note 33. Remuneration of administrative, management and audit boards (in thousand of francs)**

		In thousands of euros	
		2000	1999
. Amount of directors' fees allocated to the members of the Board of Directors		7	8
. Other remunerations allocated to the directors		536	566

**Note 34.Consolidated management report**

In application of Rule 94-03 of the French Banking Regulation Committee (Comité de la Réglementation Bancaire et Financière), the consolidated management report is made available to the public at the following location :

CREDIT MUTUEL DE BRETAGNE  
32, rue Mirabeau  
29480 LE RELECQ KERHUON

**Note 35.List of the consolidated entities**

Company name	Activity	controlling %		Interest % CFCMB	
		2000	1999	2000	1999
COMPAGNIE FINANCIERE DU CREDIT MUTUEL DE BRETAGNE	Holding and lending institution	Consolidating entity			
<b>Fully consolidated entities</b>					
ALCOR BANK LUXEMBOURG	Banking	80,0	79,9	80,0	79,9
ATLANCOURTAGE BRETAGNE	Insurance broker	96,0	96,0	83,7	83,6
BAIL ENTREPRISES	Real-estate leasing	99,9	99,9	99,9	99,8
BANQUE COMMERCIALE POUR LE MARCHE DE L'ENTREPRISE	Banking	79,0	79,0	79,0	79,0
BANQUE FEDERAL FINANCE	Banking	97,0	97,0	95,1	95,0
BANQUE HYPOTHECAIRE EUROPEENNE	Banking	100,0	100,0	100,0	100,0
COMPAGNIE EUROPEENNE D'OPERATIONS IMMOBILIERES	Special purpose vehicle	100,0	100,0	100,0	100,0
ESPACE PATRIMOINE	Financial investment consultant	88,0	88,0	70,7	70,5
EUROBRETAGNE	Group services management center	100,0	100,0	100,0	100,0
EUROGERANCE	Real-estate fund management	65,8	65,8	65,7	65,7
FEDERAL GESTION	Mutual funds management	100,0	100,0	94,3	94,2
FEDERAL INVEST	Mutual funds management	100,0	100,0	97,5	97,4
FINANCO-SOFEMO	Sales point and consumer credit	55,9	55,9	55,9	55,9
FONCIERE INVESTISSEMENT	Real-estate investment	100,0	100,0	96,8	99,8
MURS II	Special purpose vehicle	100,0	100,0	100,0	100,0
SOBREPAR	Venture capital	95,0	95,0	95,1	95,0
SURAVENIR	Life insurance	79,6	79,6	79,7	79,6
SYMPHONIS	E-broker	100,0		100,0	
SYNERGIE FINANCE	Venture capital	47,1	47,0	47,1	47,0
SYNERGIE FINANCE GESTION	Portfolios management	85,0	85,0	85,1	85,0
<b>Proportionate consolidation</b>					
INFOLIS	IT company	(*) 49,4	(*) 49,4	49,4	49,4
SURAVENIR ASSURANCES	Property, car and casual risk insurance	(*) 31,9	(*) 31,9	31,9	31,9
SURAVENIR ASSURANCES HOLDING	Insurance holding company	49,0	49,0	49,0	49,0
<b>Investments accounted for under the equity method</b>					
ACTA / CMB VOYAGES	Travel agency	60,6	60,6	60,6	60,6
BANQUE DE MARCHES ET D'ARBITRAGE	Investment banking	33,7	33,7	33,8	33,7
CAISSE CENTRALE DU CREDIT MUTUEL	Central agency of Crédit Mutuel	21,3	21,3	21,4	21,3
CREDIT MUTUEL PAIEMENT ELECTRONIQUE + HOLDING EUROCARD + EUROPAY FRANCE	Electronic fund transfers	25,0	25,0	26,7	26,6
FEDERAL IMMO	Real-estate holding company	100,0	100,0	99,1	99,0
SOCIETE CIVILE IMMOBILIERE INTERFEDERALE	Real-estate investment	27,2	27,2	27,3	27,2
SODELEM	Leasing	25,2	25,2	25,2	25,2

(\*) Interest percentage , the controlling percentage not being representative in this case .



## Note 36. Restatements of Consolidated Financial Statements of 1999 and 1998

Pursuant to the new business consolidation rules of the French Banking Regulation Committee (Comité de la Réglementation Bancaire et Financière), the balance sheet, the off-balance sheet items and the income statements closed at 31 December 1998 and 1999 were restated according to the new consolidation rules.

### Balance Sheet

in thousands of euros

Assets	Reported data		Restatements/transfers		Restated data		Assets
	31/12/99	31/12/98	31/12/99	31/12/98	31/12/99	31/12/98	
Cash, due from central banks and F.P.S.	329 836	330 007	5	5	329 841	330 012	Cash, due from central banks and F.P.S.
Treasury bills and similar items	2 205 921	2 461 648			2 205 921	2 461 648	Treasury bills and similar items
Due from banks	8 324 081	6 897 704	315	1 266	8 324 396	6 898 970	Due from banks
On demand	2 400 301	1 051 458	306	1 266	2 400 607	1 052 724	On demand
On time	5 923 780	5 846 246	9		5 923 789	5 846 246	On time
Advances to customers of the banking business	4 435 762	4 258 324	632	2 652	4 436 394	4 260 976	Advances to customers
Discounted bills	102 429	99 657	301	825	102 730	100 482	Discounted bills
Other customer loans	4 052 601	3 893 899	-190		4 052 411	3 893 899	Other customer loans
Customer current acc. receivable	280 732	264 768	521	1 827	281 253	266 595	Customer current acc. receivable
Leasing receivables	268 209	252 907			268 209	252 907	Leasing receivables
Bonds and other fixed-interest securities of the banking business	2 918 905	2 043 471	-89 983	-90 438	2 828 922	1 953 033	Bonds and other fixed-interest securities
Shares and other dividend-bearing securities of the banking business	61 398	39 732	4 878	4 974	66 276	44 706	Shares and other dividend-bearing securities
			9 029 092	7 781 014	9 029 092	7 781 014	Investments held by insurance companies
			14 612	17 062	14 612	17 062	Reinsurers' share in technical reserves
Investments in non-consolidated undertakings, other participation interests and equity securities held for long-term investment	51 727	64 074	13 337	12 752	65 064	76 826	Investments in non-consolidated undertakings, other participation interests and equity securities held for long-term investment
Investments in companies carried under the equity method	267 817	250 008	-197 782	-184 832	70 035	65 176	Investments in companies carried under the equity method
Non-financial	200 315	188 606	-189 573	-176 878	10 742	11 728	Non-financial
Financial	67 502	61 402	-8 209	-7 954	59 293	53 448	Financial
Intangible assets	6 778	6 015	10 755	7 787	17 533	13 802	Intangible assets
Fixed assets	31 582	34 090	29 645	27 077	61 227	61 167	Fixed assets
Uncalled subscribed capital	621	1 181		1 002	621	2 183	Uncalled subscribed capital
Other assets	197 561	199 789	9 647	13 805	207 208	213 594	Other assets
			129 694	112 096	129 694	112 096	Other assets related to insurance activities
Sundry accounts and prepaid expenses	427 210	410 368	243 132	229 115	670 342	639 483	Sundry accounts and prepaid expenses
Goodwill	497	647	4 422	4 560	4 919	5 207	Goodwill
<b>Total assets</b>	<b>19 527 905</b>	<b>17 249 965</b>	<b>9 202 401</b>	<b>7 939 897</b>	<b>28 730 306</b>	<b>25 189 862</b>	<b>Total</b>

in thousands of euros

Off-balance sheet items	Reported Data		Restatements/transfers		Restated data		Off-balance sheet items
	31/12/99	31/12/98	31/12/99	31/12/98	31/12/99	31/12/98	
<b>Commitments received</b>							<b>Commitments received</b>
Financing commitments	845				845		Financing commitments
from banks and financial institutions	845				845		from banks and financial institutions
Guarantees received	100 101	104 674	785 746	763 987	885 847	868 661	Guarantees received
from banks and financial institutions	100 101	104 674		-58	100 101	104 616	from banks and financial institutions
			785 746	764 045	785 746	764 045	Commitments received relating to insurance activities
Securities transactions	134 200	12 078			134 200	12 078	Securities transactions
Securities sold under repurchase agreements		777				777	Securities sold under repurchase agreements
Other commitments	134 200	11 301			134 200	11 301	Other commitments
<b>Financial futures instruments</b>	<b>92 565 899</b>	<b>71 452 673</b>	<b>-8 707 000</b>	<b>1 450 600</b>	<b>83 858 899</b>	<b>72 903 273</b>	<b>Financial futures instruments</b>

in thousands of euros

Liabilities	Reported data		Restatements/transfers		Restated data		Liabilities
	31/12/99	31/12/98	31/12/99	31/12/98	31/12/99	31/12/98	
Due to banks	7 909 556	7 516 717	22 132	20 698	7 931 688	7 537 415	Due to banks
On demand	253 951	263 652	21 511	19 882	275 462	283 534	On demand
On time	7 655 605	7 253 065	621	816	7 656 226	7 253 881	On time
Customer deposits and related	3 894 476	3 719 134	-217 247	-234 113	3 677 229	3 485 021	Customer deposits and related
Special savings accounts	3 274 189	3 060 716		-13 688	3 274 189	3 047 028	Special savings accounts
On demand	458 439	426 475		-13 688	458 439	412 787	On demand
On time	2 815 750	2 634 241			2 815 750	2 634 241	On time
Other liabilities	620 287	658 418	-217 247	-220 425	403 040	437 993	Other liabilities
On demand	297 934	255 039	-9 425		288 509	255 039	On demand
On time	322 353	403 379	-207 822	-220 425	114 531	182 954	On time
Debt represented by a security	6 290 358	4 630 772	-297 080	-294 505	5 993 278	4 336 267	Debt represented by a security
Certificates of deposit	15 442	21 403			15 442	21 403	Certificates of deposit
Interbank market instruments and negotiable debt instruments	6 013 639	4 417 964	-289 031	-286 882	5 724 608	4 131 082	Interbank market instruments and negotiable debt instruments
Debenture loans	261 277	191 405	-8 049	-7 623	253 228	183 782	Debenture loans
			9 411 993	8 275 272	9 411 993	8 275 272	Technical reserves of insurance companies
Other liabilities	83 101	80 733	21 140	19 077	104 241	99 810	Other liabilities
			122 437	34 821	122 437	34 821	Other liabilities related to insurance activities
Sundry accounts and unearned income	408 772	401 030	58 761	42 393	467 533	443 423	Sundry accounts and unearned income
Provisions for contingencies and charges	42 413	54 913	9 957	12 340	52 370	67 253	Provisions for contingencies and charges
Reserves for general banking risks	22 669	26 328			22 669	26 328	Reserves for general banking risks
Subordinated debt	155 153	155 247	15 244	15 245	170 397	170 492	Subordinated debt
Subscribed capital	236 006	236 006			236 006	236 006	Subscribed capital
Additional paid-in capital	4 906	4 906			4 906	4 906	Additional paid-in capital
Consolidated retained earning	418 753	376 065	48 958	42 698	467 711	418 763	Consolidated retained earnings
CFCMB's share	380 729	340 990			380 729	340 990	CFCMB's share
Minority interests	38 024	35 075	48 958	42 698	86 982	77 773	Minority interests
Net income	61 742	48 114	6 106	5 971	67 848	54 085	Net income
CFCMB's share	59 225	45 830			59 225	45 830	CFCMB's share
Minority interests	2 517	2 284	6 106	5 971	8 623	8 255	Minority interests
<b>Total liabilities</b>	<b>19 527 905</b>	<b>17 249 965</b>	<b>9 202 401</b>	<b>7 939 897</b>	<b>28 730 306</b>	<b>25 189 862</b>	<b>Total</b>

Off-balance sheet items	Reported data		Restatements/transfers		Restated data		Off-balance sheet items
	31/12/99	31/12/98	31/12/99	31/12/98	31/12/99	31/12/98	
<b>Commitments given</b>							<b>Commitments given</b>
Financing commitments	870 032	792 470			870 032	792 470	Financing commitments
to banks and financial institutions	1 097	153 742			1 097	153 742	to banks and financial institutions
in favor of customers	868 935	638 728			868 935	638 728	in favor of customers
Guarantees	524 536	552 407			524 536	552 407	Guarantees
to banks and financial institutions	38 824	38 586			38 824	38 586	to banks and financial institutions
in favor of customers	485 712	513 821			485 712	513 821	in favor of customers
			10 000		10 000		Commitments given relating to insurance activities
Commitments on securities	210 634	6 529			210 634	6 529	Commitments on securities
Other commitments	210 634	6 529			210 634	6 529	Other commitments

in thousands of euros

## Statements of Income

in thousands of euros

	Reported data		Restatements/transfers		Restated data		
	31/12/99	31/12/98	31/12/99	31/12/98	31/12/99	31/12/98	
<b>Operating income and expenses arising from banking activities</b>							<b>Operating income and expenses arising from banking activities</b>
<i>Interest income and revenues</i>	926 226	911 751	-3 127	-6 116	923 099	905 635	<i>Interest income and revenues</i>
Interest income and revenues arising from transactions with financial institutions	383 498	363 336	-413	18	383 085	363 354	Interest income and revenues arising from transactions with financial institutions
Interest income and revenues arising from transactions with customers	279 011	296 779	-2 067	-1 954	276 944	294 825	Interest income and revenues arising from transactions with customers
Interest income and revenues arising from bonds and other fixed-interest securities	223 304	210 165	-4 406	-4 607	218 898	205 558	Interest income and revenues arising from bonds and other fixed-interest securities
Gains on leasing receivables and related revenues	40 242	41 302	3 728		43 970	41 302	Gains on leasing receivables and other related revenues
Other interest income and revenues	171	169	31	427	202	596	Other interest income and revenues
<i>Interest expenses and related costs</i>	-757 283	-746 368	32 405	53 382	-724 878	-692 986	<i>Interest expenses and related costs</i>
Interest expenses and related costs arising from transactions with financial institutions	-402 578	-394 124	-600		-403 178	-394 124	Interest expenses and related costs arising from transactions with financial institutions
Interest expenses and related costs arising from transactions with customers	-133 902	-132 168	15 321	18 719	-118 581	-113 449	Interest expenses and related costs arising from transactions with customers
Interest expenses and related costs arising from bonds and other fixed-interest securities	-193 231	-190 972	22 069	35 469	-171 162	-155 503	Interest expenses and related costs arising from bonds and other fixed-interest securities
Interest expenses and related costs arising from leasing receivables	-26 174	-25 367	-4 385		-30 559	-25 367	Interest expenses and related costs arising from leasing receivables
Other interest expenses and related costs	-1 398	-3 737		-806	-1 398	-4 543	Other interest expenses and related costs
<i>Revenues from dividend-bearing securities</i>	1 140	1 085	479		1 619	1 085	<i>Revenues from dividend-bearing securities</i>
<i>Commissions (income)</i>	74 806	67 126	-2 693	809	72 113	67 935	<i>Commissions (income)</i>
<i>Commissions (expenses)</i>	-40 936	-36 995	1 256	194	-39 680	-36 801	<i>Commissions (expenses)</i>
<i>Gains on financial transactions</i>	2 771	5 449	3 296	83	6 067	5 532	<i>Gains on financial transactions</i>
Balance (gain) on trading security transactions	26	8	404		430	8	Balance (gain) on trading security transactions
Balance (gain) on investment security transactions		1 403		83		1 486	Balance (gain) on investment security transactions
Balance (gain) on foreign exchange transactions		4 038				4 038	Balance (gain) on foreign exchange transactions
Balance (gain) on financial futures transactions	2 745		2 892		5 637		Balance (gain) on financial futures transactions
<i>Losses on financial transactions</i>	-6 963	-1 868	5	461	-6 958	-1 407	<i>Losses on financial transactions</i>
Balance (loss) on investment security transactions	-6 044		4		-6 040		Balance (loss) on investment security transactions
Balance (loss) on foreign exchange transactions	-919		1		-918		Balance (loss) on foreign exchange transactions
Balance (loss) on financial futures transactions		-1 868		461		-1 407	Balance (loss) on financial futures transactions
			<b>78 798</b>	<b>24 384</b>	<b>78 798</b>	<b>24 384</b>	<b>Technical and financial margins on insurance activities</b>
			<b>18 165</b>	<b>13 335</b>	<b>18 165</b>	<b>13 335</b>	<b>Net income of other operations</b>
							<b>Other regular income and expenses</b>
<i>Other operating income</i>	101 041	100 200	4 815	2 544	105 856	102 744	<i>Other operating income</i>
Other operating income arising from banking activities	7 443	19 725	5 245		12 688	19 725	Other operating income arising from banking activities
Other operating income arising from other activities	93 598	80 475	-430	2 544	93 168	83 019	Other operating income arising from other activities
<i>General operating expenses</i>	-172 990	-164 315	-76 791	-37 093	-249 781	-201 408	<i>General operating expenses</i>
Personnel costs	-85 702	-86 680	-9 588	-7 444	-95 290	-94 124	Personnel costs
Other administrative expenses	-87 288	-77 635	-67 203	-29 649	-154 491	-107 284	Other administrative expenses
<i>Depreciation, amortization and provisions on fixed and intangible assets</i>	-10 096	-7 778	1 139	-2 901	-8 957	-10 679	<i>Depreciation, amortization and provisions on fixed and intangible assets</i>
<i>Other operating expenses</i>	-11 225	-24 884	-8 740	-7 000	-19 965	-31 884	<i>Other operating expenses</i>
Other operating expenses from banking activities	-1 157	-8 611	-5 903		-7 060	-8 611	Other operating expenses from banking activities
Other operating expenses from other activities	-10 068	-16 273	-2 837	-7 000	-12 905	-23 273	Other operating expenses from other activities
<i>Balance (loss) of value adjustments on debt and off-balance sheet items</i>	-38 846	-53 228			-38 846	-53 228	<i>Balance (loss) of value adjustments on debt and off-balance sheet items</i>
<i>Balance (loss) of value adjustments on long-term investments</i>	-4 018		-581		-4 599		<i>Balance (loss) of value adjustments on long-term investments</i>
<i>Balance (gain) of value adjustments on long-term investments</i>		4 475				4 475	<i>Balance (gain) of value adjustments on long-term investments</i>
<i>Surplus of allocation on releases of reserves for general banking risks</i>		-2 393				-2 393	<i>Surplus of allocation on releases of reserves for general banking risks</i>
<i>Surplus of releases on allocation of reserves for general banking risks</i>	3 664				3 664		<i>Surplus of releases on allocation of reserves for general banking risks</i>
<i>Pre-tax income</i>	67 291	52 257	48 426	42 082	115 717	94 339	<i>Pre-tax income</i>

Non-recurring income and expenses						Non-recurring income and expenses	
<i>Non-recurring income</i>	198	2 002	128	123	326	2 125	<i>Non-recurring income</i>
<i>Non-recurring expenses</i>	-563	-1 849	-9	-172	-572	-2 021	<i>Non-recurring expenses</i>
<i>Net extraordinary items</i>	-365	153	119	-49	-246	104	<i>Net extraordinary items</i>
<b>Income taxes</b>	<b>-30 685</b>	<b>-23 195</b>	<b>-19 353</b>	<b>-18 798</b>	<b>-50 038</b>	<b>-41 993</b>	<b>Income taxes</b>
<b>Share in net income of companies accounted for under the equity method</b>						<b>Share in net income of companies accounted for under the equity method</b>	
<i>Non-financial</i>	23 102	16 576	-22 722	-16 645	380	-69	<i>Non-financial</i>
<i>Financial</i>	2 399	2 323	-364	-619	2 035	1 704	<i>Financial</i>
<b>Net income</b>	<b>61 742</b>	<b>48 114</b>	<b>6 106</b>	<b>5 971</b>	<b>67 848</b>	<b>54 085</b>	<b>Net income</b>
<i>CFCMB's share</i>	59 225	45 830			59 225	45 830	<i>CFCMB's share</i>
<i>Minority interests</i>	2 517	2 284	6 106	5 971	8 623	8 255	<i>Minority interests</i>

**REPORT OF THE STATUTORY AUDITORS ON THE HISTORICAL NON-  
CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER  
FOR THE YEAR ENDED 31 DECEMBER 2000**

In compliance with the assignment entrusted to us by your shareholders' annual general meeting, we hereby report to you, for the year ended 31 December 2000, on:

- the audit of the accompanying financial statements of Company drawn up in Euros,
- 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.

**1 Opinion on the financial statements**

We conducted our audit in accordance with the professional standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any 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 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 financial statements give a true and fair view of the company's financial position and its assets and liabilities as of 31 December 2000, and of the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

**2 Specific verifications and information**

We also performed the specific verifications required by law in accordance with the professional standards applied in France.

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

In accordance with the law, we verified that the management report contains appropriate disclosures as to the acquisition of shares and controlling interests.

Paris and Brest 12 March 2001

The statutory auditor's

**MAZARS & GUERARD**

**SA STERENN**

---

Jean-Gabriel Rangeon

---

Gérard Vincent-Genod

---

Patrick Franchet

---

Raphaël Lecompte

**HISTORICAL NON-CONSOLIDATED FINANCIAL STATEMENTS OF THE SSUER  
FOR THE YEAR ENDED 31 DECEMBER 2000**

**Balance Sheet**

<b>Assets (in thousands of euros)</b>	<i>Notes</i>	<b>2000</b>	<b>1999</b>	<b>1998</b>
Cash, due from central banks and French postal system		148 596	321 558	323 070
Treasury bills and similar items	<i>1</i>	1 290 946	2 205 921	2 461 308
Due from banks	<i>2</i>	11 234 950	11 063 507	9 515 565
On demand		2 870 567	2 390 575	1 040 089
On time		8 364 383	8 672 932	8 475 476
Advances to customers	<i>3</i>	1 050 131	1 076 286	1 025 019
Discounted bills		22 293	20 728	18 455
Other customer loans		893 828	868 652	955 419
Customer current accounts receivable		134 010	186 906	51 145
Bonds and other fixed-interest securities	<i>4</i>	5 729 981	2 915 404	2 067 082
Shares and other dividend-bearing securities	<i>5</i>	65 849	51 213	26 267
Equity investments and portfolio activities	<i>6</i>	52 078	64 557	59 116
Equity in affiliated companies	<i>6</i>	379 453	325 307	308 824
Intangible assets	<i>7</i>	1 062	976	977
Tangible assets	<i>7</i>	28 252	28 307	28 144
Other assets	<i>8</i>	156 289	160 095	142 419
Sundry accounts and prepaid expenses	<i>9</i>	581 435	372 306	355 201
<b>Total assets</b>		<b>20 719 022</b>	<b>18 585 437</b>	<b>16 312 992</b>

<b>Off-balance sheet items (in thousands of euros)</b>	<i>Notes</i>	<b>2000</b>	<b>1999</b>	<b>1998</b>
<b><i>Commitments received</i></b>				
Financing commitments				30 490
from banks and financial institutions				30 490
Guarantees received		10 396	31 368	29 908
from banks and financial institutions		8 723	9 782	8 344
from customers		1 673	21 586	21 564
Securities transactions		21 665	134 200	12 078
Securities sold under repurchase agreements				777
Other commitments		21 665	134 200	11 301
<b><i>Financial futures instruments</i></b>	<i>23</i>	<b>17 153 256</b>	<b>13 826 575</b>	<b>10 485 365</b>

<b>Liabilities (in thousands of euros)</b>	<i>Notes</i>	<b>2000</b>	<b>1999</b>	<b>1998</b>
Due to banks	<i>11</i>	8 227 203	7 727 300	7 447 762
On demand		410 294	270 157	284 142
On time		7 816 909	7 457 143	7 163 620
Customer deposits and related	<i>12</i>	3 548 675	3 618 448	3 434 440
Special savings accounts		3 214 492	3 244 549	3 042 623
On demand		450 573	438 845	419 809
On time		2 763 919	2 805 704	2 622 814
Other liabilities		334 183	373 899	391 817
On demand		49 751	46 927	69 857
On time		284 432	326 972	321 960
Debt represented by a security	<i>13</i>	7 733 980	6 063 572	4 296 298
Certificates of deposit		15 411	15 441	21 403
Interbank market instruments and negotiable debt instruments		7 065 515	5 848 131	4 274 895
Debenture loans		653 054	200 000	
Other liabilities	<i>14</i>	35 398	62 734	42 873
Sundry accounts and unearned income	<i>15</i>	359 047	314 288	326 255
Provisions for contingencies and charges	<i>16</i>	29 268	32 839	36 231
Reserves for general banking risks	<i>18</i>	19 239	17 105	15 367
Subordinated debt	<i>17</i>	119 494	140 296	140 298
Subscribed capital	<i>18</i>	236 025	236 006	236 006
Additional paid-in capital	<i>18</i>	4 906	4 906	4 906
Reserves	<i>18</i>	363 884	328 497	296 994
Revaluation adjustments	<i>18</i>	4 059	4 059	4 059
Net income for the year	<i>32</i>	37 844	35 387	31 503
<b>Total liabilities</b>		<b>20 719 022</b>	<b>18 585 437</b>	<b>16 312 992</b>

<b>Off-balance sheet items (in thousands of euros)</b>	<i>Notes</i>	<b>2000</b>	<b>1999</b>	<b>1998</b>
<b>Commitments given</b>				
Financing commitments		1 078 490	837 648	402 033
to banks and financial institutions		509 639	507 289	145 421
in favour of customers		568 851	330 359	256 612
Guarantees		377 118	417 090	447 765
to banks and financial institutions		14 483	35 368	36 626
in favour of customers		362 635	381 722	411 139
Commitments on securities		225 255	210 634	6 529
Other commitments		225 255	210 634	6 529

<b>Statement of Income</b> <b>(in thousands of euros)</b>	<i>Notes</i>	<b>2000</b>	<b>1999</b>	<b>1998</b>
<b>Operating income and expenses arising from banking activities</b>				
<i>Interest income and revenues</i>		975 698	799 499	744 605
Interest income and revenues arising from transactions with financial institutions		576 642	503 722	467 618
Interest income and revenues arising from transactions with customers		76 415	70 815	62 335
Interest income and revenues arising from bonds and other fixed-interest securities		322 515	224 810	214 499
Other interest income and revenues		126	152	153
<i>Interest expenses and related costs</i>		-919 170	-726 922	-688 642
Interest expenses and related costs arising from transactions with financial institutions		-482 250	-397 039	-391 397
Interest expenses and related costs arising from transactions with customers		-131 029	-147 749	-123 606
Interest expenses and related costs arising from bonds and other fixed-interest securities		-303 268	-180 736	-169 902
Other interest expenses and related costs		-2 623	-1 398	-3 737
<i>Revenues from dividend-bearing securities</i>	24	17 073	15 414	16 146
<i>Commissions (income)</i>	25	50 629	43 900	41 516
<i>Commissions (expenses)</i>	25	-37 679	-34 265	-31 899
<i>Gains on financial transactions</i>		1 291	2 493	6 420
Balance (gain) on trading security transactions		6	26	8
Balance (gain) on transactions in securities available for sale	26			2 262
Balance (gain) on foreign exchange transactions		1 285		3 715
Balance (gain) on financial futures transactions	26		2 467	435
<i>Losses on financial transactions</i>		-4 082	-7 084	
Balance (loss) on transactions in securities available for sale	26	-3 727	-5 559	
Balance (loss) on foreign exchange transactions			-1 525	
Balance (loss) on financial futures transactions	26	-355		
<b>Other regular revenues and expenses</b>				
<i>Other operating income</i>		91 961	78 644	73 207
Other operating income arising from banking activities		2 270	2 058	1 403
Other operating income arising from other activities		89 691	76 586	71 804
<i>General operating expenses</i>		-108 895	-92 397	-86 766
Personnel costs	27	-57 760	-50 683	-48 010
General operating expenses		-51 135	-41 714	-38 756
<i>Depreciation, amortization and provisions on tangible and intangible assets</i>		-2 348	-2 526	-2 772
<i>Other operating expenses</i>		-1 536	-2 287	-7 645
Other operating expenses from banking activities		-1 469	-1 656	-560
Other operating expenses from other activities		-67	-631	-7 085
<i>Balance (loss) of value adjustments on debt and off-balance sheet items</i>	28	-1 230	-1 677	
<i>Balance (gain) of value adjustments on debt and off-balance sheet items</i>	28			2 944
<i>Balance (loss) of value adjustments on long-term investments</i>	29	-6 196	-13 535	-7 758
<i>Surplus of allocation on releases of reserves for general banking risks</i>		-2 134	-1 738	-3 964
<i>Pre-tax income</i>		53 382	57 519	55 392
<b>Income taxes</b>	30	-15 538	-22 132	-23 889
<b>Net income</b>	32	37 844	35 387	31 503



## Notes to non-consolidated financial statements

### **1. AUTHORITATIVE ORGANIZATIONAL AND ACCOUNTING PRONOUNCEMENTS**

#### **1.1. Organization**

Compagnie Financière du Crédit Mutuel de Bretagne was founded under the name "Caisse Fédérale" on 24 September 1960 pursuant to Article 5 of the 16 October 1958 ordinance pertaining to the organization of Crédit Mutuel.

It became "Compagnie Financière du Crédit Mutuel de Bretagne" in 1991 and as such it has a triple role:

- Manage the equity investment portfolio of the Crédit Mutuel de Bretagne Group,
- Carry on financial activities, namely those relating to capital markets,
- Conduct foreign operations in association with its network of corresponding foreign banks.

#### **1.2. Presentation of the financial statements**

The presentation of the financial statements is done in accordance with Rule 91-01 of 16 January 1991 of the Banking Regulation Committee (Comité de la Réglementation Bancaire) relating to the publication of individual financial statements of financial institutions.

#### **1.3. General principles and evaluation methods**

##### **General principles**

The financial statements of Compagnie Financière du Crédit Mutuel de Bretagne have been prepared in accordance with the generally accepted accounting principles as well as the regulatory provisions applicable to banks in France.

##### **Evaluation options and methods**

##### *ζ Fixed assets*

Fixed assets appear at historical cost, minus accumulated depreciation. Depreciation is exercised using the straight-line method. The main depreciation periods are as follows :

- |                           |          |
|---------------------------|----------|
| • Buildings               | 25 years |
| • Fixtures and fittings   | 10 years |
| • Furniture and equipment | 10 years |

### ζ *Foreign currency transactions*

In accordance with rule 89-01 of the French Banking Regulation Committee, assets, liabilities and off balance sheet items denominated in foreign currencies are assessed at the prevailing year-end exchange rate. Forward exchange commitments follow the same method.

### ζ *Securities Portfolio*

Securities transactions are accounted for in accordance with rule 90-01 of the French Banking Regulation Committee.

#### **Trading securities**

Trading securities are recorded at their cost price, accrued interest and charges included. At each year-end, these securities are revalued at their market price, the appraisal increment being recorded on a statement of profit and loss.

#### **Securities available for sale**

Bonds are recorded at cost excluding acquisition costs and accrued interest. Accrued interest at acquisition date is recorded as "Interest purchased". At year-end net accrued interest is recognized as income. Money market securities are recorded at cost, including accrued interest.

The difference between the acquisition price and the redemption price is amortized over the remaining life of the securities. The straight-line method applies to bonds and the actuarial method for money market securities.

Securities available for sale that do not fall under a hedging strategy give rise to a reserve from the moment their market value is less than their book value. Unrealized capital gains are not recorded.

#### **Investment securities**

Securities recorded as investment securities are backed either with long-term resources assigned to the financing of these securities or to interest rate hedging instruments. Backing resources can include stockholders' equity within the limit of stockholders' equity after investments, subordinated debts and other fixed assets have been deducted. The depreciation rule of the difference between the acquisition price and the redemption price is identical to that which is applied to securities held for sale. Unrealized capital losses resulting from the difference in book value and the market price are not provided for. Only the risk of issuer credit failure can constitute a provision.

#### **Securities bought and sold under repurchase agreements**

Securities bought and sold under repurchase agreements are kept in the assets of CMB-CMSO and are valued according to the rules applying to the category they belong. Assignee debt is accounted for as liability.

## Equity investments and equity in affiliated companies

Equity investments have been accounted for in accordance with rule 90-01 and rule 91-01 of the French Banking Regulation Committee.

It includes all securities:

- for which the total value represents more than 10% of the share capital of another bank or company,
- for which the total value represents less than 10% of the share capital of a company under common management or when the acquisition is long-term and strategic in nature, creating a strong link with the issuer

Equity investments and equity in affiliated companies are valued at the lower cost of either the value in use or book value. Depreciation reserves are set up for unrealized capital losses.

### ζ *Accounting for derivative instruments and hedging activities*

Financial instruments are recorded in accordance with rules 88-02 from 22 February 1988, 90-15 from 18 December 1990 (as amended by rule 92-04 on 17 July 1992) and rule 94-04 from 14 March 1994 of the French Banking Regulations Committee.

Off-balance sheet commitments on future financial instruments are recorded at their face value. This total only gives an indication of the volume of transactions in progress at the end of the fiscal year, and does not reflect the market risks for these instruments.

## Interest rate instruments

- Organized markets

Future market contracts are revalued at the end of each fiscal year at their market value. Income and expenses relating to hedging operations are applied symmetrically to those arising in connection with the item hedged. For stand-alone positions, the gains and losses shown in the revaluation are directly recorded in the statement of profit and loss.

- Principal-to-principal markets

The exchange contracts of interest rates (swaps) and future rate agreements ("FRA") are recognized *pro rata temporis* over their respective life. Income and expenses related to a single contract are netted.

Accrued interest and premiums on options contracts (cap, floor, collar) are recorded *pro rata temporis*.

Isolated open positions are re-valued according to the "zero coupon" method and unrealized capital losses are covered by a reserve for contingencies and charges.

## Currency swaps

With regard to currency swaps, the exchange rate difference arising from the valuation of the swap is recorded, at each balance sheet date, as income or expense.

For foreign currency option contracts, premiums are spread out over the duration of the contract. When the option reaches maturity, currencies are either bought or sold.

### ζ *Doubtful accounts receivable*

- Classification

In accordance with the rules defined by the French Banking Commission, doubtful accounts receivable include debt for which there is a probable risk of total or partial non-recovery, or which in the case of real-estate credit, shows outstanding payments of more than six months, or more than three months for all other types of loans.

- Provisions

Doubtful loans and accounts receivable are provisioned for if there is a probable risk of total or partial non-recovery. Provisions are recorded in the balance sheet as a deduction of the corresponding receivable. The interests on recognized doubtful account receivable in revenues are fully provisioned for.

### ζ *Cost of the change over to the Euro*

Costs related to the changeover to the Euro (upgrade of computer systems, communication, training) were evaluated and gave rise to a reserve.

### ζ *Reserve for general banking risks*

In accordance with rule 90-20 of the French Banking Regulation Committee, some consolidated financial institutions have set up a general provision, in order to cover risks inherent to banking.

The provision for risks inherent to banking, is made up of coverage for registered home ownership savings plans (*épargne logement*), for which the total is calculated using a rate of loss, representing the difference between the combined rate of resources and the lending rates, for the theoretical amount outstanding on loans creatable at the end of the savings period. A similar type of provision has been set up in the consolidated financial statements for the deferred loans transactions of which production was interrupted in 1994.

### ζ *Pension costs*

Pension commitments give rise to policies being taken out with insurance companies or being provided for through reserves. The present value of pension related commitments is therefore fully taken into account.

### ζ *Tax status*

- Deferred tax

Deferred tax stemming from temporary difference between the book value and tax value of certain transactions give rise to a deferred tax provision. It is recorded as a liability under the heading «Provisions ». It mainly concerns the tax deficit integration of companies subject to the imputation system. Only the deferred tax liabilities were taken into account at the normal rate. Deferred tax assets on the items that are included in the calculation basis of the reduced rate tax are not integrated in the deferred tax status.

- Integration tax

Compagnie Financière du Crédit Mutuel de Bretagne renewed its tax integration option in December 1997 with Banque Immobilière Européenne and its subsidiaries EUROPIIM and SEFIPRO. The fiscal integration perimeter was widened as of 1 January 1998 at the S.A. MURS II.

The integration agreement stipulates that tax savings relating to deficits are reallocated to deficit subsidiaries.

### ζ *Non-recurring income and expenses*

Extraordinary items, which are not linked with current business, are recorded under this paragraph.

## **2. NOTES TO BALANCE SHEET, OFF-BALANCE SHEET ITEMS AND STATEMENT OF INCOME**

### **Note 1. Treasury bills and similar items**

In thousands of euros

	31.12.2000			31.12.1999		
	Available for sale	Invest.	Total	Available for sale	Invest.	Total
Security holdings (gross value)	920 543	338 878	1 259 421	1 713 681	426 131	2 139 812
Accrued interest receivable	23 670	7 855	31 525	54 138	11 971	66 109
<b>GROSS TOTAL</b>	<b>944 213</b>	<b>346 733</b>	<b>1 290 946</b>	<b>1 767 819</b>	<b>438 102</b>	<b>2 205 921</b>
Allowances						
<b>NET TOTAL</b>	<b>944 213</b>	<b>346 733</b>	<b>1 290 946</b>	<b>1 767 819</b>	<b>438 102</b>	<b>2 205 921</b>
Increase in value	35 478	13 316	48 794	38 024	13 371	51 395
Difference between purchase price and redemption price	27 754	-19 031	8 723	18 918	-16 594	2 324

There were no transfers in 2000 between the different portfolio categories.

There were no sale of investment securities prior to their maturity date in 2000.

Listed securities accounted for 76.70 % in 2000 compared to 48 % in 1999.

### **Note 2. Due from banks**

In thousands of euros

	31.12.2000		31.12.1999	
	On demand	On time	On demand	On time
Ordinary deposits	2 867 338		2 388 725	
Loans, securities purchased under agreements to resell		8 172 339		8 446 745
Securities and bills under resale agreements				76 326
Accrued interest receivable	3 229	192 044	1 850	149 861
<b>TOTAL</b>	<b>2 870 567</b>	<b>8 364 383</b>	<b>2 390 575</b>	<b>8 672 932</b>

### **Note 3. Advances to customers**

In thousands of euros

	31.12.2000	31.12.1999
Discounted bills	22 293	20 728
Accrued interest receivable		
Other loans		
Loans and credit	880 216	859 040
Accrued interest receivable	8 921	4 652
Customer current accounts-receivable	133 136	185 705
Accrued interest receivable	785	1 126
Restructured and doubtful accounts	9 308	9 562
Allowances	-4 528	-4 527
<b>TOTAL</b>	<b>1 050 131</b>	<b>1 076 286</b>

The coverage rate of allowances for doubtful accounts amounted to 48.64% in 2000 compared to 47.34% in 1999. With relation to the debt total, the coverage rate went from 0.42% in 1999 to 0.43% in 2000.

Loans qualifying at the Banque de France amounted to 3 984 thousand euros in 2000 compared to 4 442 thousand euros in 1999. The assignment of receivables accounted for 98% of the qualifying loans compared to 17% in 1999.

## Note 4. Bonds & other fixed-interest securities

In thousands of euros

	31.12.2000			31.12.1999		
	Available for sale	Invest.	Total	Available for sale	Invest.	Total
Holding securities (gross value)	5 490 407	143 497	5 633 904	2 704 123	161 330	2 865 453
Accrued interest receivable	93 395	4 032	97 427	48 415	3 108	51 523
<b>GROSS TOTAL</b>	<b>5 583 802</b>	<b>147 529</b>	<b>5 731 331</b>	<b>2 752 538</b>	<b>164 438</b>	<b>2 916 976</b>
Allowances	1 350		1 350	1 572		1 572
<b>NET TOTAL</b>	<b>5 582 452</b>	<b>147 529</b>	<b>5 729 981</b>	<b>2 750 966</b>	<b>164 438</b>	<b>2 915 404</b>
Increase in value	31 793	2 492	34 285	32 662	1 519	34 181
Difference between purchase price and redemption price	-6 850	540	-6 310	-6 928	-76	-7 004

During the year, no transfer between trading securities, available for sale, and investment securities occurred.

There were no sale of investment securities prior to their maturity date.

Listed securities accounted for 41% in 2000 compared to 44 % in 1999.

Securities issued by public agencies amounted to 246 558 thousands euros in 2000 compared to 245 062 thousands euros in 1999.

## Note 5. Shares and other dividend-bearing securities

In thousands of euros

	31.12.2000	31.12.1999
Security holdings	73 386	52 676
Allowances	-7 537	-1 463
<b>NET TOTAL</b>	<b>65 849</b>	<b>51 213</b>
Increase in value	8 866	16 844

All of these securities are classified as available for sale securities. The listed securities represent 67.51% of the portfolio.

### Analysis of mutual funds :

In thousands of euros

Mutual funds	2000				1999			
	France		Abroad		France		Abroad	
	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution	Capitalization	Distribution
Security holdings	17 132		1 504		16 684		1 020	

## Note 6. Equity investments and equity in affiliated companies

- Changes in net book value

In thousands of euros

	01/01/99	Increase	Decrease	31/12/00
<b>Equity investments</b>				
Gross amount	72 398	4 520	18 779	58 139
Allowances	7 841		1 780	6 061
<b>Net amount</b>	<b>64 557</b>	<b>4 520</b>	<b>16 999</b>	<b>52 078</b>
<b>Affiliated companies</b>				
Gross amount	526 053	61 281	46	587 288
Allowances	200 746	7 089		207 835
<b>Net amount</b>	<b>325 307</b>	<b>54 192</b>	<b>46</b>	<b>379 453</b>

The amount of equity investments and equity in affiliated companies held in financial institutions totaled 153 415 thousand euros.

The aggregate of the equity investments and equity in affiliated companies portfolio is not listed.

The part of the portfolio valued according to net worth amounted to 74 % with regards to the equity investments, and 64 % for the affiliated companies, respectively.

The other securities are valued at their economic value.

- List of affiliates and equity investments

In thousands of euros

Company name and address	Capital share held	Shareholders' equity	Last year-end net income
SECURITIES HAVING A VALUE EXCEEDING 1% OF THE CAPITAL OF COMPAGNIE FINANCIERE			
<b>1. AFFILIATES (COMPANIES IN WHICH MORE THAN 50% OF THE SHARES ARE HELD BY COMPAGNIE FINANCIERE)</b>			
BANQUE FEDERAL FINANCE 32, rue Mirabeau - 29480 LE RELECQ KERHUON	6 704	19 771	3 986
ALCOR BANK LUXEMBOURG 25, Boulevard Royal - BP 746 - L2017 LUXEMBOURG	7 311	9 928	296
BANQUE COMMERCIALE POUR LE MARCHE DE L'ENTREPRISE 19, rue Romain Desfossés - BP117 - 29802 BREST CEDEX 9	55 417	82 027	4 734
COMPAGNIE EUROPEENNE D'OPERATIONS IMMOBILIERES 62, rue du Louvre - 75068 PARIS Cédex 02	31 757	21 454	-3 809
FINANCO-SOFEMO 2, quai de la Douane - 29266 BREST CEDEX	17 032	38 771	919
FONCIERE INVESTISSEMENT 32, rue Mirabeau - 29480 LERELECQ KERHUON	6 403	6 343	-19
MURS II 62, rue du Louvre - 75068 PARIS CEDEX 02	7 258	10 769	-1 151
SOBREPAP 32, rue Mirabeau - 29480 LE RELECQ KERHUON	6 518	11 710	2 754
SURAVENIR 232, rue Général Paulet BP 103 - 29802 BREST CEDEX 9	121 354	304 875	37 800
SYMPHONIS 232, rue Général Paulet - 29802 BREST CEDEX 9	12 234	12 241	-2 258
<b>2. EQUITY INVESTMENTS HELD BETWEEN 10% AND 50%</b>			
BANQUE DE MARCHES ET D'ARBITRAGE 9, rue Chauchat - 75009 PARIS	6 274	32 644	-119
BANQUE HYPOTHECAIRE EUROPEENNE 62, rue du Louvre - 75968 PARIS Cédex 02	22 684	70 264	1 556
CAISSE CENTRALE DU CREDIT MUTUEL 88-90, rue Cardinet - 75847 PARIS CEDEX 17	12 227	155 024	9 618
FEDERAL EQUIPEMENTS 32, rue Mirabeau - 29480 LE RELECQ KERHUON	8 155	46 230	-57
SODELEM - CREDIT BAIL 119, boulevard Aristide Briand - 85018 LA ROCHE SUR YON	4 564	18 235	561
SURAVENIR ASSURANCE HOLDING 1, rond point des Antons - 44931 NANTES Cédex 9	11 772	24 077	1 666
SYNERGIE FINANCE 32, rue Mirabeau - 29480 LE RELECQ KERHUON	8 613	21 877	1 157

- Commitments on affiliated companies and equity investments

In thousands of euros

	Equity investments		Affiliated companies	
	2000	1999	2000	1999
<b>ASSETS</b>				
CAPITAL HELD	58 139	72 398	587 288	526 054
OTHER ASSETS	3 793 928	4 023 137	7 062 407	6 093 279
. Receivables	3 790 863	3 900 654	7 000 685	6 081 834
. Bonds and other fixed-interest securities	3 065	122 483	61 722	11 445
<b>TOTAL ASSETS</b>	<b>3 852 067</b>	<b>4 095 535</b>	<b>7 649 695</b>	<b>6 619 333</b>
<b>LIABILITIES</b>				
. Payables	3 381	18 368	4 302 534	4 168 895
. Debt represented by a security	575 803	402 607	427 542	74 527
<b>TOTAL LIABILITIES</b>	<b>579 184</b>	<b>420 975</b>	<b>4 730 076</b>	<b>4 243 422</b>
<b>COMMITMENTS GIVEN</b>				
. FINANCING COMMITMENTS		21 102	529 535	507 289
. GUARANTEES GIVEN	40 750	33 604	48 074	54 213
<b>TOTAL</b>	<b>40 750</b>	<b>54 706</b>	<b>577 609</b>	<b>561 502</b>
<b>COMMITMENTS RECEIVED</b>				
. FINANCING COMMITMENTS				
. GUARANTEES RECEIVED			8 642	29 431
<b>TOTAL</b>			<b>8 642</b>	<b>29 431</b>



**Note 7. Tangible and intangible assets**

In thousands of euros

	Amount at the beginning of year	Increase	Decrease	Amount at end of year
<b>TANGIBLE ASSETS</b>				
Gross amount	73 557	3 787	1 599	<b>75 745</b>
Depreciation	-45 250	-2 328	-85	<b>-47 493</b>
<b>Net amount</b>	<b>28 307</b>	<b>1 459</b>	<b>1 514</b>	<b>28 252</b>
<b>INTANGIBLE ASSETS</b>				
Gross amount	1 032	86		<b>1 118</b>
Depreciation	-56			<b>-56</b>
<b>Net amount</b>	<b>976</b>	<b>86</b>		<b>1 062</b>

**Note 8. Other Assets**

In thousands of euro

	2000	1999
Government	12 414	12 687
Consumer savings for housing premium	98 528	98 422
Codevi management	21 217	21 983
Securities transactions	1 752	10 398
Other various receivables	22 378	16 605
<b>TOTAL</b>	<b>156 289</b>	<b>160 095</b>

**Note 9. Sundry accounts and prepaid expenses**

In thousands of euros

	2000	1999
Checks and notes in course of collection	468 004	275 239
Adjustment accounts	29 577	22 121
Losses on financial futures	76	760
Deferred charges	12 408	837
Deferred assets	15 867	8 525
Accrued assets	19 312	18 628
Various sundry accounts and prepaid expenses	36 191	46 196
<b>TOTAL</b>	<b>581 435</b>	<b>372 306</b>

**Note 10. Subordinated assets**

In thousands of euros

	12.31.2000	12.31.1999
Due from banks	125 205	19 013

**Note 11. Due to banks**

In thousands of euros

	12.31.2000		12.31.1999	
	On demand	On time	On demand	On time
Current accounts	246 454		269 565	
Borrowings and securities given under repurchase agreements	163 000	6 042 953		4 863 088
Securities or bills sold under repurchase agreement		1 651 812		2 502 105
Accrued interest payable	840	122 144	592	91 950
<b>TOTAL</b>	<b>410 294</b>	<b>7 816 909</b>	<b>270 157</b>	<b>7 457 143</b>

**Note 12. Customer deposits and related**

In thousands of euros

	12.31.2000			12.31.1999		
	On demand	On time	Total	On demand	On time	Total
Special savings accounts	450 573	2 763 919	3 214 492	438 845	2 805 704	3 244 549
<b>TOTAL</b>	450 573	2 763 919	3 214 492	438 845	2 805 704	3 244 549
Current accounts	49 732		49 732	46 918		46 918
Customer time deposits		235 946	235 946		306 226	306 226
Securities or bills sold under repurchase agreements		42 365	42 365		11 419	11 419
Accrued interest payable	19	6 121	6 140	9	9 327	9 336
<b>TOTAL</b>	49 751	284 432	334 183	46 927	326 972	373 899

Special savings accounts are composed of consumer savings for housing accounts and plans.

**Note 13. Debt represented by a security**

In thousands of euros

	12.31.2000			12.31.1999		
	Gross value	Accrued interest payable	Total	Gross value	Accrued interest payable	Total
Certificates of deposit	14 205	1 206	15 411	14 158	1 283	15 441
Interbank market instruments and negotiable debt instruments	6 954 926	110 589	7 065 515	5 772 142	75 989	5 848 131
Debenture loans	650 000	3 054	653 054	200 000		200 000
<b>Total</b>	7 619 131	114 849	7 733 980	5 986 300	77 272	6 063 572

Compagnie Financière du Crédit Mutuel de Bretagne realized two international bond issues in 2000 :

- 300 million euros for a period of 10 years at a rate equal to the 3-month Euribor plus 0.20 - issue price: 99.62 % redeemable at par.
- 150 million euros for a period of 10 years at a rate of 6 % - issue price : 99.52 % redeemable at par.

**Note 14. Other liabilities**

In thousands of euros

	2000	1999
	Security payments in progress	10 324
Securities transactions	429	10 582
Remunerations due to personnel	2 903	2 313
Fringe benefits	4 342	3 941
Government	10 893	20 086
Miscellaneous	6 507	5 181
<b>TOTAL</b>	35 398	62 734

**Note 15. Sundry accounts and unearned income**

In thousands of euros

	2000	1999
	Tied-up collection operation accounts	204 593
Adjustment accounts	38 054	64 734
Gains on financial futures and other forward agreements		429
Deferred revenue	19 354	10 861
Accrued liabilities	13 338	12 109
Various sundry accounts and unearned income	83 708	33 057
<b>TOTAL</b>	359 047	314 288

**Note 16. Provisions for contingencies and charges**

In thousands of euros

	31.12.1999	Amounts set aside	Releases	31.12.2000
Provision for deferred taxes	4 486		454	4 032
Provision for off-balance sheet commitments	2 806	1 007	1 185	2 628
Provisions Capital Expansion Capital Revenue	3 481		1 882	1 599
Provision Euro	4 356		1 057	3 299
Other provisions	17 710			17 710
<b>TOTAL</b>	<b>32 839</b>	<b>1 007</b>	<b>4 578</b>	<b>29 268</b>

The provision for off-balance sheet commitments includes the provisions for financial instruments.

**Note 17. Subordinated debt**

In thousands of euros

Subordinated debt representing at least 10 % of the total subordinated debt	AMOUNT	CURRENCY	RATE	DUE
Caisse Centrale de Crédit Mutuel	19 056	FRF	9,57	20/11/01
	7 622	FRF	11,18	19/11/02
	16 769	FRF	9,37	18/11/03
	9 147	FRF	8,86	23/11/04
	12 196	FRF	6,44	15/11/05
	3 049	FRF	8,08	14/11/03
Accrued interest payable	720			
Redeemable subordinated securities	24 790	LUF	7,375	16/07/01
	24 790	BEF	8,250	28/09/04
Accrued interest payable	1 355			
<b>TOTAL</b>	<b>119 494</b>			

Subordinated debt expenses amounted to 11 238 thousand euros in 2000 compared to 12 048 thousands euros in 1999.

**Note 18. Shareholders' Equity**

In thousands of euros

	Beginning of year	Appropriation of last year's net income	Changes	End of year
<b>CAPITAL</b>	236 006	19		236 025
<b>ADDITIONAL PAID-IN CAPITAL</b>	4 906			4 906
<b>TOTAL RESERVES</b>	328 497	35 387		363 884
. legal reserve	50 891	5 308		56 199
. reserves	128 392	30 079		158 471
. long-term capital gains	98 197			98 197
. other reserves	51 017			51 017
<b>REVALUATION ADJUSTMENT</b>	4 059			4 059
<b>TOTAL</b>	<b>573 468</b>	<b>35 406</b>		<b>608 874</b>
<b>RESERVES FOR GENERAL BANKING RISK</b>	17 105		2 134	19 239
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>590 573</b>	<b>35 406</b>	<b>2 134</b>	<b>628 113</b>

The capital is composed of 15.482 252 common shares of 15.24 euros par value.

**Note 19. Interbank items**

	In thousands of euros	
	2000	1999
<b>DUE FROM NETWORK BANKS</b>	7 858 787	7 349 176
. ON DEMAND	2 806 442	2 375 440
<i>of which Caisse Centrale du Crédit Mutuel</i>	25 806	207 154
. ON TIME	5 052 345	4 973 736
<i>of which Caisse Centrale du Crédit Mutuel</i>	3 764 999	3 670 583
<b>DUE TO NETWORK BANKS</b>	4 178 713	4 218 554
. ON DEMAND	152 819	158 915
. ON TIME	4 025 894	4 059 639
<i>of which Caisse Centrale du Crédit Mutuel</i>	3 381	18 368

**Note 20. Breakdown of certain assets/liabilities according to maturity date**

	In thousands of euros					
	Up to 3 months	3 m <1 year	1 year < 5 years	Over 5 years	Accrued interest payable and receivable	TOTAL
<b>ASSETS</b>						
<i>Due from banks</i>	5 106 173	2 381 687	820 881	2 730 936	195 273	11 234 950
<i>Advances to customers</i>	267 449	150 084	376 708	248 802	7 088	1 050 131
. discounted bills	22 254	39				22 293
. other customer loans	111 970	150 045	376 708	248 802	6 303	893 828
. current accounts	133 225				785	134 010
<i>Bonds and other fixed-interest securities</i>	301 491	786 918	3 305 500	1 238 645	97 427	5 729 981
<b>LIABILITIES</b>						
<i>Due to banks</i>	3 147 897	587 555	178 309	4 190 458	122 984	8 227 203
<i>Customer deposits and related</i>	1 477 788	848 818	1 034 753	181 176	6 140	3 548 675
. special savings accounts	1 366 873	802 084	986 623	58 912		3 214 492
. time deposits	24 001	41 551	48 130	122 264	5 940	241 886
. securities sold under repurchase agreements						
. customer demand deposits	49 732				19	49 751
. securities or bills sold under repurchase agreements	37 182	5 183			181	42 546
<i>Debt represented by a security</i>	5 590 599	598 267	769 566	660 699	114 849	7 733 980
. certificates of deposit	6 926	3 061	4 218		1 206	15 411
. interbank market instruments and negotiable debt instruments	5 583 673	595 206	565 348	210 699	110 589	7 065 515
. debenture loans			200 000	450 000	3 054	653 054

There are no undated receivables.

**Note 21. Foreign currency assets and liabilities**

At 31 December 2000 foreign currency assets and liabilities amounted to 326 769 thousands euros and 228 219 thousands euros, respectively.

**Note 22. Assets pledged or received as collateral**

	In thousands of euros	
	2000	1999
<b>Assets pledged as collateral</b>	3 370	4 762
<i>in relation to our own commitments</i>		
<i>in relation to third party commitments</i>	3 370	4 762
<b>Assets received as collateral</b>	3 370	4 762

**Note 23. Transactions in financial futures and other forward agreements**

- according to contract type (nominal value of contracts)

	2000			1999		
	Hedging operations	Other operations	Total	Hedging operations	Other operations	Total
In thousands of euros						
<b>FIRM TRANSACTIONS</b>						
Organized market transactions						
interest rate contracts		10 000	10 000	147 000		147 000
Principal-to-principal market transactions						
future rate agreements	40 000		40 000	9 147		9 147
interest rate swaps	14 889 570	18 000	14 907 570	12 110 684	283 429	12 394 113
<b>CONDITIONAL TRANSACTIONS</b>						
Organized market transactions						
Interest rate options						
bought	4 205		4 206			
sold	4 205		4 206			
Principal-to-principal market transactions						
Contracts (floor, cap)						
bought	1 074 769		1 074 769	836 678		836 678
sold	884 438	1 549	885 987	196 578	279	196 857
Interest rate options, currency and other						
bought	112 647		112 647	122 027		122 027
sold	113 871		113 871	120 753		120 753
<b>TOTAL</b>	<b>17 123 707</b>	<b>29 549</b>	<b>17 153 256</b>	<b>13 542 867</b>	<b>283 708</b>	<b>13 826 575</b>

Financial futures transactions come under micro-hedge

- according to fixed term remaining

In thousands of euros

	2000			Total
	less than 1 year	Over 1 year - 5 years	+ 5 years	
<b>INTEREST RATE INSTRUMENTS</b>				
Organized markets				
Purchases				
Sales	10 000			10 000
<i>Principal-to-principal markets</i>				
Purchases	20 000			20 000
Sales	20 000			20 000
Interest rate swaps	9 925 248	4 038 859	943 463	14 907 570
<b>CURRENCY SWAPS</b>				
<i>Principal-to-principal markets</i>				
Purchases	66 507	1 085		67 592
Sales	73 871			73 871
Financial swaps				
<b>OTHER FINANCIAL FUTURES</b>				
<i>Organized markets</i>				
Purchases		4 206		4 206
Sales		4 206		4 206
<i>Principal-to-principal markets</i>				
Purchases	815 778	166 046	138 000	1 119 824
Sales	712 070	95 917	118 000	925 987
<b>Total</b>	<b>11 643 474</b>	<b>4 310 319</b>	<b>1 199 463</b>	<b>17 153 256</b>

- Financial futures - credit risks

The credit risk equivalent is determined according to the market price method

In thousands of euros

	2000	1999
Central administrations and related, network	5 948	6 772
Financial institutions and OECD local administrations	138 737	100 481
Customers	5 808	9 128
<b>TOTAL</b>	<b>150 493</b>	<b>116 381</b>

## Note 24. Revenues from dividend-bearing securities

In thousands of euros

	2000	1999
Shares and other dividend-bearing securities	1 110	687
Equity investments and portfolio activities	1 119	578
Equity in affiliated companies	14 844	14 149
<b>TOTAL</b>	<b>17 073</b>	<b>15 414</b>

## Note 25. Commissions

In thousands of euros

	2000		1999	
	EXPENSES	INCOME	EXPENSES	INCOME
. Interbanking transactions	22 507	4 601	21 931	4 400
. Customer transactions		283		557
. Securities transactions	1 533	106	914	136
. Foreign exchange transactions		1 543		1 462
. Financial futures transactions	172	158	94	91
. Financial services income	13 467	43 938	11 326	37 254
<b>TOTAL</b>	<b>37 679</b>	<b>50 629</b>	<b>34 265</b>	<b>43 900</b>

**Note 26. Gains and losses on financial transactions**

	In thousands of euros	
	31.12.2000	31.12.1999
<b>Certificates and bonds transactions</b>		
Gains on sale of securities	13 652	1 531
Losses on sale of securities	-11 527	-7 901
Provisions made for depreciation	-15 511	-2 854
Releases of allowances for depreciation	9 659	3 665
<b>TOTAL</b>	<b>-3 727</b>	<b>-5 559</b>
<b>Derivative instruments and hedging transactions</b>		
Interest rate	-355	2 467
<b>TOTAL</b>	<b>-355</b>	<b>2 467</b>

**Note 27. Personnel costs**

	In thousands of euros	
	2000	1999
Salaries and wages	36 927	31 856
Fringe benefits	13 614	12 332
<i>including pension costs</i>	3 311	2 957
Profit sharing and incentive scheme	2 595	2 291
Payroll-related taxes	4 624	4 204
<b>TOTAL</b>	<b>57 760</b>	<b>50 683</b>

Compagnie Financière hires salaried employees made available by other companies of the Group (Federal Service for example).

	2000		1999	
	Salaried staff	On-call personnel	Salaried staff	On-call personnel
. Employees	351	49	321	51
. Executives	610	24	558	27
<b>TOTAL</b>	<b>961</b>	<b>73</b>	<b>879</b>	<b>78</b>

**Note 28. Balance of value adjustments on debt and off-balance sheet items**

	In thousands of euros		
	2000	1999	
DEBT	. Provisions	-414	-953
	. Releases used	292	242
	. Releases made available	122	101
	. Recoveries on bad debt written off	23	33
OFF-BALANCE SHEET COMMITMENTS	. Provisions	-1 007	-539
	. Releases used	548	819
	. Releases made available	407	227
BAD DEBT	. Covered	-840	-1 060
	. Not covered	-361	-547
<b>BALANCE</b>	<b>-1 230</b>	<b>-1 677</b>	

**Note 29. Balance of value adjustments on long-term investments**

In thousands of euros					
	Provisions made	Losses on sale	Allowances released	Gains on sale	Net amount
EQUITY INVESTMENTS			436	144	580
INVESTMENT SECURITIES	-5 745				-5 745
OTHER LONG-TERM INVESTMENTS		-1 031			-1 031
<b>TOTAL</b>	<b>-5 745</b>	<b>-1 031</b>	<b>436</b>	<b>144</b>	<b>-6 196</b>

**Note 30. Income tax**

In thousands of euros		
	2000	1999
. Corporate income tax of Compagnie Financière de CMB	13 584	17 988
normal rate	11 993	14 970
additional tax	1 591	3 018
. Income tax savings reallocated to integrated affiliates, net	1 954	4 144
<b>TOTAL</b>	<b>15 538</b>	<b>22 132</b>
<i>FUTURE INCOME TAX SAVINGS AT A RATE OF 36.4 %</i>	456	428

**Note 31. Remuneration of administrative, management and audit boards**

In thousands of euros		
	2000	1999
. Amount of directors' fees allocated to the members of the Board of Directors	7	8
. Other remunerations allocated to the directors	536	566

**Note 32. Income Appropriation**

In thousands of euros		
	2000	1999
<i>ORIGIN</i>		
. Net income	37 844	35 387
<i>APPROPRIATION</i>		
. Legal reserve	5 677	5 308
. Optional reserves	32 167	30 079

**Note 33. Consolidated financial statements**

Compagnie Financière du Crédit Mutuel de Bretagne prepares consolidated financial statements. It is itself consolidated within CMB-CMSO "Crédit Mutuel de Bretagne et Crédit Mutuel du Sud-Ouest".



**REPORT OF THE STATUTORY AUDITORS ON THE PRO FORMA  
NON-CONSOLIDATED AND CONSOLIDATED FINANCIAL STATEMENTS  
OF THE ISSUER FOR THE YEARS ENDED 31 DECEMBER 2000 AND 1999**

To the President,

In connection with the issuance of EMTN securities and at your request, we have reviewed the accompanying statutory and consolidated pro forma financial statements of Compagnie Financière du Crédit Mutuel for the 12 months periods ended December 31, 2000 and 1999.

The pro forma financial statements were prepared on July 24, 2001 and are the responsibility of Compagnie Financière du Crédit Mutuel's management. They have been prepared in Euros using the annual financial statements of Compagnie Financière du Crédit Mutuel de Bretagne for the years ended December 31, 2000 and 1999 which were audited by us in accordance with generally accepted auditing standards in France and which are included in the Offering Circular relating to the aforementioned programme.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. In our reports we expressed an unqualified opinion on the annual statutory and consolidated financial statements for the years then ended. It should be noted that our audit report on the consolidated financial statements for the year ended December 31, 2000 included an emphasis of a matter paragraph with regard to the implementation of regulation 99-07 dated November 24, 1999 of the Comité de la Réglementation Comptable.

We conducted our reviews of the pro forma financial statements in accordance with standards established by the Compagnie Nationale des Commissaires aux Comptes. These standards include reviewing the procedures that were implemented to establish the pro forma financial statements. They also consist in assessing the consistency of the assumptions made, verifying their application into the pro forma financial statements, assessing the accounting principles used as well as their consistency with the annual statutory and consolidated financial statements.

The pro forma financial statements have been prepared to show the financial effect on the annual financial statements of a specific event or transaction at a date prior to its actual occurrence. The pro forma financial statements do not necessarily reflect the financial position of Compagnie Financière du Crédit Mutuel and its results of operations had the specific event or transaction actually taken place at the date prior to its occurrence.

In our opinion, the assumptions that were used to prepare the statutory and consolidated pro forma financial statements of Compagnie Financière du Crédit Mutuel constitute a reasonable basis whereby to present the effects of the legal reorganization as described in the notes to the pro forma financial statements attached to this report. Their financial translation is appropriate and the accounting principles used are consistent with the annual financial statements

Paris and Brest July 26, 2001

The statutory auditor's

**MAZARS & GUERARD**

**S A S T E R E N N**

\_\_\_\_\_  
Jean-Gabriel Rangeon

\_\_\_\_\_  
Gérard Vincent-Genod

\_\_\_\_\_  
Patrick Franchet

\_\_\_\_\_  
Raphaël Lecompte

**PRO FORMA NON-CONSOLIDATED AND CONSOLIDATED  
FINANCIAL STATEMENTS OF THE ISSUER  
FOR THE YEARS ENDED 31 DECEMBER 2000 AND 1999**

**I - 1999 - 2000 pro forma non consolidated financial statements**

**Balance Sheet**

<b>Assets (in thousands of euros)</b>	<b>2000</b>	<b>1999</b>
Cash, due from central banks and French postal system	127 643	307 694
Treasury bills and similar items	1 290 946	2 205 921
Due from banks	5 035 417	4 800 062
On demand	1 505 579	876 051
On time	3 529 838	3 924 011
Advances to customers	235 131	210 496
Other customer loans	105 151	25 082
Customer current accounts receivable	129 980	185 414
Bonds and other fixed-interest securities	5 722 882	2 914 739
Shares and other dividend-bearing securities	64 471	49 702
Equity investments, portfolio activities	48 511	49 008
Equity in affiliated companies	370 697	328 764
Other assets	13 132	16 679
Sundry accounts and prepaid expenses	54 348	67 570
<b>Total assets</b>	<b>12 963 178</b>	<b>10 950 635</b>
<hr/>		
<b>Off-balance sheet items (in thousands of euros)</b>	<b>2000</b>	<b>1999</b>
<b><i>Commitments received</i></b>		
Guarantees received	8 643	9 600
from banks and financial institutions	8 643	9 600
Securities transactions	21 665	134 200
Other commitments	21 665	134 200
<b><i>Financial futures instruments</i></b>	<b>17 153 256</b>	<b>13 826 575</b>

<b>Liabilities (in thousands of euros)</b>	<b>2000</b>	<b>1999</b>
Due to banks	4 233 903	3 741 823
On demand	256 647	190 250
On time	3 977 256	3 551 573
Customer deposits and related	204 362	270 401
Other liabilities	204 362	270 401
On demand	32 848	28 479
On time	171 514	241 922
Debt represented by a security	7 534 290	5 927 461
Interbank market instruments and negotiable debt instruments	6 881 236	5 727 461
Debenture loans	653 054	200 000
Other liabilities	13 132	31 745
Sundry accounts and unearned income	116 931	98 467
Provisions for contingencies and charges	161	390
Subordinated debt	119 494	140 296
Subscribed capital	715 000	715 000
Net income	25 905	25 052
<b>Total liabilities</b>	<b>12 963 178</b>	<b>10 950 635</b>

<b>Off-balance sheet items (in thousands of euros)</b>	<b>2000</b>	<b>1999</b>
<b><i>Commitments given</i></b>		
Financing commitments	1 024 424	795 690
to banks and financial institutions	509 639	507 289
in favour of customers	514 785	288 401
Guarantees	182 255	201 285
in favour of customers	182 255	201 285
Commitments on securities	225 255	210 634
Other commitments	225 255	210 634

<b>Statement of Income (in thousands of euros)</b>	<b>2000</b>	<b>1999</b>
<b>Operating income and expenses arising from banking activities</b>		
<i>Interest income and revenues</i>	675 403	506 480
Interest income and revenues arising from transactions with financial institutions	322 551	262 837
Interest income and revenues arising from transactions with customers	31 186	19 639
Interest income and revenues arising from bonds and other fixed-interest securities	321 540	223 851
Other interest income and revenues	126	153
<i>Interest expenses and related costs</i>	-643 562	-459 028
Interest expenses and related costs arising from transactions with financial institutions	-329 766	-247 772
Interest expenses and related costs arising from transactions with customers	-17 633	-33 002
Interest expenses and related costs arising from bonds and other fixed-interest securities	-296 018	-178 078
Other interest expenses and related costs	-145	-176
<i>Revenues from dividend-bearing securities</i>	16 752	15 375
<i>Commissions (income)</i>	4 747	4 240
<i>Commissions (expenses)</i>	-2 482	-2 693
<i>Gains on financial transactions</i>	1 291	2 493
Balance (gain) on trading security transactions	6	26
Balance (gain) on foreign exchange transactions	1 285	
Balance (gain) on financial futures transactions		2 467
<i>Losses on financial transactions</i>	-4 082	-7 084
Balance (loss) on transactions in securities available for sale	-3 727	-5 559
Balance (loss) on foreign exchange transactions		-1 525
Balance (loss) on financial futures transactions	-355	
<b>Other regular revenues and expenses</b>		
<i>Other operating income</i>	292	985
Other operating income arising from banking activities	60	35
Other operating income arising from other activities	232	950
<i>General operating expenses</i>	-6 139	-6 540
Personnel costs	-3 585	-3 937
General operating expenses	-2 554	-2 603
<i>Depreciation, amortization and provisions on tangible and intangible assets</i>	-4	-38
<i>Other operating expenses</i>	-474	-397
Other operating expenses from banking activities	-474	-7
Other operating expenses from activities other than banking activities		-390
<i>Balance (loss) of value adjustments on debt and off-balance sheet items</i>	-161	-416
<i>Balance (gain) of value adjustments on long-term investments</i>	-6 214	-13 535
<i>Pre-tax income</i>	35 367	39 842
<b>Income taxes</b>	-9 462	-14 790
<i>Net income</i>	25 905	25 052

## II - 1999 - 2000 pro forma consolidated financial statements

### Balance Sheet

<b>Assets (in thousands of euros)</b>	<b>2000</b>	<b>1999</b>
Cash, due from central banks and French postal system	136 452	315 976
Treasury bills and similar items	1 290 946	2 205 921
Due from banks	2 165 666	2 060 951
On demand	1 471 217	886 083
On time	694 449	1 174 868
Advances to customers	4 123 073	3 570 601
Discounted bills	74 707	82 002
Other customer loans	3 689 289	3 208 838
Customer current accounts receivable	359 077	279 761
Leasing receivables	283 885	268 209
Bonds and other fixed-interest securities	5 631 808	2 828 268
Shares and other dividend-bearing securities	93 489	64 774
Investments held by insurance companies	10 016 953	9 029 534
Re-insurers' share in technical reserves	12 255	14 763
Investments in non-consolidated undertakings, other participating interests and equity securities held for long-term investment	42 771	51 872
Investments in companies carried under the equity method	19 355	19 917
Non-financial	2 575	2 979
Financial	16 780	16 938
Intangible assets	18 581	16 597
Tangible assets	44 340	41 264
Uncalled subscribed capital	1 322	621
Other assets	49 208	66 229
Other assets related to insurance activities	171 964	129 694
Sundry accounts and prepaid expenses	411 255	387 879
Goodwill	3 952	5 357
<b>Total assets</b>	<b>24 517 275</b>	<b>21 078 427</b>
<b>Off-balance sheet items (in thousands of euros)</b>	<b>2000</b>	<b>1999</b>
<i>Commitments received</i>		
Financing commitments	1 040	845
from banks and financial institutions	1 040	845
Guarantees received	127 694	83 284
from banks and financial institutions	127 694	83 284
Commitments received relating to insurance activities	768 865	785 746
Securities transactions	21 664	134 199
Other commitments	21 664	134 199
<b>Financial futures instruments</b>	<b>16 752 618</b>	<b>13 395 832</b>

<b>Liabilities (in thousands of euros)</b>	<b>2000</b>	<b>1999</b>
Due to banks	4 557 060	3 949 411
On demand	267 918	198 756
On time	4 289 142	3 750 655
Customer deposits and related	494 469	328 069
Special savings accounts	70 116	29 640
On demand	60 651	19 594
On time	9 465	10 046
Other liabilities	424 353	298 429
On demand	334 455	268 948
On time	89 898	29 481
Debt represented by a security	7 346 210	5 857 164
Certificates of deposit	29	15 441
Interbank market instruments and negotiable debt instruments	6 839 404	5 588 496
Debenture loans	506 777	253 227
Technical reserves of insurance companies	10 595 815	9 488 750
Other liabilities	83 097	75 738
Other liabilities related to insurance activities	49 334	46 174
Sundry accounts and unearned income	286 893	259 340
Provisions for contingencies and charges	30 136	24 346
Reserves for general banking risks	5 515	5 564
Subordinated debt	149 588	170 397
Subscribed capital	715 000	715 000
Consolidated retained earnings	133 771	99 139
CFCM's share	45 163	12 079
Minority interests	88 608	87 060
Net income for the year	70 387	59 335
CFCM's share	61 887	51 232
Minority interests	8 500	8 103
<b>Total</b>	<b>24 517 275</b>	<b>21 078 427</b>
<b>Off-balance sheet items (in thousands of euros)</b>	<b>2000</b>	<b>1999</b>
<i>Commitments given</i>		
Financing commitments	1 273 252	828 073
to banks and financial institutions	5 736	1 097
in favour of customers	1 267 516	826 976
Guarantees	298 067	308 730
to banks and financial institutions	4 784	3 455
in favour of customers	293 283	305 275
Commitments given relating to insurance activities		10 000
Commitments on securities	225 255	210 633
Other commitments	225 255	210 633

**Statement of Income**

<b>(in thousands of euros)</b>	<b>2000</b>	<b>1999</b>
<b>Operating income and expenses arising from banking activities</b>		
<i>Interest income and revenues</i>	802 858	626 195
Interest income and revenues arising from transactions with financial institutions	203 413	143 044
Interest income and revenues arising from transactions with customers	248 817	225 767
Interest income and revenues arising from bonds and other fixed-interest securities	316 798	217 597
Gains on Leasing receivables and related revenues	33 316	39 585
Other interest income and revenues	514	202
<i>Interest expenses and related costs</i>	-631 445	-453 013
Interest expenses and related costs arising from transactions with financial institutions	-332 933	-254 329
Interest expenses and related costs arising from transactions with customers	-8 801	-3 833
Interest expenses and related costs arising from bonds and other fixed-interest securities	-277 688	-168 503
Interest expenses and related costs arising from Leasing receivables	-11 879	-26 173
Other interest expenses and related costs	-144	-175
<i>Revenues from dividend-bearing securities</i>	3 248	2 238
<i>Commissions (income)</i>	54 712	41 105
<i>Commissions (expenses)</i>	-9 707	-9 080
<i>Gains on financial transactions</i>	1 876	6 066
Balance (gain) on trading security transactions	82	430
Balance (gain) on transactions in securities available for sale		
Balance (gain) on foreign exchange transactions	1 794	
Balance (gain) on financial futures transactions		5 636
<i>Losses on financial transactions</i>	-3 702	-6 958
Balance (loss) on trading security transactions		
Balance (loss) on transactions in securities available for sale	-3 576	-6 040
Balance (loss) on foreign exchange transactions		-918
Balance (loss) on financial futures transactions	-126	
<b>Technical and financial margins on insurance activities</b>	43 037	36 147
<b>Other business revenues</b>	18 032	18 165
<b>Other regular revenues and expenses</b>		
<i>Other operating income</i>	33 431	35 504
Other operating income arising from banking activities	14 636	14 610
Other operating income arising from other activities	18 795	20 894
<i>General operating expenses</i>	-141 212	-134 172
Personnel costs	-52 754	-48 576
General operating expenses	-88 458	-85 596
<i>Depreciation, amortization and provisions on tangible and intangible assets</i>	-9 069	-6 484
<i>Other operating expenses</i>	-16 864	-13 618
Other operating expenses from banking activities	-6 285	-2 350
Other operating expenses from other activities	-10 579	-11 268
<i>Balance (loss) of value adjustments on debt and off-balance sheet items</i>	-33 056	-37 585
<i>Balance (loss) of value adjustments on long-term investments</i>		-3 891
<i>Balance (gain) of value adjustments on long-term investments</i>	4 272	
<i>Surplus of allocation on releases of general banking risk reserves</i>	122	5 401
<i>Pre-tax income</i>	116 533	106 020
<b>Non-recurring income and expenses</b>		
<i>Non-recurring income</i>		142
<i>Non-recurring expenses</i>		-571
<i>Net extraordinary items</i>		-429
<b>Income taxes</b>	-46 428	-46 887
<b>Share in net income of companies accounted for under the equity method</b>	282	631
<i>Non-financial</i>	152	444
<i>Financial</i>	130	187
<b>Net income</b>	70 387	59 335
<i>CFCM's share</i>	61 887	51 232
<i>Minority interests</i>	8 500	8 103

### **III - Notes to 1999 - 2000 non-consolidated and consolidated pro forma financial statements**

#### **1. GENERAL CONTEXT**

During the first half of 2001, the Crédit mutuel de Bretagne and Crédit mutuel du Sud-Ouest Group has put into place a reform of its juridical and financial organization, which looks to:

- Appoint Caisse Interfédérale de Crédit Mutuel (CICM) as the pivotal entity of CMB-CMSO.
- Organize the Group around two main areas:
  - one area of cooperative and mutualist status including the local branches and federations of Crédit Mutuel de Bretagne and of Crédit Mutuel du Sud-Ouest and Caisse Interfédérale de Crédit Mutuel clearly controlling the Group as a whole,
  - one area comprising companies governed by ordinary law integrating Compagnie Financière du Crédit Mutuel (now a subsidiary of Caisse Interfédérale de Crédit Mutuel) and all of its subsidiaries.

In this framework, the operation legally translates into:

- the absorption of CICM (first in name) by Compagnie Financière du Crédit Mutuel de Bretagne now known as "Caisse Interfédérale de Crédit Mutuel" (second in name),
- the creation, from SA Eurobretagne VI, of "Compagnie Financière du Crédit Mutuel" whose holding activities and market operations were transferred from CICM, by partial contribution of capital.

This restructuring as a whole, approved by the entities concerned at the special general assemblies, held in April and May 2001, came into effect retroactively on 1 January 2001.

#### **2. PREPARATION OF PRO FORMA FINANCIAL STATEMENTS**

Within the context of its issues on the capital markets and notably its EMTN (Euro Medium Term Note) program that will be launched during the second half of 2001, Compagnie Financière du Crédit Mutuel presents pro forma financial statements for fiscal year 1999 and 2000 in order to provide investors with sufficient financial information as requested by the *Commission des Opérations de Bourse*.

These pro forma financial statements do not necessarily reflect the financial position or performance that would have been observed had the transaction or event occurred at an earlier date than the date on which it actually happened or was anticipated.



### **3. METHODOLOGY APPLIED**

#### **3.1. Non-Consolidated Financial Statements**

##### **3.1.1. Accounting principles**

The accounting principles and evaluation methods used in preparing the pro forma financial statements are identical to those used for the historical statements. The preparation of these pro forma financial statements was based on the historical financial statements of Compagnie Financière du CMB as shown under paragraph 3.1.4.

##### **3.1.2. General scheme**

The pro forma financial statements of Compagnie Financière du Crédit Mutuel were prepared using analytical data pertaining to the holding activities and market activities as they appeared in the accounting system of the transferring company. For the year 2000, the balance sheet and off-balance sheet items were recovered from the partial contribution agreement. As for expenses and revenues arising out of these activities for the year 2000 as well as all financial statements for the 1999 period, their reconstitution was done using analytical accounting data.

##### **3.1.3. Restatements**

###### *ζ Treasury remuneration*

The treasury resulting from the difference between the assets and liabilities transferred by CICM was remunerated over both the 1999 and 2000 periods by applying to the average outstanding amounts the 3-month Euribor rate plus signing and remuneration costs of Compagnie Financière du Crédit Mutuel. This remuneration comes under the sole specific agreement entered into by CICM and Compagnie Financière du Crédit Mutuel, which is used in the determination of these pro forma statements.

###### *ζ Shareholders' equity*

Shareholders' equity stated in the balance sheet for fiscal year 1999 and 2000 corresponds to the increase in capital arising out of the partial contribution of capital amounting to 565 million euros and to the increase in cash totalling 150 million euros decided by the General Assembly held 11 May 2001. Only the first increase was remunerated over fiscal periods 1999 and 2000 at the rates specified in the previous note, the effective payment of the second increase in capital having been made only at the end of May 2001.

The pro forma 1999 result was not integrated in the reserves over fiscal year 2000. No allocation to reserves for general banking risks were practised on these pro forma statements.

### ζ *Corporate taxes*

Corporate taxes were recalculated according to gross income deriving from the activities transferred to Compagnie Financière du Crédit Mutuel. Reintegrations and deductions done at the level of Compagnie Financière du CMB were analyzed in relation to its various activities: those pertaining to the activities transferred were recovered in the tax calculation of the new Compagnie Financière du Crédit Mutuel.

### ζ *General expenses*

Supplemental to the expenses directly linked to the activities, General expenses such as costs related to corporate community activities, fees, various income taxes and taxes ( Organic,..), were assessed for the year 1999 and 2000 using the expenses actually supported by Compagnie Financière du CMB.

### 3.1.4. Historical non-consolidated financial statements

#### Balance Sheet

<b>Assets (in thousands of euros)</b>	<b>2000</b>	<b>1999</b>
Cash, due from central banks and French postal system	148 596	321 558
Treasury bills and similar items	1 290 946	2 205 921
Due from banks	11 234 950	11 063 507
On demand	2 870 567	2 390 575
On time	8 364 383	8 672 932
Advances to customers	1 050 131	1 076 286
Discounted bills	22 293	20 728
Other customer loans	893 828	868 652
Customer current accounts receivable	134 010	186 906
Bonds and other fixed-interest securities	5 729 981	2 915 404
Shares and other dividend-bearing securities	65 849	51 213
Equity investments, portfolio activities	52 078	64 557
Equity in affiliated companies	379 453	325 307
Intangible assets	1 062	976
Tangible assets	28 252	28 307
Other assets	156 289	160 095
Sundry accounts and prepaid expenses	581 435	372 306
<b>Total assets</b>	<b>20 719 022</b>	<b>18 585 437</b>
<b>Off-balance sheet items (in thousands of euros)</b>	<b>2000</b>	<b>1999</b>
<b>Commitments received</b>		
Financing commitments		
from banks and financial institutions		
Guarantees received	10 396	31 368
from banks and financial institutions	8 723	9 782
From customers	1 673	21 586
Securities transactions	21 665	134 200
Securities sold under repurchase agreements		
Other commitments	21 665	134 200
<b>Financial futures instruments</b>	<b>17 153 256</b>	<b>13 826 575</b>

<b>Liabilities (in thousands of euros)</b>	<b>2000</b>	<b>1999</b>
Due to banks	8 227 203	7 727 300
On demand	410 294	270 157
On time	7 816 909	7 457 143
Customer deposits and related	3 548 675	3 618 448
Special savings accounts	3 214 492	3 244 549
On demand	450 573	438 845
On time	2 763 919	2 805 704
Other liabilities	334 183	373 899
On demand	49 751	46 927
On time	284 432	326 972
Debt represented by a security	7 733 980	6 063 572
Certificates of deposit	15 411	15 441
Interbank market instruments and negotiable debt instruments	7 065 515	5 848 131
Debenture loans	653 054	200 000
Other liabilities	35 398	62 734
Sundry accounts and unearned income	359 047	314 288
Provisions for contingencies and charges	29 268	32 839
Reserves for general banking risks	19 239	17 105
Subordinated debt	119 494	140 296
Subscribed capital	236 025	236 006
Additional paid-in capital	4 906	4 906
Reserves	363 884	328 497
Revaluation adjustments	4 059	4 059
Net income	37 844	35 387
<b>Total liabilities</b>	<b>20 719 022</b>	<b>18 585 437</b>
<b>Off-balance sheet items (in thousands of euros)</b>	<b>2000</b>	<b>1999</b>
<b><i>Commitments given</i></b>		
Financing commitments	1 078 490	837 648
to banks and financial institutions	509 639	507 289
in favor of customers	568 851	330 359
Guarantees	377 118	417 090
to banks and financial institutions	14 483	35 368
in favor of customers	362 635	381 722
Commitments on securities	225 255	210 634
Other commitments	225 255	210 634

## Statement of Income

(in thousands of euros)	2000	1999
<b>Operating income and expenses arising from banking activities</b>		
<i>Interest income and revenues</i>	975 698	799 499
Interest income and revenues arising from transactions with financial institutions	576 642	503 722
Interest income and revenues arising from transactions with customers	76 415	70 815
Interest income and revenues arising from bonds and other fixed-interest securities	322 515	224 810
Other interest income and revenues	126	152
<i>Interest expenses and related costs</i>	-919 170	-726 922
Interest expenses and related costs arising from transactions with financial institutions	-482 250	-397 039
Interest expenses and related costs arising from transactions with customers	-131 029	-147 749
Interest expenses and related costs arising from bonds and other fixed-interest securities	-303 268	-180 736
Other interest expenses and related costs	-2 623	-1 398
<i>Revenues from dividend-bearing securities</i>	17 073	15 414
<i>Commissions (income)</i>	50 629	43 900
<i>Commissions (expenses)</i>	-37 679	-34 265
<i>Gains on financial transactions</i>	1 291	2 493
Balance (gain) on trading security transactions	6	26
Balance (gain) on foreign exchange transactions	1 285	
Balance (gain) on financial futures transactions		2 467
<i>Losses on financial transactions</i>	-4 082	-7 084
Balance (loss) on transactions in securities available for sale	-3 727	-5 559
Balance (loss) on foreign exchange transactions		-1 525
Balance (loss) on financial futures transactions	-355	
<b>Other regular revenues and expenses</b>		
<i>Other operating income</i>	91 961	78 644
Other operating income arising from banking activities	2 270	2 058
Other operating income arising from other activities	89 691	76 586
<i>General operating expenses</i>	-108 895	-92 397
Personnel costs	-57 760	-50 683
General operating expenses	-51 135	-41 714
<i>Depreciation, amortization and provisions on tangible and intangible assets</i>	-2 348	-2 526
<i>Other operating expenses</i>	-1 536	-2 287
Other operating expenses from banking activities	-1 469	-1 656
Other operating expenses from other activities	-67	-631
<i>Balance (loss) of value adjustments on debt and off-balance sheet items</i>	-1 230	-1 677
<i>Balance (gain) of value adjustments on long-term investments</i>	-6 196	-13 535
<i>Surplus of allocation on releases of reserves for general banking risks</i>	-2 134	-1 738
<i>Pre-tax income</i>	53 382	57 519
<b>Income taxes</b>	-15 538	-22 132
<b>Net income</b>	37 844	35 387

## 3.2. Consolidated Financial Statements

### 3.2.1. Accounting principles and methods

The accounting principles and methods applied to the pro forma consolidated financial statements are identical as those used for the consolidated statements of Compagnie Financière du Crédit Mutuel de Bretagne presented in point 3.2.3.

The pro forma consolidated financial statements integrate the pro forma corporate financial statements of Compagnie Financière du Crédit Mutuel for fiscal year 1999 and 2000.

### 3.2.2. Scope of consolidation

The scope of consolidation applied to the pro forma consolidated financial statements 1999-2000 reflects the position following the institutional reform.

Company name	Activity	controlling %	Interest %
COMPAGNIE FINANCIERE DU CREDIT MUTUEL DE BRETAGNE	Holding and lending institution	Consolidating entity	
<b>Fully consolidated entities</b>			
ALCOR BANK LUXEMBOURG	Banking	79,9	80,0
ATLANCOURTAGE BRETAGNE	Insurance broker	96,0	84,7
BAIL ENTREPRISES	Real-estate leasing	99,9	99,9
BANQUE COMMERCIALE POUR LE MARCHE DE L'ENTREPRISE	Banking	79,7	79,7
BANQUE FEDERAL FINANCE	Banking	98,0	96,2
BANQUE PRIVEE EUROPEENNE	Banking	100,0	100,0
COMPAGNIE EUROPEENNE D'OPERATIONS IMMOBILIERES	Special purpose vehicle	100,0	100,0
ESPACE PATRIMOINE CONSEIL	Financial investment consultant	89,0	73,1
EUROBRETAGNE	Group services management center	100,0	100,0
EUROGERANCE	Real-estate fund management	65,8	65,7
FEDERAL GESTION	Mutual funds management	100,0	95,5
FEDERAL INVEST	Mutual funds management	100,0	98,1
FINANCO-SOFEMO	Sales point and consumer credit	57,7	57,7
FONCIERE INVESTISSEMENT	Real-estate investment	100,0	97,1
MURS II	Special purpose vehicle	100,0	100,0
SOBREPAR	Venture capital	95,3	95,3
SURAVENIR	Life insurance	81,6	81,7
SYMPHONIS	E-broker	100,0	100,0
SYNERGIE FINANCE	Venture capital	47,5	47,5
SYNERGIE FINANCE GESTION	Portfolios management	85,0	85,1
<b>Proportionate consolidation</b>			
INFOLIS	IT company	(*) 50,0	50,0
SURAVENIR ASSURANCES	Property, car and casual risk insurance	(*) 32,5	32,5
SURAVENIR ASSURANCES HOLDING	Insurance holding company	50,0	50,0
<b>Investments accounted for under the equity method</b>			
ACTA / CMB VOYAGES	Travel agency	40,0	40,0
BANQUE DE MARCHES ET D'ARBITRAGE	Investment banking	33,7	33,8
FEDERAL IMMO	Real-estate holding company	100,0	99,1
SODELEM	Leasing	27,0	27,0

(\*) Interest percentage, the controlling percentage not being representative in this case.

### 3.2.3. Historical consolidated financial statements

#### Balance Sheet

<b>Assets (in thousands of euros)</b>	<b>2 000</b>	<b>1 999</b>
Cash, due from central banks and French postal system	157 405	329 841
Treasury bills and similar items	1 290 946	2 205 921
Due from banks	8 364 606	8 324 396
On demand	2 835 790	2 400 607
On time	5 528 816	5 923 789
Advances to customers	4 938 080	4 436 394
Discounted bills	97 000	102 730
Other customer loans	4 478 057	4 052 411
Customer current accounts receivable	363 023	281 253
Leasing receivables	283 885	268 209
Bonds and other fixed-interest securities	5 633 455	2 828 922
Shares and other dividend-bearing securities	94 910	66 276
Investments held by insurance companies	10 016 619	9 029 092
Re-insurers' share in technical reserves	12 154	14 612
Investments in non-consolidated undertakings, other participating interests and equity securities held for long-term investment	54 380	65 064
Investments in companies carried under the equity method	72 897	70 035
Non-financial	11 015	10 742
Financial	61 882	59 293
Intangible assets	19 839	17 533
Tangible assets	63 649	61 227
Uncalled subscribed capital	1 322	621
Other assets	190 237	207 208
Other assets related to insurance activities	171 735	129 694
Sundry accounts and prepaid expenses	915 999	670 342
Goodwill	3 953	4 919
<b>Total assets</b>	<b>32 286 071</b>	<b>28 730 306</b>
<b>Off-balance sheet items (in thousands of euros)</b>	<b>2 000</b>	<b>1 999</b>
<b>Commitments received</b>		
Financing commitments	1 040	845
from banks and financial institutions	1 040	845
Guarantees received	101 477	83 467
from banks and financial institutions	101 477	83 467
Commitments received relating to insurance activities	782 601	785 746
Securities transactions	21 665	134 200
Securities sold under repurchase agreements		
Other commitments	21 665	134 200
<b>Financial futures instruments</b>	<b>16 752 618</b>	<b>13 395 832</b>

<b>Liabilities (in thousands of euros)</b>	<b>2 000</b>	<b>1 999</b>
Due to banks	8 548 735	7 931 688
On demand	419 940	275 462
On time	8 128 795	7 656 226
Customer deposits and related	3 838 019	3 677 229
Special savings accounts	3 284 609	3 274 189
On demand	511 225	458 439
On time	2 773 384	2 815 750
Other liabilities	553 410	403 040
On demand	350 592	288 509
On time	202 818	114 531
Debt represented by a security	7 542 714	5 993 278
Certificates of deposit	15 441	15 442
Interbank market instruments and negotiable debt instruments	7 018 243	5 724 608
Debenture loans	509 030	253 228
Technical reserves of insurance companies	10 595 358	9 488 305
Other liabilities	103 102	104 241
Other liabilities related to insurance activities	37 630	46 125
Sundry accounts and unearned income	529 586	467 533
Provisions for contingencies and charges	56 657	52 370
Reserves for general banking risk	24 851	22 669
Subordinated debt	149 589	170 397
Subscribed capital	236 025	236 006
Additional paid-in capital	4 906	4 906
Consolidated retained earnings	538 140	467 711
CFCMB's share	441 352	380 729
Minority interests	96 788	86 982
Net income for the year	80 759	67 848
CFCMB's share	70 754	59 225
Minority interests	10 005	8 623
<b>Total</b>	<b>32 286 071</b>	<b>28 730 306</b>

<b>Off-balance sheet items (in thousands of euros)</b>	<b>2 000</b>	<b>1 999</b>
<b>Commitments given</b>		
Financing commitments	1 327 320	870 032
to banks and financial institutions	5 737	1 097
in favor of customers	1 321 583	868 935
Guarantees	466 632	524 536
to banks and financial institutions	10 882	38 824
in favor of customers	455 750	485 712
Commitments given relating to insurance activities		10 000
Commitments on securities	225 255	210 634
Other commitments	225 255	210 634



## Statement of Income

(in thousands of euros)	2 000	1 999
<b>Operating income and expenses arising from banking activities</b>		
<i>Interest income and revenues</i>	1 127 725	923 099
Interest income and revenues arising from transactions with financial institutions	457 218	383 085
Interest income and revenues arising from transactions with customers	293 325	276 944
Interest income and revenues arising from bonds and other fixed-interest securities	317 774	218 898
Gains on leasing receivables and related revenues	58 893	43 970
Other interest income and revenues	515	202
<i>Interest expenses and related costs</i>	-932 394	-724 878
Interest expenses and related costs arising from transactions with financial institutions	-485 078	-403 178
Interest expenses and related costs arising from transactions with customers	-122 198	-118 581
Interest expenses and related costs arising from bonds and other fixed-interest securities	-284 939	-171 162
Interest expenses and related costs arising from leasing receivables	-37 556	-30 559
Other interest expenses and related costs	-2 623	-1 398
<i>Revenues from dividend-bearing securities</i>	3 194	1 619
<i>Commissions (income)</i>	92 718	72 113
<i>Commissions (expenses)</i>	-44 267	-39 680
<i>Gains on financial transactions</i>	1 871	6 067
Balance (gain) on trading security transactions	83	430
Balance (gain) on transactions in securities available for sale		
Balance (gain) on foreign exchange transactions	1 788	
Balance (gain) on financial futures transactions		5 637
<i>Losses on financial transactions</i>	-3 622	-6 958
Balance (loss) on trading security transactions		
Balance (loss) on transactions in securities available for sale	-3 496	-6 040
Balance (loss) on foreign exchange transactions		-918
Balance (loss) on financial futures transactions	-126	
<b>Technical and financial margins on insurance activities</b>	<b>56 427</b>	<b>43 770</b>
<b>Other business revenues</b>	<b>18 033</b>	<b>18 165</b>
<b>Other regular revenues and expenses</b>		
<i>Other operating income</i>	110 848	105 856
Other operating income arising from banking activities	11 233	12 688
Other operating income arising from other activities	99 615	93 168
<i>General operating expenses</i>	-236 888	-214 753
Personnel costs	-106 425	-95 290
General operating expenses	-130 463	-119 463
<i>Depreciation, amortization and provisions on tangible and intangible assets</i>	-11 985	-8 957
<i>Other operating expenses</i>	-17 678	-19 966
Other operating expenses from banking activities	-6 071	-7 060
Other operating expenses from other activities	-11 607	-12 906
<i>Balance (loss) of value adjustments on debt and off-balance sheet items</i>	-34 125	-38 846
<b>Share in net income of companies accounted for under the equity method</b>	<b>2 331</b>	<b>2 415</b>
<i>Non-financial</i>	299	380
<i>Financial</i>	2 032	2 035
<b>Net income</b>	<b>80 759</b>	<b>67 848</b>
<i>CFCMB's share</i>	70 754	59 225
<i>Minority interests</i>	10 005	8 623

**LIMITED REVIEW REPORT OF THE STATUTORY AUDITORS ON  
THE NON-CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2001**

We have performed a limited review of the accompanying interim financial statements of Compagnie Financière du Crédit Mutuel for the six months period beginning 1 January 2001 and ending 30 June 2001. These interim financial statements have been prepared using the Euros.

All information included in these financial statements is the representation of the Management of Compagnie Financière du Crédit Mutuel. Our responsibility is to express our conclusion on these interim financial statements based on our limited review.

We conducted our limited review in accordance with French generally accepted review standards. A limited review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with French generally accepted auditing standards, the objective of which is the expression of an opinion regarding the interim financial statements taken as a whole. Accordingly we do not express such an opinion.

Based on our limited review we are not aware of any material modification that should be made to the accompanying interim financial statements in order for them to be in conformity with accounting principles generally accepted in France.

As discussed in Note 1.2, the Company has changed the presentation of its proforma financial statements in accordance with French rule CRC 2000-03.

*Paris and Brest October 22, 2001*

The statutory auditors

**MAZARS & GUERARD**

**SA STERENN**

Jean-Gabriel Rangeon

Gérard Vincent-Genod

Patrick Franchet

**NON-CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2001**

**Balance Sheet**

<b>Assets (in thousands of euros)</b>	<b>30/06/2001</b>
Cash, due from central banks and French postal system	98 244
Treasury bills and similar items	1 320 865
Due from banks	5 678 212
Customers items	239 726
Bonds and other fixed-interest securities	6 106 340
Shares and other dividend-bearing securities	69 736
Equity investments and equity securities held for long-term investments	47 991
Equity in affiliated companies	390 175
Other assets	141 421
Sundry accounts and prepaid expenses	173 772
<b>Total assets</b>	<b>14 266 482</b>

<b>Liabilities (in thousands of euros)</b>	<b>30/06/2001</b>
Due to banks	4 629 891
Customers items	447 527
Debt represented by a security	8 134 245
Other liabilities	38 204
Sundry accounts and unearned income	158 621
Provisions for contingencies and charges	51
Subordinated debt	124 446
Shareholder's equity	
Subscribed capital	715 000
Net income	18 497
<b>Total liabilities</b>	<b>14 266 482</b>

<b>Off-balance sheet items (in thousands of euros)</b>	<b>30/06/2001</b>
<b>Commitments given</b>	
Financing commitments	869 497
Guarantees given	224 026
Commitments on securities	99 873
<b>Commitments received</b>	
Financing commitments	218 000
Guarantees received	9 166
Securities transactions	27 210
<b>Financial futures instruments</b>	<b>17 148 906</b>

## Statement of Income

<i>(in thousands of euros)</i>	<b>30/06/2001</b>
Interest income and revenues	406 528
Interest expenses and related costs	-393 393
Revenues form dividend-bearing securities	18 410
Commissions (income)	2 990
Commissions (expenses)	-2 523
Net gains on sales of trading account securities	-2 631
Net gains on sales of securities available for sale	-4 332
Other operating income arising from banking activities	10
Other operating expenses from banking activities	-23
<b>NET BANKING INCOME</b>	<b>25 036</b>
Operating expenses	-2 873
<b>GROSS OPERATING INCOME</b>	<b>22 163</b>
Net additions to provisions for credit risks	-100
<b>OPERATING INCOME</b>	<b>22 063</b>
Gains (losses) on disposals of long-term investments and changes in provisions	-1 418
<b>INCOME BEFORE TAX</b>	<b>20 645</b>
Income taxes	-2 148
<b>NET INCOME</b>	<b>18 497</b>

## Notes to semi annual non consolidated financial statements

### Preamble

Compagnie Financière du Crédit Mutuel emerged from the financial and juridical organization reform of CMB-CMSO undertaken during the first two quarters of 2001. The objective of this reform was to:

- Appoint Caisse Interfédérale de Crédit Mutuel (CICM) as the pivotal entity of CMB-CMSO,
- Organize the Group around two main areas :
  - one area of cooperative and mutualist status including the local branches and federations of Crédit Mutuel de Bretagne and of Crédit Mutuel du Sud-Ouest and Caisse Interfédérale de Crédit Mutuel clearly controlling the Group as a whole,
  - one area comprising companies governed by ordinary law integrating Compagnie Financière du Crédit Mutuel (now a subsidiary of Caisse Interfédérale de Crédit Mutuel) and all of its subsidiaries.

In this framework, the operation legally translates into:

- the absorption of CICM (first in name) by Compagnie Financière du Crédit Mutuel de Bretagne now known as "Caisse Interfédérale de Crédit Mutuel" (second in name),
- the creation, from SA Eurobretagne VI, of "Compagnie Financière du Crédit Mutuel" whose holding activities and market operations were transferred from CICM, by partial contribution of capital. Eurobretagne VI was specifically created for this operation in November 2000 and had no activities during 2000. Its balance sheet as at 31 December 2000 is presented in point 2.8.

This restructuring as a whole, approved by the entities concerned at the special general assemblies, held in April and May 2001, came into effect retroactively on 1 January 2001.

In order to provide additional financial information, pro forma financial statements for the periods ended 30 June 2000 and 31 December 2000 have been included along with the 30 June 2001 financial statements of Compagnie Financière du Crédit Mutuel, and are presented hereafter. A description of the methods used for the preparation of the pro forma statements is found in point 1.2.

**Balance sheet**

<i>Assets (in thousands of euros)</i>	<i>30/06/2001</i>	<i>31/12/2000 pro forma</i>
Cash, due from central banks and French postal system	98 244	127 643
Treasury bills and similar items	1 320 865	1 290 946
Due from banks	5 678 212	5 035 417
Customers items	239 726	235 131
Bonds and other fixed-interest securities	6 106 340	5 722 882
Shares and other dividend-bearing securities	69 736	64 471
Equity investments and equity securities held for long-term investments	47 991	48 511
Equity in affiliated companies	390 175	370 697
Other assets	141 421	13 132
Sundry accounts and prepaid expenses	173 772	54 348
<b>Total assets</b>	<b>14 266 482</b>	<b>12 963 178</b>

<i>Liabilities (in thousands of euros)</i>	<i>30/06/2001</i>	<i>31/12/2000 pro forma</i>
Due to banks	4 629 891	4 233 903
Customers items	447 527	204 362
Debt represented by a security	8 134 245	7 534 290
Other liabilities	38 204	13 132
Sundry accounts and unearned income	158 621	116 931
Provisions for contingencies and charges	51	161
Subordinated debt	124 446	119 494
Shareholder's equity		
Subscribed capital	715 000	715 000
Net income	18 497	25 905
<b>Total liabilities</b>	<b>14 266 482</b>	<b>12 963 178</b>

<i>Off-balance sheet items (in thousands of euros)</i>	<i>30/06/2001</i>	<i>31/12/2000 pro forma</i>
<b>Commitments given</b>		
Financing commitments	869 497	1 024 424
Guarantees given	224 026	182 255
Commitments on securities	99 873	225 255
<b>Commitments received</b>		
Financing commitments	218 000	
Guarantees received	9 166	8 643
Securities transactions	27 210	21 665
<b>Financial futures instruments</b>	<b>17 148 906</b>	<b>17 153 256</b>

## Statement of Income

<i>(in thousands of euros)</i>	<i>30/06/2001</i>	<i>30/06/2000 pro forma</i>	<i>31/12/2000 pro forma</i>
Interest income and revenues	406 528	292 855	675 403
Interest expenses and related costs	-393 393	-272 156	-643 562
Revenues from dividend-bearing securities	18 410	15 969	16 752
Commissions (income)	2 990	2 450	4 747
Commissions (expenses)	-2 523	-1 369	-2 482
Net gains on sales of trading account securities	-2 631	-665	1 165
Net gains on sales of securities available for sale	-4 332	-3 467	-3 727
Other operating income arising from banking activities	10	29	63
Other operating expenses from banking activities	-23	-3	-474
<b>NET BANKING INCOME</b>	<b>25 036</b>	<b>33 643</b>	<b>47 885</b>
Operating expenses	-2 873	-3 009	-6 143
<b>GROSS OPERATING INCOME</b>	<b>22 163</b>	<b>30 634</b>	<b>41 742</b>
Net additions to provisions for credit risks	-100	0	-161
<b>OPERATING INCOME</b>	<b>22 063</b>	<b>30 634</b>	<b>41 581</b>
Gains (losses) on disposals of long-term investments and changes provisions	-1 418	-5 106	-6 214
<b>INCOME BEFORE TAX</b>	<b>20 645</b>	<b>25 528</b>	<b>35 367</b>
Income taxes	-2 148	-6 080	-9 462
<b>NET INCOME</b>	<b>18 497</b>	<b>19 448</b>	<b>25 905</b>

## **1. ACCOUNTING PRINCIPLES AND EVALUATION METHODS**

The semi-annual financial statements of Compagnie Financière du Crédit Mutuel are presented in compliance with the new rule n° 00-03 established by the Accounting Regulation Committee.

### **Semi-annual closing of accounts**

The semi-annual financial statements have been prepared in accordance with Recommendation n° 2001-R.01 of the National Accounting Council dated 26 June 2001 pertaining to the semi-annual closing of accounts of businesses which come under the French Banking Regulation Committee. The principles and methods applied to the semi-annual closing of accounts are identical to those used for the annual financial statements, subject to the provisions set out in the Recommendation.

### **Principles and evaluation methods adopted for the annual financial statements**

The main options and evaluation methods retained for this first semi-annual closing of accounts of Compagnie Financière du Crédit Mutuel are presented below:

- **General principles**

The financial statements of Compagnie Financière du Crédit Mutuel de Bretagne have been prepared in accordance with the generally accepted accounting principles as well as the regulatory provisions applicable to banks in France.

- **Securities Portfolio**

Securities transactions are accounted for in accordance with rule 90-01 of the French Banking Regulation Committee and rule 00-02 of the Accounting Regulation Committee.

#### **Trading securities**

Trading securities are recorded at their cost price, accrued interest and charges included. At each year-end, these securities are revalued at their market price, the appraisal increment being recorded on a statement of profit and loss.

#### **Securities available for sale**

Bonds are recorded at cost excluding acquisition costs and accrued interest. Accrued interest at acquisition date is recorded as “Interest purchased”. At year-end net accrued interest is recognized as income. Money market securities are recorded at cost, including accrued interest.

The difference between the acquisition price and the redemption price is amortized over the remaining life of the securities. The straight-line method applies to bonds and the actuarial method for money market securities.

Securities available for sale that do not fall under a hedging strategy give rise to a reserve from the moment their market value is less than their book value. Unrealized capital gains are not recorded.



## **Investment securities**

Securities recorded as investment securities are backed either with long-term resources assigned to the financing of these securities or to interest rate hedging instruments. Backing resources can include stockholders' equity within the limit of stockholders' equity after investments, subordinated debts and other fixed assets have been deducted. The depreciation rule of the difference between the acquisition price and the redemption price is identical to that which is applied to securities held for sale. Unrealized capital losses resulting from the difference in book value and the market price are not provided for. Only the risk of issuer credit failure can constitute a provision.

## **Securities bought and sold under repurchase agreements**

Securities bought and sold under repurchase agreements are kept in the assets of CMB-CMSO and are valued according to the rules applying to the category they belong. Assignee debt is accounted for as liability.

## **Equity Securities held for long-term investment**

"Equity securities held for long-term investment" are shares or related instruments that are held with the intention of furthering the development of lasting business relationships by establishing special ties with the issuing company without, however, actively participating in the management of the said company due to the low number of voting rights linked to these securities.

Equity securities held for long-term investment are valued at the lower cost of either the acquisition cost or the fair value.

## **Equity investments and equity in affiliated companies**

Equity investments and equity in affiliated companies are composed of shares and related instruments for which durable possession is deemed useful to the development of the company and which enable the investor to exert significant influence over the issuer or ensure control of the issuing company. This influence is presumed when a controlling percentage is greater to or equal to 10%.

Equity investment and equity in affiliated companies are stated at the lower cost of either the acquisition cost or the fair value.

- **Accounting for derivative instruments and hedging activities**

Financial instruments are recorded in accordance with rules 88-02 from 22 February 1988, 90-15 from 18 December 1990 (as amended by rule 92-04 on 17 July 1992) and rule 94-04 from 14 March 1994 of the French Banking Regulations Committee.

Off-balance sheet commitments on future financial instruments are recorded at their face value. This total only gives an indication of the volume of transactions in progress at the end of the fiscal year, and does not reflect the market risks for these instruments.

## **Interest rate instruments**

- **Organized markets**

Future market contracts are revalued at the end of each fiscal year at their market value. Income and expenses relating to hedging operations are applied symmetrically to those arising in connection with the item hedged. For stand-alone positions, the gains and losses shown in the revaluation are directly recorded in the statement of profit and loss.

- **Principal-to-principal markets**

The exchange contracts of interest rates (swaps) and future rate agreements (“FRA”) are recognized pro rata temporis over their respective life. Income and expenses related to a single contract are netted.

Accrued interest and premiums on options contracts (cap, floor, collar) are recorded pro rata temporis.

Isolated open positions are re-valued according to the “zero coupon” method and unrealized capital losses are covered by a reserve for contingencies and charges.

## **Currency swaps**

With regard to currency swaps, the exchange rate difference arising from the valuation of the swap is recorded, at each balance sheet date, as income or expense.

For foreign currency option contracts, premiums are spread out over the duration of the contract. When the option reaches maturity, currencies are either bought or sold.

- **Foreign currency transactions**

In accordance with rule 89-01 of the French Banking Regulation Committee, assets, liabilities and off balance sheet items denominated in foreign currencies are assessed at the prevailing year-end exchange rate. Forward exchange commitments follow the same method.

## **Provisions used in the preparation of the semi-annual financial statements**

These provisions mainly concern the determination of the:

- **income tax expense:**

the income tax expense for the six-month period is evaluated using the income for the six-month period before income taxes to which is applied the projected average income tax rate calculated on a yearly basis. The other income taxes and taxes such as the business tax and the real property tax are spread pro rata temporis.

- **personnel costs:**

Profit sharing and incentive scheme are determined on a pro rata temporis basis using annual expense projections. The other personnel costs are however determined according to the rule of acquired rights.

The seasonal or cyclic income received such as dividends are stated at acquisition cost without being distributed over the financial period.

No significant changes were brought to the methods or assessments used for this semi-annual closing.

### **Pro forma financial statements**

The accounting principles and evaluation methods used in preparing the pro forma financial statements are identical to those used for the historical statements. The preparation of these pro forma financial statements was based on the historical financial statements of Compagnie Financière du CMB. Initially prepared according to rule 91/01 of the French Banking Regulation Committee, the pro forma financial statements were restated according to the new presentation enacted by rule 2000-03 of the CRC. These pro forma financial statements do not necessarily reflect the financial position or performance that would have been observed had the transaction or event occurred at an earlier date than the date on which it actually happened or was anticipated.

### **General scheme**

The pro forma financial statements of Compagnie Financière du Crédit Mutuel were prepared using analytical data pertaining to the holding activities and market activities as they appeared in the accounting system of the transferring company. For the year 2000, the balance sheet and off-balance sheet items were recovered from the partial contribution agreement. As for expenses and revenues arising out of these activities for the year 2000 as well as all financial statements for the six-month period ended 2000 June, 30, their reconstitution was done using analytical accounting data.

### **Restatements**

- **Treasury remuneration**

The treasury resulting from the difference between the assets and liabilities transferred by CICM was remunerated over both the 1999 and 2000 periods by applying to the average outstanding amounts the 3-month Euribor rate plus signing and remuneration costs of Compagnie Financière du Crédit Mutuel. This remuneration comes under the sole specific agreement entered into by CICM and Compagnie Financière du Crédit Mutuel, which is used in the determination of these pro forma statements.

- **Shareholders' equity**

Shareholders' equity stated in the balance sheet as at June 30, 2000 and December 31, 2000 corresponds to the increase in capital arising out of the partial contribution of capital amounting to 565 million euros and to the increase in cash totaling 150 million euros decided by the General Assembly held May 11, 2001. Only the first increase was remunerated over fiscal period 2000 at the rates specified in the previous note, the effective payment of the second increase in capital having been made only at the end of May 2001. No allocations to the reserves for general banking risks were made for these pro forma financial statements.

- **Corporate taxes**

Corporate taxes were recalculated according to gross income deriving from the activities transferred to Compagnie Financière du Crédit Mutuel. Reintegrations and deductions done at the level of Compagnie Financière du CMB were analyzed in relation to its various activities: those pertaining to the activities transferred were recovered in the tax calculation of the new Compagnie Financière du Crédit Mutuel.

- **General expenses**

Supplemental to the expenses directly linked to the activities, General expenses such as costs related to corporate community activities, fees, various income taxes and taxes (Organic,...), were assessed for the year 1999 and 2000 using the expenses actually supported by Compagnie Financière du CMB.

## 2. SUPPLEMENTARY INFORMATION

### Shareholders' equity excluding Reserves for general banking risks

(in thousands of euros)

	30/06/2001
CAPITAL	715 000

The capital is composed of 71,500,000 shares valued at 10 euros per share.

### Revenues received on a seasonal or cyclical basis

As at June 30, 2001, the major part of the dividends which Compagnie Financière will receive from its subsidiaries during financial year 2001 have been recorded in the financial statements of Compagnie Financière.

(in thousands of euros)

	30/06/2001	30/06/2000 pro forma	31/12/2000 pro forma
DIVIDENDS	17 734	15 163	15 289

## Debenture loans

### *SITUATION AS AT 30 JUNE 2001*

DATE OF ISSUE	AMOUNT (in thousands of euros)	TYPE	TERM	RATE
04/05/99	200 000	International bonds	5 years	Euribor 3 months + 0,15
07/06/00	300 000	International bonds	10 years	Euribor 3 months + 0,27
15/12/00	150 000	International bonds	10 years	6%

## Scope of activity

No significant changes occurred with regard to holding activities and capital markets activities during the first two quarters of 2001.

## Intercompany transactions

With regard to affiliated companies, the main activity carried on by Compagnie Financière consisted in the financing of such companies. In this respect, Compagnie Financière reinforced the financing of Caisse Interfédérale de Crédit Mutuel.

## Major events

There were no major events.

## Subsequent events

In a stock market context disturbed by the September 11, 2001 attacks, Compagnie Financière du Crédit Mutuel took immediate action by putting into place the necessary hedges on its equity holdings whose loss in value remained within the limits authorized by the Board of Directors. Furthermore, CFCM has few commitments with regard to American considerations and in sectors particularly affected by the current crisis (namely the aeronautical industry). The exposure of CFCM to foreign currency risks is low.

## Historical financial statements of Eurobretagne VI as at 31 December 2000

in thousands of euros

<b>Assets</b>		<b>Liabilities</b>	
Cash flow	40	Capital stock	40
<b>Total assets</b>	<b>40</b>	<b>Total liabilities</b>	<b>40</b>

**LIMITED REVIEW REPORT OF THE STATUTORY AUDITORS ON THE  
CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2001**

We have performed a limited review of the accompanying consolidated interim financial statements of Compagnie Financière du Crédit Mutuel for the six months period beginning January 1, 2001 and ending June 30, 2001. These consolidated interim financial statements have been prepared using the Euros.

All information included in these financial statements is the representation of the Management of Compagnie Financière du Crédit Mutuel. Our responsibility is to express our conclusion on these consolidated interim financial statements based on our limited review.

We conducted our limited review in accordance with French generally accepted review standards. A limited review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with French generally accepted auditing standards, the objective of which is the expression of an opinion regarding the consolidated interim financial statements taken as a whole. Accordingly we do not express such an opinion.

Based on our limited review we are not aware of any material modification that should be made to the accompanying consolidated interim financial statements in order for them to be in conformity with accounting principles generally accepted in France.

As discussed in Note 3, the Company has changed the presentation of its proforma consolidated financial statements in accordance with French rule CRC 2000-03.

*Paris and Brest October 22, 2001*

The statutory auditors

**MAZARS & GUERARD**

**SA STERENN**

\_\_\_\_\_  
Jean-Gabriel Rangeon

\_\_\_\_\_  
Gérard Vincent-Genod

\_\_\_\_\_  
Patrick Franchet

**CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2001**

**Balance sheet**

<b>Assets (in thousands of euros)</b>	<b>30/06/2001</b>
Interbank and money market items	3 982 820
Customers items	4 668 648
Bonds, shares and other fixed interest securities and dividend-bearing securities	6 112 188
Investments held by insurance companies	11 092 608
Investments in non consolidated undertakings, other participating interest and equity securities held for long term instruments	84 280
Tangible and intangible assets	62 621
Goodwill	3 469
Sundry accounts, prepaid expenses and other assets	694 548
<b>Total assets</b>	<b>26 701 182</b>
<hr/>	
<b>Liabilities (in thousands of euros)</b>	<b>30/06/2001</b>
Interbank and money market items	4 889 888
Customers items	793 787
Debt represented by a security	7 813 766
Technical reserves of insurance companies	10 954 125
Sundry accounts, unearned income and other liabilities	1 152 505
Provisions for contingencies and charges	20 904
Subordinated debt	153 759
Reserves for general banking risks	5 133
Minority interest	103 731
Shareholder's equity	813 584
Subscribed capital	715 000
Consolidated retained	73 186
Net income	25 398
<b>Total liabilities</b>	<b>26 701 182</b>
<hr/>	
<b>Off-balance sheet items (in thousands of euros)</b>	<b>30/06/2001</b>
<b>Commitments given</b>	<b>1 641 625</b>
Commitments given from banking activities	
Financing commitments received	1 197 954
Guarantees given	343 798
Commitments on securities	99 873
Insurance company commitments	
<b>Commitments received</b>	<b>1 138 570</b>
Commitments received from banking activities	
Financing commitments received	218 682
Guarantees received	124 288
Securities transactions	27 210
Insurance company commitments	768 390
<b>Financial futures instruments</b>	<b>18 666 186</b>

## Statement of income

(in thousands of euros)	30/06/2001
Interest income and revenues	475 975
Interest expenses and related costs	-402 469
Revenues from dividend-bearing securities	1 880
Net commissions	28 884
Net losses on sales of trading account securities	-2 401
Net losses on sales of securities available for sale	-4 208
Other net operating income (expense) arising from banking activities	2 950
Technical and financial margins on insurance activities	40 021
<b>Net banking income</b>	<b>140 632</b>
General operating expenses	-82 896
Depreciation, amortization and provisions on tangible and intangible assets	-4 783
<b>Gross operating income</b>	<b>52 953</b>
Risk-related costs	-7 205
<b>Operating income</b>	<b>45 748</b>
Share in net income of companies accounted for under the equity method	659
Gains or losses on disposals of long-term investments	-868
<b>Income before tax</b>	<b>45 539</b>
Income taxes	-15 667
Amortization of goodwill	-483
Mouvements in the reserve for general banking risks	382
Minority interest	-4 373
<b>Net income - CFCM's share</b>	<b>25 398</b>



## Notes to consolidated semi-annual financial statements

### Preamble

Compagnie Financière du Crédit Mutuel emerged from the financial and juridical organization reform of CMB-CMSO undertaken during the first two quarters of 2001. The objective of this reform was to:

- Appoint Caisse Interfédérale de Crédit Mutuel (CICM) as the pivotal entity of CMB-CMSO,
- Organize the Group around two main areas :
  - one area of cooperative and mutualist status including the local branches and federations of Crédit Mutuel de Bretagne and of Crédit Mutuel du Sud-Ouest and Caisse Interfédérale de Crédit Mutuel clearly controlling the Group as a whole,
  - one area comprising companies governed by ordinary law integrating Compagnie Financière du Crédit Mutuel (now a subsidiary of Caisse Interfédérale de Crédit Mutuel) and all of its subsidiaries.

In this framework, the operation legally translates into:

- the absorption of CICM (first in name) by Compagnie Financière du Crédit Mutuel de Bretagne now known as "Caisse Interfédérale de Crédit Mutuel" (second in name),
- the creation, from SA Eurobretagne VI, of "Compagnie Financière du Crédit Mutuel" whose holding activities and market operations were transferred from CICM, by partial contribution of capital. Eurobretagne VI was specifically created for this operation in November 2000 and had no activities during 2000.

This restructuring as a whole, approved by the entities concerned at the special general assemblies, held in April and May 2001, came into effect retroactively on 1 January 2001.

In order to provide additional financial information, pro forma financial statements for the periods ended 30 June 2000 and 31 December 2000 have been included along with the 30 June 2001 financial statements of Compagnie Financière du Crédit Mutuel, and are presented hereafter. A description of the methods used for the preparation of the pro forma statements is found in point 3.

## Balance Sheet

<b>Assets (in thousands of euros)</b>	<b>30/06/2001</b>	<b>31/12/2000 pro forma</b>
Interbank and money market items	3 982 820	3 593 064
Customers items	4 668 648	4 406 958
Bonds, shares and other fixed interest securities and dividend-bearing securities	6 112 188	5 725 297
Investments held by insurance companies	11 092 608	10 016 953
Investments in non consolidated undertakings, other participating interest and equity securities held for long term instruments	84 280	62 126
Tangible and intangible assets	62 621	62 921
Goodwill	3 469	3 952
Sundry accounts, prepaid expenses and other assets	694 548	646 004
<b>Total assets</b>	<b>26 701 182</b>	<b>24 517 275</b>

<b>Liabilities (in thousands of euros)</b>	<b>30/06/2001</b>	<b>31/12/2000 pro forma</b>
Interbank and money market items	4 889 888	4 557 060
Customers items	793 787	494 469
Debt represented by a security	7 813 766	7 346 210
Technical reserves of insurance companies	10 954 125	10 595 815
Sundry accounts, unearned income and other liabilities	1 152 505	419 324
Provisions for contingencies and charges	20 904	30 136
Subordinated debt	153 759	149 588
Reserves for general banking risks	5 133	5 515
Minority interest	103 731	97 108
Shareholder's equity	813 584	822 050
Subscribed capital	715 000	715 000
Consolidated retained	73 186	45 163
Net income	25 398	61 887
<b>Total liabilities</b>	<b>26 701 182</b>	<b>24 517 275</b>

<b>Off-balance sheet items (in thousands of euros)</b>	<b>30/06/2001</b>	<b>31/12/2000 pro forma</b>
<b>Commitments given</b>	<b>1 641 625</b>	<b>1 796 574</b>
Commitments given from banking activities		
Financing commitments received	1 197 954	1 273 252
Guarantees given	343 798	298 067
Commitments on securities	99 873	225 255
Insurance company commitments		
<b>Commitments received</b>	<b>1 138 570</b>	<b>919 263</b>
Commitments received from banking activities		
Financing commitments received	218 682	1 040
Guarantees received	124 288	127 694
Securities transactions	27 210	21 664
Insurance company commitments	768 390	768 865
<b>Financial futures instruments</b>	<b>18 666 186</b>	<b>16 752 618</b>

## Statement of Income

(in thousands of euros)	30/06/2001	30/06/2000 pro forma	31/12/2000 pro forma
Interest income and revenues	475 975	350 283	802 858
Interest expenses and related costs	-402 469	-267 427	-631 445
Revenues from dividend-bearing securities	1 880	1 866	3 248
Net commissions	28 884	27 252	45 005
Net losses on sales of trading account securities	-2 401	1 021	1 750
Net losses on sales of securities available for sale	-4 208	-3 479	-3 576
Other net operating income (expense) arising from banking activities	2 950	4 504	16 567
Technical and financial margins on insurance activities	40 021	41 456	61 069
<b>Net banking income</b>	<b>140 632</b>	<b>155 476</b>	<b>295 476</b>
General operating expenses	-82 896	-79 036	-141 212
Depreciation, amortization and provisions on tangible and intangible assets	-4 783	-3 696	-9 069
<b>Gross operating income</b>	<b>52 953</b>	<b>72 744</b>	<b>145 195</b>
Risk-related costs	-7 205	-10 826	-33 056
<b>Operating income</b>	<b>45 748</b>	<b>61 918</b>	<b>112 139</b>
Share in net income of companies accounted for under the equity method	659	42	282
Gains or losses on disposals of long-term investments	-868	229	4 272
<b>Income before tax</b>	<b>45 539</b>	<b>62 189</b>	<b>116 693</b>
Income taxes	-15 667	-25 991	-46 428
Amortization of goodwill	-483	-483	
Movements in the reserve for general banking risks	382	556	122
Minority interest	-4 373	-4 491	-8 500
<b>Net income - CFCM's share</b>	<b>25 398</b>	<b>31 780</b>	<b>61 887</b>

The consolidated financial statements of Compagnie Financière du Crédit Mutuel Group have been prepared in compliance with accounting principles applied to French Credit Institutions. The semi-annual consolidated financial statements of Compagnie Financière du Crédit Mutuel Group are presented in compliance with the new rule n° 00-04 established by the Accounting Regulation Committee.

## **1. PRINCIPLES OF CONSOLIDATION**

Consolidation principles used in this semi-annual financial are identical to those used for the annual financial statements.

For this first semi-annual closing of accounts of Compagnie Financière du Crédit Mutuel Group these principles are presented below.

### **1.1 Consolidation criteria**

Companies that are not material for consolidation are excluded from the scope of consolidation..

#### *ζ Fully consolidated companies*

Companies under sole control are fully consolidated. Sole control is assumed from the moment that CFCM holds, directly or indirectly, at least 40% of the voting rights for the company and provided that no other associate or shareholder possesses, directly or indirectly, a larger percentage. This rule applies to financial companies and also to companies whose operations are a continuation of the banking and financial sectors, for example insurance companies and property development companies.

#### *ζ Companies consolidated by the proportionate method*

Companies, for which CFCM ensures joint control with a limited number of shareholders, are consolidated under the proportionate method.

#### *ζ Companies accounted for under the equity method*

Companies under significant influence and those under sole or joint control, whose operations are not a continuation of the banking and financial sectors, are accounted for under the equity method. Significant influence is assumed when CFCM holds, directly or indirectly, at least 20% of the voting rights for this company.

## Scope of consolidation of the Group as of 30 June 2001:

Company name	Activity	controlling %	Interest %
COMPAGNIE FINANCIERE DU CREDIT MUTUEL DE BRETAGNE	Holding and lending institution		Consolidating entity
<b>Fully consolidated entities</b>			
ALCOR BANK LUXEMBOURG	Banking	79,9	80,0
ATLANCOURTAGE BRETAGNE	Insurance broker	96,0	84,7
BAIL ENTREPRISES	Real-estate leasing	99,9	99,9
BANQUE COMMERCIALE POUR LE MARCHE DE L'ENTREPRISE	Banking	79,7	79,7
BANQUE FEDERAL FINANCE	Banking	98,0	96,2
BANQUE PRIVEE EUROPEENNE	Banking	100,0	100,0
COMPAGNIE EUROPEENNE D'OPERATIONS IMMOBILIERES	Special purpose vehicle	100,0	100,0
ESPACE PATRIMOINE CONSEIL	Financial investment consultant	89,0	73,1
EUROBRETAGNE	Group services management center	100,0	100,0
EUROGERANCE	Real-estate fund management	65,8	65,7
FEDERAL GESTION	Mutual funds management	100,0	95,5
FEDERAL INVEST	Mutual funds management	100,0	98,1
FINANCO-SOFEMO	Sales point and consumer credit	57,7	57,7
FONCIERE INVESTISSEMENT	Real-estate investment	100,0	97,1
MURS II	Special purpose vehicle	100,0	100,0
SOBREPAR	Venture capital	95,3	95,3
SURAVENIR	Life insurance	81,6	81,7
SYMPHONIS	E-broker	100,0	100,0
SYNERGIE FINANCE	Venture capital	47,5	47,5
SYNERGIE FINANCE GESTION	Portfolios management	85,0	85,1
<b>Proportionate consolidation</b>			
INFOLIS	IT company	(*) 50,0	50,0
SURAVENIR ASSURANCES	Property, car and casual risk insurance	(*) 32,5	32,5
SURAVENIR ASSURANCES HOLDING	Insurance holding company	50,0	50,0
<b>Investments accounted for under the equity method</b>			
ACTA / CMB VOYAGES	Travel agency	40,0	40,0
BANQUE DE MARCHES ET D'ARBITRAGE	Investment banking	33,7	33,8
FEDERAL IMMO	Real-estate holding company	100,0	99,1
SODELEM	Leasing	27,0	27,0
(*) Interest percentage , the controlling percentage not being representative in this case .			

The scope of consolidation was applied to the 30 June 2001 semi annual consolidated financial statements and to the 30 June 2001 and 31 december 2001 pro forma consolidated financial statements.

## 1.2. Goodwill arising on consolidation

### ζ Variation of evaluation

Variation of evaluation amounts to the difference between the book value of assets, liabilities and off balance sheet items, and their evaluation at the date the company entered into the scope of consolidation.

### ζ *Goodwill*

Goodwill represents the difference between acquisition cost and the evaluation of assets, liabilities and off balance sheet items.

Goodwill is being amortized over 10 years on the straight-line basis.

### **1.3. Consolidation adjustments**

#### ζ *Inter-company transactions*

Inter-company transactions between fully or proportionally consolidated companies are eliminated; from the moment they assume significant importance.

Dividends received during the fiscal year are put back into reserves.

#### ζ *Leases*

Rental and leases with a buy-out clause are re-processed in such a way as to take financial accounting into consideration.

#### ζ *Deferred tax*

Deferred taxes stem from temporary differences between the book value of assets or liabilities and their tax values. Deferred tax assets are only taken into account if their recovery by the company is likely, thanks to anticipated future accounting profits or deferred tax liabilities. Deferred taxes are reported net for the same tax unit.

Deferred taxes are assessed in accordance with the tax rate and fiscal regulations resulting from texts in force at the end of the fiscal year and which will apply when the temporary differences are realized.

## **2. ACCOUNTING PRINCIPLES AND EVALUATION METHODS**

The semi-annual consolidated financial statements have been prepared in accordance with Recommendation n° 2001-R.01 of the National Accounting Council dated 26 June 2001 pertaining to the semi-annual closing of accounts of businesses which come under the French Banking Regulation Committee. The principles and methods applied to the semi-annual closing of accounts are identical to those used for the annual financial statements, subject to the adjustments set out in the Recommendation.

### **2.1 Principles and evaluation methods adopted for the annual financial statements**

The main options and evaluation methods retained for this first semi-annual closing of accounts of Compagnie Financière du Crédit Mutuel' Group are presented below.

### 2.1.1 Fixed assets

Fixed assets appear at historical cost, minus accumulated depreciation. Depreciation is exercised using the straight-line method for the following periods of time :

- Buildings 25 years
- Fixtures and fittings 10 years
- Furniture and equipment 10 years
- Computers 4 years
- Software 3 years
- 

Due to the difference in depreciation rates between the parent company and certain subsidiaries, depreciation reprocessing of the latter is carried out.

### 2.1.2 Reserve for general banking risks

In accordance with rule 90-02 of the French Banking Regulation Committee, some consolidated financial institutions have set up a general provision, in order to cover risks inherent to banking.

### 2.1.3 Provisions for contingencies and charges

Provisions for contingencies and charges are set up in order to cover clearly defined and measurable risks and charges. They notably consist of deferred taxes provisions, provisions for off balance sheet commitments and provisions for future sundry loss or risk.

### 2.1.4 Pension costs

Pension commitments give rise to policies being taken out with insurance companies or being provided for through reserves. The present value of pension related commitments is therefore fully taken into account.

### 2.1.5 Foreign currency transactions

In accordance with rule 89-01 of the French Banking Regulation Committee, assets, liabilities and off balance sheet items denominated in foreign currencies are assessed at the prevailing year-end exchange rate. Forward exchange commitments follow the same method.

### 2.1.6 Securities Portfolio

Securities transactions are accounted for in accordance with rule 90-01 of the French Banking Regulation Committee and rule 00-02 of the Accounting Regulation Committee.

#### ζ *Trading securities*

Trading securities are recorded at their cost price, accrued interest and charges included. At each year-end, these securities are revalued at their market price, the appraisal increment being recorded on a statement of profit and loss.

### ζ *Securities available for sale*

Bonds are recorded at cost excluding acquisition costs and accrued interest. Accrued interest at acquisition date is recorded as “Interest purchase”. At year-end, net accrued interest is recognized as income. Money market securities are recorded at cost, including accrued interest.

The difference between the acquisition price and the redemption price is amortized over the remaining life of the securities. The straight-line method applies to bonds and the actuarial method for money market securities.

Securities available for sale that do not fall under a hedging strategy give rise to a reserve from the moment their market value is less than their book value. Unrealized capital gains are not recorded.

### ζ *Investment securities*

Securities recorded as investment securities are backed either with long-term resources assigned to the financing of these securities or to interest rate hedging instruments. Backing resources can include stockholders' equity within the limit of stockholders' equity after investments, subordinated debts and other fixed assets have been deducted. The depreciation rule of the difference between the acquisition price and the redemption price is identical to that which is applied to securities held for sale. Unrealized capital losses resulting from the difference in book value and the market price are not provided for. Only the risk of issuer credit failure can constitute a provision.

### ζ *Equity securities available for sale in the medium-term*

Investments falling within this category are investments made on a regular basis for the sole purpose of realizing a capital gain in the medium term with no intention of investing sustainably in the development of the business of the issuing company. It pertains particularly to venture capital investments. Equity securities available for sale in the medium-term are stated at the lower cost of either the acquisition costs or the fair value.

### ζ *Equity securities held for long-term investment*

“Equity securities held for long-term investment” are shares or related instruments that are held with the intention of furthering the development of lasting business relationships by establishing special ties with the issuing company without, however, actively participating in the management of the said company due to the low number of voting rights linked to these securities.

Equity securities held for long-term investment are valued at the lower cost of either the acquisition cost or the fair value.

### ζ *Securities bought and sold under repurchase agreements*

Securities bought and sold under repurchase agreements are kept in the assets of CFCM and are valued according to the rules applying to the category they belong. Assignee debt is accounted for as liability.



## ζ *Equity investments and equity in affiliated companies*

Equity investments and equity in affiliated companies include investments in companies carried under the equity method and non-consolidated equity investments.

Non-consolidated equity investments are composed of shares and related instruments for which durable possession is deemed useful to the development of the company and which enable the investor to exert significant influence over the issuer or ensure control of the issuing company. This influence is presumed when a controlling percentage is greater than or equal to 10%.

Equity investments are stated at the lower cost of either the acquisition cost or the fair value.

### **2.1.7 Accounting for derivative instruments and hedging activities**

Financial instruments are recorded in accordance with rules 88-02 from 22 February 1988, 90-15 from 18 December 1990 (as amended by rule 92-04 on 17 July 1992) and rule 94-04 from 14 March 1994 of the French Banking Regulations Committee.

Off-balance sheet commitments on future financial instruments are recorded at their face value. This total only gives an indication of the volume of transactions in progress at the end of the fiscal year, and does not reflect the market risks for these instruments.

## ζ *Interest rate instruments*

- Organized Markets

Future market contracts are revalued at the end of each fiscal year at their market value. Income and expenses relating to hedging operations are applied symmetrically to those arising in connection with the item hedged. For stand-alone positions, the gains and losses shown in the revaluation are directly recorded in the statement of profit and loss.

- Principal-to-principal markets

The exchange contracts of interest rates (swaps) and future rate agreements (“FRA”) are recognized pro rata temporis over their respective life. Income and expenses related to a single contract are netted.

Accrued interest and premiums on options contracts (cap, floor, collar) are recorded pro rata temporis.

Isolated open positions are re-valued according to the “zero coupon” method and unrealized capital losses are covered by a reserve for contingencies and charges.

## ζ *Currency swaps*

With regard to currency swaps, the exchange rate difference arising from the valuation of the swap is recorded, at balance sheet date, as income or expense.

For foreign currency option contracts, premiums are spread out over the duration of the contract. When the option reaches maturity, currencies are either bought or sold.

### **2.1.8 Doubtful accounts receivable**

#### ζ *Classification*

In accordance with the rules defined by the French Banking Commission, doubtful accounts receivable include debt for which there is a probable risk of total or partial non-recovery, or which in the case of real-estate credit, shows outstanding payments of more than six months, or more than three months for all other types of loans.

#### ζ *Provisions*

Doubtful loans and accounts receivable are provisioned for if there is a probable risk of total or partial non-recovery. Provisions are recorded in the balance sheet as a deduction of the corresponding receivable. The interests on recognized doubtful accounts receivable in revenues are fully provisioned for.

### **2.1.9 Non-recurring income and expenses**

Extraordinary items, which are not linked with current business, are recorded under this paragraph.

### **2.1.10 Investments held by insurance companies**

#### ζ *Investments representing contracts in units of account*

Investments affected by representing contracts in units of account are assessed at their current value at the end of the fiscal year, so that their total value corresponds to the value commitments towards policyholders on this same date.

#### ζ *Other investments*

- Real-estate and related investments

Real-estate investments include land and buildings owned directly by insurance companies, as well as those stocks held in special real estate investment companies (sociétés civiles immobilières) and the current accounts of these entities. They are registered at their acquisition cost or cost price including accessory expenses.

Stocks and similar securities are recorded at cost, with no acquisition costs included. Output is carried out at cost, using the First-in, First-out method (FIFO).

Buildings are depreciated over 25 years on the straight-line basis.

A provision for permanent decline in value is henceforth recorded when an investment asset shows an unrealized capital loss, which is deemed to be long-term and significant.

A provision for payability risk of technical commitments is set up in the statement of profit and loss, when the market value amount of the assets ruled by section R332-20 of the Insurance Code is lower than the net book value.

Market value of the assets is computed as follows:

- ◆ Marketable securities are retained for the last quoted market value on the day of inventory
  - ◆ The shares of mutual funds (FCP / SICAV) are evaluated based on the last redemption price, published on the day of inventory day.
  - ◆ Non-listed securities are reported at their fair value, which is estimated by using a variety of techniques such as cash flow analysis, market value, net asset value.
  - ◆ Fair value of buildings and of non-quoted stocks in real estate companies is based on an appraisal performed every five years. A professional certified by the Insurance Control Commission conducts the appraisal. In-between appraisals, the fair value is adjusted in accordance with the general evolution of the market.
- Debt securities

Debt securities are recorded on the balance sheet at their cost excluding outstanding purchased interest or acquisition costs. Output is carried out at cost, using the First-in, First-out method (FIFO).

In accordance with rules set forth in the December 28, 1991 decree, the difference between the redemption value and the historical cost (not including interest bought) is spread out over the remaining life of the securities. This rule is applied whether the difference is positive or negative. The calculation is made using the discounting method. For fixed rate securities, the calculation takes into account future coupon flow.

Unrealized capital losses, which could be recorded between their acquisition price and their market or redemption value at closing, are not provisioned.

However, when overdue payments or interests remain outstanding at the end of the year, the borrower's financial situation is analyzed and, if necessary, a provision is recorded.

### **2.1.11 Technical reserves of insurance companies**

Technical reserves cover the commitments with regard to policyholders and beneficiaries of insurance contracts.

### ζ *Mathematical annuity reserves*

Mathematical annuity reserves represent the commitment of insurance companies with respect to policyholders. For life insurance, mathematical reserves are capitalized using the technical interest rate plus profit sharing allocated to policyholders. Mathematical provisions are based on the TPRV 93 mortality table.

As for provision activities, the applicable present value is 3.50%.

Mathematical reserves for disability annuities are calculated using the old tables of the Bureau Commun des Assurances Collectives (“BCAC”) for the insurance of borrowers, and the new tables stipulated in the 28 March 1996 order regarding personal and group provisions. Mathematical provisions with respect to temporary annuities are calculated using the INSEE 88-90 table.

### ζ *Claims reserve*

For non-life insurance, the claims reserve is intended to cover the costs of all claims incurred, which have not been settled by 31 December. Claims are evaluated at gross value, the reinsurer’s share being registered in the assets.

The claims reserve is evaluated in accordance with sections R331-6, R331-15, R331-16 and R331-26 of the Insurance Code. The claims reserve corresponds to the estimated cost of internal and external expenditure, necessary for the settlement of all claims incurred until 31 December, whether they are declared or not. When the cashing of recoveries is expected, the estimated amount is presented deductible from the claims reserve.

### ζ *Reserve for unearned premiums*

The reserve for unearned premiums is intended to record, for each policy, the share of the issued premiums relating to the time between the fiscal year closing and policy expiry date.

### ζ *Reserve for claims incurred but not yet reported*

With regards to the period between the fiscal year end and the term of contracts in progress on this date, the reserve for claims incurred but not yet reported makes it possible, if necessary, to cover for the estimated future charge of claims and contract-related expenses (administration and acquisition) which would not be covered by the reserve for unearned premiums.

### ζ *Administrative cost reserve*

An administrative cost reserve is made when future administrative costs are not covered by weighting of premiums or by withdrawals of envisaged investment income. These charges are calculated according to administrative expenses of the contracts evaluated by using actual data from the previous year.

### ζ *Profit-sharing reserve*

The profit-sharing reserve represents earnings yields obtained for the policyholders' account, but which have not yet been credited.

### ζ *Provision for investment yields*

A provision for investment yields is provided if, at the time of the statement of profit and loss, the actual yield of assets discounted by 20%, is lower than the quotient for the total amount of technical interests and profit-sharing guaranteed under the total portfolio of policies divided by the average amount of mathematical reserves.

### ζ *Mathematical reserves on unit-linked insurance policies*

Mathematical reserves on unit-linked insurance policies are estimated based on the value of the underlying assets comprising these policies. Gains and losses resulting from the revaluation of the underlying assets are recorded in the statement of profit and loss in order to neutralize the variation impact of technical provisions.

### ζ *Reserve for depreciation of securities*

The reserve for depreciation of securities is intended to cover the depreciation of securities included in the insurance company's assets and the reduction of their income. At the time of transfer of redeemable transferable securities, the difference between the sale price and the actual value of the securities sold is taken to the reserve for depreciation of securities, provided that the latter does not show a negative balance.

Due to the difficulties encountered in the application of rule 99-06 established by the Accounting Regulation Committee concerning the consolidated financial statements of insurance companies, the new rule which aimed to reintegrate the reserve for depreciation of securities in the shareholders' equity was not followed in the preparation of the June 30, 2001 statements.

## **2.2 Adjustments used in the preparation of the semi-annual financial statements**

These adjustments mainly concern the determination of the:

- **income tax expense:**

the income tax expense for the six-month period is evaluated using the income for the six-month period before income taxes to which is applied the projected average income tax rate calculated on a yearly basis. The other income taxes and taxes such as the business tax and the real property tax are spread pro rata temporis.

- **personnel costs:**

Profit sharing and incentive scheme are determined on a pro rata temporis basis using annual expense projections. The other personnel costs are however determined according to the rule of acquired rights.

The seasonal or cyclic income received such as dividends are stated at acquisition cost without being distributed over the financial period.

No significant changes were brought to the methods or assessments used for this semi-annual closing.

### **3. PRO FORMA FINANCIAL STATEMENTS**

The accounting principles and evaluation methods used in preparing the pro forma financial statements are identical to those used for the historical statements. The preparation of these pro forma financial statements was based on the historical financial statements of Compagnie Financière du CMB. Initially prepared according to rule 91/01 of the French Banking Regulation Committee, the pro forma financial statements were restated according to the new presentation enacted by rule 2000-04 of the CRC. These pro forma financial statements do not necessarily reflect the financial position or performance that would have been observed had the transaction or event occurred at an earlier date than the date on which it actually happened or was anticipated.

### **4. SUPPLEMENTARY INFORMATION**

#### **4.1 Shareholders' equity excluding Reserves for general banking risks**

(en milliers d'euros)

	<b>30/06/2001</b>
CAPITAL	715 000
CONSOLIDATED RETAINED EARNING - CFCM'S SHARE	73 894
INCOME JUNE 30, 2001	25 398
<b>TOTAL</b>	<b>814 292</b>

The capital is composed of 71,500,000 shares valued at 10 euros per share.

#### **4.2 Debenture loans**

##### *SITUATION AS AT JUNE 30, 2001*

<b>DATE OF ISSUE</b>	<b>AMOUNT</b> (in thousands of euros)	<b>TYPE</b>	<b>TERM</b>	<b>RATE</b>
04/05/99	200 000	International bonds	5 years	Euribor 3 months + 0,15
07/06/00	300 000	International bonds	10 years	Euribor 3 months + 0,27

### **4.3 Major events**

There were no major events.

### **4.4 Subsequent events**

In a stock market context disturbed by the September 11, 2001 attacks, Compagnie Financière du Crédit Mutuel's Group took immediate action by putting into place the necessary hedges on its equity holdings. Furthermore, CFCM's Group has few commitments with regard to American considerations and in sectors particularly affected by the current crisis (namely the aeronautical industry). The exposure of CFCM's Group to foreign currency risks is low.

**NON-CONSOLIDATED CAPITALISATION TABLE OF THE ISSUER  
AS OF 30 JUNE 2001**

<b>Stockholders' equity</b>	<b>In millions Euros</b>
<b>Share capital (*)</b>	<b>715</b>
<b>Total</b>	<b>715</b>

(\*) following institutional reorganisation

There has been no material change in the stockholders' equity of the Issuer since 30 June 2001.



**FORM OF PRICING SUPPLEMENT**

The form of Pricing Supplement that will be issued in respect of each Tranche is set out below:

**Pricing Supplement**

[LOGO, if document is printed]

**COMPAGNIE FINANCIERE DU CREDIT MUTUEL**  
€ 3,000,000,000  
Euro Medium Term Note Programme

**SERIES NO: ■**  
**TRANCHE NO: ■**  
**[Brief Description and Amount of Notes]**

Issue Price: ■ per cent

**[Name(s) of Dealer(s)]**

The date of this Pricing Supplement is ■.

This document constitutes the Pricing Supplement under which the Notes described herein (the "**Notes**") are issued. It is supplemental to, and should be read in conjunction with, the Offering Circular (the "**Offering Circular**") dated 22 November 2001 issued in relation to the € 3,000,000,000 Euro Medium Term Note Programme of the Issuer. Terms defined in the Offering Circular have the same meaning in this Pricing Supplement. The Notes will be issued on the terms of this Pricing Supplement read together with the Offering Circular. The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular, contains all information that is material in the context of the issue of the Notes.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer of, or an invitation by or on behalf of anyone to subscribe or purchase any of the Notes.

[Except as disclosed in this document, there/There] has been no significant change in the financial position of the Issuer and the Group since [date of last audited annual accounts or interim accounts (if later)] and no material adverse change in the financial position or prospects of the Issuer and the Group since [date of last published audited annual accounts or interim accounts (if later)].<sup>1</sup>

The Offering Circular, together with this Pricing Supplement, contains all information relating to the assets and liabilities, financial position, profits and losses of the Issuer and the Group which is material in the context of the issue and offering of the Notes and nothing has happened which would require the Offering Circular to be [further] supplemented or to be updated in the context of the issue and offering of the Notes.<sup>2</sup>

Signed:

Authorised Officer

**[In connection with this issue, [name of Stabilising Agent] may over-allot or effect transactions which stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.]<sup>3</sup> [Any such transaction will be carried out in accordance with applicable laws and regulations.]**

---

<sup>1</sup> N.B. If any such change is disclosed in the Pricing Supplement, it will require approval by the Stock Exchange(s). Consideration should be given as to whether or not such disclosure should be made by means of a supplemental Offering Circular rather than in a Pricing Supplement.

<sup>2</sup> Any issue of Notes constituting *obligations* under French law must be authorised by a resolution of the ordinary general meeting of the shareholders of the Issuer; the ordinary general meeting of the shareholders may authorise the issue of Notes constituting *obligations* under French law and delegate its powers to the *Conseil d'Administration* of the Issuer which may in turn subdelegate its powers to its *Président* or another of its members.

<sup>3</sup> Delete if there is no Stabilising Agent.

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

- |          |  |   |
|----------|--|---|
| <b>1</b> | <b>Issuer:</b>   | Compagnie Financière du Crédit Mutuel   |
| <b>2</b> | <b>[(i)] Series Number:</b>  | ■   |
|          | <b>[(ii)] Tranche Number:</b>  | ■   |
|          | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)</i> |   |
| <b>3</b> | <b>Specified Currency or Currencies:</b>   | ■   |
| <b>4</b> | <b>Aggregate Nominal Amount:</b>   |   |
|          | <b>[(i)] Series:</b>   | ■   |
|          | <b>[(ii)] Tranche:</b>   | ■]  |
| <b>5</b> | <b>[(i)] Issue Price:</b>  | ■ per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> ( <i>in the case of fungible issues or broken first coupon, if applicable</i> )] |
|          | <b>[(ii)] Net proceeds:</b>  | ■ ( <i>Required only for listed issues</i> )  |
| <b>6</b> | <b>Specified Denominations:</b>  | ■ ( <i>one denomination only for Dematerialised Notes</i> )   |
| <b>7</b> | <b>[(i)] Issue Date:</b>   | ■   |
|          | <b>[(ii)] Interest Commencement Date (if different from the Issue Date):</b>   | ■]  |
| <b>8</b> | <b>Maturity Date:</b>  | <i>[specify date or (for Floating Rate Notes) Interest Payment Date falling in the relevant month and year]</i>   |

- 9 **Interest Basis:** [■ per cent. Fixed Rate]  
[[specify reference rate] +/- ■ per cent. Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Other (specify)]  
(further particulars specified below)
- 10 **Redemption/Payment Basis:** [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency]  
[Partly Paid]  
[Instalment]  
[Other (specify)]
- 11 **Change of Interest or Redemption/Payment Basis:** [*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
- 12 **Put/Call Options:** [Call]  
[Put]  
[*(further particulars specified below)*]
- 13 **Status of the Notes:** [Unsubordinated/Subordinated Notes]  
[*Specify details of any provisions for Subordinated Notes in particular whether dated or undated, whether interest deferral provisions apply and whether any additional events of default should apply*]
- 14 **Listing:** [Luxembourg/Other(specify)/None]
- 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 sub-paragraphs of this paragraph*)
- (i) Rate[(s)] of Interest: ■ per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]

- (ii) Interest Payment Date(s):  in each year/*Specify date*
- (iii) Fixed Coupon Amount[(s)]:  per  in nominal amount
- (iv) Broken Amount: *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)]]*
- (v) Day Count Fraction (Condition 5(a)):   
*(Day Count Fraction should be Actual/Actual-ISMA for all fixed rate issues other than those denominated in U.S. Dollars )*
- (vi) Determination Date(s) (Condition 5(a)): *[Insert day(s) and month(s) on which interest is normally paid (if more than one, then insert such dates in the alternative)]* in each year<sup>4</sup>
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: *[Not Applicable/give details]*
- 17 Floating Rate Note Provisions :** *[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph. Also consider whether EURO BBA LIBOR, EURIBOR or EONIA is the appropriate reference rate for Notes denominated in euro)*
- (i) Specified Period(s)/Specified Interest Payment Date(s):  *(For issues where an AFB swap is involved, Specified Period should be used, unless otherwise agreed)*
- (ii) Business Day Convention: *[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]*
- (iii) Additional Business Centre(s) (Condition 5(a)):

---

<sup>4</sup> Only to be completed for an issue denominated in euro where Day Count Fraction is Actual/Actual-ISMA

- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/AFB Determination/other (*give details*)]
- (v) Interest Payment Date(s): [Not Applicable/*specify dates*]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): ■
- (vii) Screen Rate Determination (Condition 5(c)(iii)(B)):
- Relevant Time: ■
  - Interest Determination Date: [■ [TARGET] Business Days in [*specify city*] for [*specify currency*] prior to [*the first day in each Interest Accrual Period/each Interest Payment Date*]]
  - Primary Source for Floating Rate: [*Specify relevant screen page or "Reference Banks"*]
  - Reference Banks (if primary source is "Reference Banks"): [*Specify four*]
  - Relevant Financial Centre: [*The financial centre most closely connected to the benchmark - specify if not Paris*]
  - Benchmark: [*LIBOR, EURIBOR, EONIA 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) AFB Determination (Condition 5(c)(iii)(A)):

- Floating Rate (*Taux Variable*): ■ (*specify Benchmark and months e.g. EURIBOR 3 months*)
  - Floating Rate Determination Date (*Date de Détermination du Taux Variable*): ■
  - AFB Definitions: (if different from those set out in the Conditions) ■ (*specify how rate determined (e.g. relevant page) if different or not specified in AFB Definitions*)
- (ix) Margin(s): [+/-] ■ per cent. per annum
- (x) Minimum Rate of Interest: [Not Applicable / ■ per cent. per annum]
- (xi) Maximum Rate of Interest: [Not Applicable / ■ per cent. per annum]
- (xii) Day Count Fraction (Condition 5(a)): ■
- (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 (Condition 6(e)(i)): ■ per cent. per annum
- (ii) Day Count Fraction (Condition 5(a)): ■
- (ii) Any other formula/basis of determining amount payable: ■
- 19 Index Linked Interest Note Provisions** [Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

- (i) Index/Formula: [Give or annex details]
- (ii) Calculation Agent responsible for calculating the interest due: ■
- (i) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: ■
- (ii) Specified Period(s): ■
- (iii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (iv) Additional Business Centre(s) (Condition 5(a)): ■
- (v) Minimum Rate of Interest: [Not Applicable/■ per cent. per annum]
- (vi) Maximum Rate of Interest: [Not Applicable/■ per cent. per annum]
- (vii) Day Count Fraction (Condition 5(a)): ■
- (viii) Interest Determination Date ■

**20 Dual Currency Note Provisions** [Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

- (i) Rate of Exchange/Method of calculating Rate of Exchange: [Give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: ■
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: ■



- (iv) Person at whose option Specified Currency(-ies) is/are payable: ■
- (v) Day Count Fraction (Condition 5(a)): ■

## PROVISIONS RELATING TO REDEMPTION

- 21 Call Option** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): ■
  - (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): ■
  - (iii) If redeemable in part: ■
    - (a) Minimum nominal amount to be redeemed: ■
    - (b) Maximum nominal amount to be redeemed: ■
  - (iv) Option Exercise Date(s): ■
  - (v) Description of any other Issuer's option: ■
  - (vi) Notice period (if other than as set out in the Conditions): ■
- 22 Put Option** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): ■
  - (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): ■
  - (iii) Option Exercise Date(s): ■
  - (iv) Description of any other Noteholders' option: ■
  - (v) Notice period (if other than as set out in the Conditions): ■

- 23 Final Redemption Amount** [Nominal amount/Other/See Appendix]
- 24 Early Redemption Amount**
- (i) Early Redemption Amount(s) payable on redemption for taxation reasons (Condition 6(f)) or pursuant to an event of default (Condition 9) and/or the method of calculating the same (if required or if different from that set out in the Conditions): ■
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 6(f)): [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Materialised Notes only) (Condition 7(f)): [Yes/No/Not Applicable]

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 25 Form of Notes:** [Dematerialised Notes/ Materialised Notes] (*Materialised Notes are only in bearer form*) [Delete as appropriate]
- (i) Form of Dematerialised Notes: [Applicable/Not Applicable [if Applicable specify whether bearer form (*au porteur*) / administered registered form (*au nominatif administré*) / fully registered form (*au nominatif pur*)]
- (ii) Registration Agent [Not applicable/if Applicable give name and details] (*Note that a registration agent must be appointed in relation to Fully Registered Dematerialised Notes only*)
- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Notes on ■ (the "Exchange Date"), being 40 days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]

- (iv) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable]  
(Only applicable to Materialised Notes)
- 26 Additional Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates:** [Not Applicable/Give details]. (Note that this item relates to the place of payment, and not interest period end dates, to which item 17(iii) relates)
- 27 Talons for future Coupons or Receipts to be attached to Definitive Materialised Notes (and dates on which such Talons mature):** [Not Applicable/(specify)] (Only applicable to Materialised Notes)
- 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 consequences (if any) of failure to pay:** [Not Applicable/give details]
- 29 Details relating to Instalment Notes:** [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 1(d)] [annexed to this Pricing Supplement] apply]
- 31 Consolidation provisions:** [Not Applicable/The provisions [in Condition 14(b)] [annexed to this Pricing Supplement] apply]

- 32**     **Masse (Condition 11)**     [Applicable/Not Applicable/  
Condition 11 replaced by the full provisions of the *Code de Commerce* relating to the Masse] (*Note that: (i) in respect of any Tranche of Notes issued or deemed to be issued outside France, Condition 11 may be waived, amended or supplemented, and (ii) in respect of any Tranche of Notes issued inside France, Condition 11 must be waived in its entirety and replaced by the full provisions of the Code de commerce relating to the Masse. If Condition 11 (as it may be amended or supplemented) applies or if full provisions of the Code de commerce relating to the Masse apply, insert details of Representative and Alternative Representative and remuneration, if any*)
- 33**     **The aggregate principal amount of Notes issued has been converted into euro at the rate of ■, producing a sum of:**     [Not Applicable/€ ■] (*Only applicable for Notes not denominated in euro*)
- 34**     **Other terms or special conditions:**     [Not Applicable/*give details*]
- 35**     **Rating:**     [Not Applicable/Applicable (*specify*)]
- 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
- DISTRIBUTION**
- 36**     **If syndicated,**
- (i) names of Managers:     [Not Applicable/*give names*]
- (ii) Stabilising Manager (if any):     [Not Applicable/*give name*]
- (iii) Dealer's Commission:     ■
- 37**     **If non-syndicated, name of Dealer:**     [Not Applicable/*give name*]
- 38**     **Additional selling restrictions:**     [Not Applicable/*give details*]

**OPERATIONAL INFORMATION**

- 39 ISIN Code:** ■
- 40 Sicovam Number:** ■
- 41 Common Code:** ■
- 42 Depository (ies)**
- (i) Euroclear France to act as Central Depository [Yes/No]
- (ii) Common Depository for Euroclear and Clearstream, Luxembourg [Yes/No]
- 43 Any clearing system(s) other than Euroclear France, Euroclear and Clearstream, Luxembourg and the relevant identification number(s):** [Not Applicable/*give name(s) and number(s)*]
- 44 Delivery:** Delivery [against/free of] payment
- 45 The Agents appointed in respect of the Notes are:** ■

## SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in a Dealer Agreement dated 22 November 2001 between the Issuer, the Permanent Dealers and the Arranger (the "**Dealer Agreement**"), the Notes will be offered by the Issuer to the Permanent Dealers (except Compagnie Financière du Crédit Mutuel). 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 agents 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 Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Pricing Supplement.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealers have agreed to indemnify the Issuer 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**

#### **General**

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

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 Offering Circular, any other offering material or any Pricing Supplement, in any jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, 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 the Offering Circular, any other offering material or any Pricing Supplement and neither the Issuer nor any other Dealer shall have responsibility therefore.

## **United States of America**

The Notes have not been and will not be registered under the Securities Act, and subject to certain exceptions, may not be offered or sold within the United States. Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell the Notes of any identifiable Tranche within the United States, except as permitted by the Dealer Agreement.

Materialised 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 and regulations thereunder.

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.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

## **United Kingdom**

Each Dealer has represented and agreed that:

- (i) No offer to public: it has not offered or sold and will not offer or sell prior to the date six months after their date of issue any Notes (other than Notes with a maturity of less than one year or a minimum denomination of at least € 40,000 or its equivalent in other currencies) to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances that have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, as amended;
- (ii) General compliance: it has complied with and will comply with all applicable provisions of the Financial Services Act 1986 (the "**Act**") (and, after they come into force, all applicable provisions of the Financial Services and Markets Act 2000 (the "**FSMA**")) with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and

- (iii) Investment advertisements: it has only issued or passed on and will only issue or pass on in the United Kingdom, before the repeal of section 57 of the Act, any document received by it in connection with the issue of the Notes to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996, as amended, or is a person to whom such document may otherwise lawfully be issued or passed on. After the repeal of section 57 of the Act it will only communicate or cause to be communicated any 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 such Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

### **Germany**

Each Dealer has agreed not to offer or sell Notes in the Federal Republic of Germany other than in compliance with the Securities Selling Prospectus Act (*Wertpapier-Verkaufsprospektgesetz*) of 13 December 1990 (as amended), or any other laws applicable in the Federal Republic of Germany governing the issue, offering and sale of securities.

### **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 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 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 and regulations 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.

### **The Netherlands**

Each Dealer represents and agrees that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell in the Netherlands any Notes other than to persons who trade or invest in securities in the conduct of a profession or business which includes banks, stock brokers, insurance companies, pension funds, other institutional investors and finance companies and treasury departments of large enterprises.

### **Kingdom of Spain**

Each Dealer has represented and agreed that the Notes may not be offered or sold in the Kingdom of Spain save in accordance with the requirements of the Spanish Securities Market Law (*Ley del Mercado de Valores*) of 28 July 1988 as amended and restated and Royal Decree 291/1992 on Issues and Public Offering of Securities (*Real Decreto 291/1992 sobre Emisiones y Ofertas Publicas de Valores*) as amended and restated.

### **Switzerland**

Each Dealer has agreed that any issue of Notes denominated in Swiss Francs will be in compliance with the guidelines of the Swiss National Bank regarding issues of Swiss Francs denominated debt securities.



## France

- (i) Unless the relevant Pricing Supplement otherwise specifies, each of the Dealers and the Issuer acknowledges that the Notes are being issued or deemed to be issued outside the Republic of France, in which case:
- (a) In respect of syndicated issues of Notes denominated in currencies other than euro, each of the Dealers and the Issuer represents and agrees that, in connection with their initial distribution, 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 has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in the Republic of France the Offering Circular or any other offering material relating to the Notes, and that such offers, sales and distributions will only be made in the Republic of France through an international syndicate to qualified investors (*investisseurs qualifiés*) as defined in and in accordance with Articles L.411-1 and L.411-2 of the French *Code monétaire et financier* and decree n°. 98-880 dated 1 October 1998.
  - (b) In respect of non-syndicated issues of Notes denominated in currencies other than euro, each of the Dealers and the Issuer represents and agrees that, in connection with their initial distribution, it has not offered or sold and will not offer or sell, directly or indirectly, Notes in and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in the Republic of France the Offering Circular or any other offering material relating to the Notes, and each subscriber will be domiciled or resident for tax purposes outside the Republic of France.
  - (c) In respect of syndicated and non-syndicated issues of Notes denominated in euro, each of the Dealers and the Issuer represents and agrees that, in connection with their initial distribution, 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 has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in the Republic of France the Offering Circular or any other offering material relating to the Notes, and that such offers, sales and distributions will be made in the Republic of France only to (y) qualified investors (*investisseurs qualifiés*) and/or (z) a restricted group of investors (*cercle restreint d'investisseurs*), all as defined in and in accordance with Articles L.411-1 and L.411-2 of the French *Code monétaire et financier* and decree n°. 98-880 dated 1 October 1998.
- (ii) If the relevant Pricing Supplement specifies that the Notes are not being issued or deemed to be issued outside the Republic of France, in respect of non-syndicated issues of Notes denominated in currencies other than euro, each of the Dealers and the Issuer represents and agrees that 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 has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in the Republic of France the Offering Circular or any other offering material relating to the Notes, and that such offers, sales and distributions will be made in the Republic of France only to (a) qualified investors (*investisseurs qualifiés*) and/or (b) a restricted group of investors (*cercle restreint d'investisseurs*), all as defined in and in accordance

with Articles L.411-1 and L.411-2 of the French *Code monétaire et financier* and decree n°. 98-880 dated 1 October 1998.

- (iii) Each of the Dealers and the Issuer has represented and agreed that Materialised Notes may only be issued outside the Republic of France.

**GENERAL INFORMATION**

- (1) In connection with the application to list the Notes issued under the Programme on the Luxembourg Stock Exchange a legal notice relating to the issue of the Notes and copies of the *statuts* of the Issuer will be deposited with the Chief Registrar of the District Court in Luxembourg ("*Greffier en Chef du Tribunal d'Arrondissement de et à Luxembourg*") where such documents may be examined and copies obtained. The Luxembourg Stock Exchange has allocated to the Programme the number 12609 for listing purposes.
- (2) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the establishment of the Programme. In accordance with article L. 228-39 of French Commercial Code, the assets and liabilities of the Issuer have been subject to an audit presented to the Ordinary General Meeting of the shareholders of the Issuer dated 8 November 2001. Any issuance of Notes under the Programme, to the extent that such Notes constitute *obligations* under French law, requires the prior authorisation the Ordinary General Meeting (*Assemblée Générale Ordinaire*) of the shareholders of the Issuer or, as the case may be, the decision of the Board of Directors (*Conseil d'Administration*) of the Issuer acting by delegation of the Ordinary General Meeting (*Assemblée Générale Ordinaire*) of the shareholders of the Issuer. For this purpose the Board of Directors (*Conseil d'Administration*) of the Issuer has been granted on 8 November 2001 by the Ordinary General Meeting (*Assemblée Générale Ordinaire*) of the shareholders of the Issuer the power to issue *obligations* up to a maximum aggregate amount of 4 billion euros for three years which authority will, unless previously cancelled, expire on 8 November 2004. The Board of Directors (*Conseil d'Administration*) of the Issuer has delegated on 8 November 2001 to its Chairman (*Président*) all powers to determine the terms and conditions in respect of any issue of *obligations*. Any drawdown of Notes, to the extent that such Notes do not constitute *obligations* under French law, fall within the general powers of the Chairman of the Board of Directors (*Président du Conseil d'Administration*) or a *directeur général* of the Issuer.
- (3) Save as disclosed in this Offering Circular, there has been no material adverse change in the financial position of the Issuer or the Group since 31 December 2000.
- (4) Neither the Issuer nor any other member of the Group is or has been involved in any litigation or arbitration proceedings relating to claims or amounts that are material in the context of the issue of the Notes and no such litigation or arbitration is pending or threatened.
- (5) Application may be made for Notes to be accepted for clearance through Euroclear France and/or Euroclear and Clearstream, Luxembourg. The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the Euroclear France number or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Pricing Supplement.

- (6) So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available, free of charge, during usual business hours on any weekday (Saturdays and public holidays excepted), at the registered office of the Issuer and at the specified office of the Paying Agent(s) for the time being in Paris and Luxembourg:
- (i) the *statuts* of the Issuer;
  - (ii) the non consolidated and consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 1999 and 2000;
  - (iii) the most recently published annual audited financial statements and unaudited interim financial statements (if any) of the Issuer;
  - (iv) the Dealer Agreement and the Agency Agreement (which includes the form of the *Lettre comptable*, the Temporary Global Certificates, the Definitive Materialised Notes, the Coupons, the Receipts and the Talons);
  - (v) a copy of this Offering Circular;
  - (vi) a copy of any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference;
  - (vii) in the case of each issue of listed Notes subscribed pursuant to a subscription agreement, such subscription agreement (or equivalent document).
- (7) The European Union is currently considering proposals for a new directive regarding the taxation of savings income (the "**Directive**"). Subject to certain conditions being met, it is proposed that Member States will be required to provide to the tax authorities of another Member State details of payments of interest within the meaning of the Directive (interest, products, premiums or other debt income) made by a paying agent within its jurisdiction to an individual resident in that other Member State (the "**Disclosure of Information Method**").

In this way, the term "paying agent" would be defined widely and would include in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout the transitional period, which should end seven years after the coming into force of the Directive, certain member states (the Grand-duchy of Luxembourg, Belgium and Austria), instead of using the Disclosure of Information Method used by other member states, will withhold an amount on interest payments of 15% during the first three years and 20% until the end of the transitional period.

**Issuer**

**Compagnie Financière du Crédit Mutuel**  
32, rue Mirabeau  
29480 Le Relecq Kerhuon  
France

**Arranger**

**Crédit Commercial de France**  
103, avenue des Champs Elysées  
75008 Paris  
France

**Permanent Dealers**

**Crédit Commercial de France**  
103, avenue des Champs Elysées  
75008 Paris  
France

**ABN AMRO Bank N.V.**  
250 Bishopsgate  
London EC2M 4AA  
United Kingdom

**BNP PARIBAS**  
16, boulevard des Italiens  
75009 Paris  
France

**Compagnie Financière du Crédit Mutuel**  
32, rue Mirabeau  
29480 Le Relecq Kerhuon  
France

**Deutsche Bank AG London**  
Winchester House  
One Great Winchester Street  
London EC2N 2DB  
United Kingdom

**DZ BANK AG Deutsche Zentral-  
Genossenschaftsbank, Frankfurt am Main**  
Platz der Republik  
D-60265 Frankfurt am Main  
Germany

**Merrill Lynch International**  
Ropemaker Place  
25 Ropemaker Street  
London EC2Y 9LY  
United Kingdom

**Fiscal Agent, Principal Paying Agent and Calculation Agent**

**Kredietbank S.A. Luxembourgeoise**  
43, boulevard Royal  
L-2955 Luxembourg  
Luxembourg

**Paying Agents**

**Paris Paying Agent**

**Crédit Commercial de France**  
103, avenue des Champs Elysées  
75008 Paris  
France

**Luxembourg Paying Agent**

**Kredietbank S.A. Luxembourgeoise**  
43, boulevard Royal  
L-2955 Luxembourg  
Luxembourg

**Luxembourg Listing Agent**

**Kredietbank S.A. Luxembourgeoise**  
43, boulevard Royal  
L-2955 Luxembourg  
Luxembourg

**Auditors to the Issuer**

**Mazard & Guérard**  
125, rue de Montreuil  
75011 Paris  
France

**SA Sterenn**  
rue Rosemonde Gérard BP 27  
29801 Brest Cedex 9  
France

**Legal Advisers**

**To the Issuer**

**Linklaters**  
**(a member of Linklaters & Alliance)**  
25, rue de Marignan  
75008 Paris  
France

**To the Permanent Dealers**

**Gide Loyrette Nouel**  
26, cours Albert 1<sup>er</sup>  
75008 Paris  
France