

**PROSPECTUS SUPPLEMENT NO. 3 DATED 19 MAY 2010
TO THE BASE PROSPECTUS DATED 4 JUNE 2009**

GCE Covered Bonds
(duly licensed French credit institution)
€ 25,000,000,000
COVERED BOND PROGRAMME

This prospectus supplement no. 3 (the “**Supplement**”) constitutes a third supplement to, and must be read in conjunction with, the Base Prospectus dated 4 June 2009 as supplemented by a first and second supplement respectively dated 4 September 2009 and 23 February 2010 (together the “**Base Prospectus**”) prepared in relation to the € 25,000,000,000 Covered Bond Programme (the “**Programme**”) established by GCE Covered Bonds (the “**Issuer**”) and approved by the *Commission de Surveillance du Secteur Financier* in Luxembourg (the “**CSSF**”) on 4 June 2009. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

Application has been made to the CSSF in its capacity as competent authority for the purposes of the Directive 2003/71/EC (the “**Prospectus Directive**”) and under the “*loi relative aux prospectus pour valeurs mobilières*” dated 10 July 2005 (the “**Prospectus Law**”) for approval of this Supplement as a supplement to the Base Prospectus for the purposes of article 16 of the Prospectus Directive and article 13 of the Prospectus Law.

This Supplement has been prepared for the following purposes :

- 1/ - the incorporation by reference in the Base Prospectus of the Issuer's financial statements for the year ended 31 December 2009 and the auditors' report thereon;
- 2/ - the update of certain sections of the Base Prospectus describing the Issuer; and
- 3/ - the update of certain sections of the Base Prospectus describing the Borrower.

1/ - Incorporation by reference

The following paragraph is added after the first paragraph of the section entitled "Documents incorporated by reference" (page 33 of the Base Prospectus):

- "- the "GCE Covered Bonds – Rapport des commissaires aux comptes sur les comptes annuels – Exercice clos le 31 décembre 2009" (in the French language), which contains the 2009 auditors' report (the "**2009 auditors' report**");"
- "- the "GCE Covered Bonds, Comptes arrêtés au 31 décembre 2009" (in the French language), which contains the audited financial statements of the Issuer for the financial year ended 31 December 2009 (the "**2009 Financial Statements**");"

and the following table is added to the Cross-reference list, below the heading "8.2 Historical Financial Information" (page 33 of the Base Prospectus):

	<i>2009 Financial Statements</i>
- Balance sheet	Page 2
- Profit and loss account	Page 3
- Notes	Pages 5 to 10

2/ - Update of certain sections describing the Issuer

The following sections are deleted in their entirety and replaced with the paragraphs below:

"The Issuer - General information about the Issuer" (page 66 of the Base Prospectus)

"The Issuer was incorporated on 9 August 2007, under the name "GCE SNL 07", as a French *société par actions simplifiée*. Its term of existence is ninety-nine (99) years from the date of its incorporation. The legal and commercial name of the Issuer is "GCE Covered Bonds". The Issuer is registered with the French *Registre du commerce et des sociétés de Paris* under number 499 503 183. The Issuer adopted the name "GCE Covered Bonds" and the legal form of a French "*Société anonyme à conseil d'administration*" on 31 January 2008. From the date of its incorporation and until 31 January 2008, the Issuer was a dormant entity owned by BPCE and did not engage in any business activity.

The Issuer is governed by:

- (a) the French Commercial Code (*Code de commerce*) (former Act of 24 July 1966 relating to commercial companies); and
- (b) the French Monetary and Financial Code (*Code monétaire et financier*) (former Act of 24 January 1984 relating to the activities and control of credit institutions).

The Issuer's registered office and principal place of business is located at 50 Avenue Pierre Mendès France, 75201 Paris Cedex 13, France. The telephone number of the Issuer's registered office is: + 33 (0)1 58 40 69 15.

As at 31 December 2009, the Issuer's authorised and issued share capital is €225,000,000 (two hundred and twenty five million euros) consisting of 225,000,000 (sixty five million) ordinary shares with a par value of €1 (one euro) each.

The Issuer is a subsidiary of BPCE and licensed as a credit institution (*établissement de crédit*) with limited and exclusive purpose by the French *Comité des établissements de crédit et des entreprises d'investissement* (CECEI).

On the Programme Date, 98.6 per cent. of the Issuer's share capital is held by BPCE and 1.4 per cent. is held by *Crédit Foncier de France* ("**CFF**")."

"The Issuer - Issuer Risk Management - (b) Ongoing internal control (*contrôle interne permanent*)" (pages 68 and 69 of the Base Prospectus)

"In accordance with the provisions of article 7-5 of the *Règlement*, the ongoing internal control (*contrôle interne permanent*) of the Issuer is under the responsibility of Mr. Alain DAVID, chairman of the board of directors (*président du conseil d'administration*) of the Issuer, under the supervision of the head of compliance control of BPCE.

The ongoing internal control (*contrôle interne permanent*) system provided for the Issuer has been implemented in accordance with the standard organisation of the internal control of the entities of Groupe BPCE. Such system is constituted of all of the procedures, systems and controls implemented in order to guarantee the achievement of objectives, compliance with laws and regulations, compliance with the internal rules of Groupe BPCE and the control of all types of risks to which the Issuer may be exposed.

The ongoing internal control (*contrôle interne permanent*) of the Issuer will be carried out by the employees of BPCE dedicated to such function within the *Direction Finance Groupe*.

The implementation of the ongoing internal control (*contrôle interne permanent*) system will be operated at two (2) levels:

- an operational unit which will ensure the control on a first level; and
- a dedicated team which will ensure the control on a second level.

In accordance with article 7-1 of the *Règlement*, the units in charge of the engagement of the operations of the Issuer will be separate from the units in charge of their approval, their settlement and the monitoring of the risks related thereto."

"The Issuer - Issuer Share Capital, Subordinated Loans and Issuer Majority Shareholders' Undertakings - Subordinated Loans" (page 72 of the Base Prospectus)

"In 2009, the Issuer has also benefited from a €112,000,000 subordinated shareholder's loans granted by BPCE (the "**Subordinated Loan**").

The Subordinated Loan agreement provides that all amounts to be paid by the Issuer under this Subordinated Loan agreement will be paid according to the relevant Priority Payment Order, as described in Condition 15 of the Terms and Conditions.

The Subordinated Loan agreement includes Limited Recourse and Non petition provisions, as described in "**Issuer's Activities – Limited Recourse**" and "**Issuer's Activities – Non-Petition**".

No amendment, modification, alteration or supplement shall be made to the Subordinated Loan agreement without prior Rating Affirmation if the same materially and adversely affects the interest of the Issuer or the Bondholders.

For the avoidance of doubt, the Subordinated Loan agreement may be amended, modified, altered or supplemented without prior Rating Affirmation:

- (a) to cure any ambiguity, omission, defect or inconsistency;
- (b) to evidence or effect the transition of any party to a Subordinated Loan agreement to any successor;
- (c) to add to the undertakings and other obligations of BPCE under a Subordinated Loan agreement; or
- (d) to comply with any mandatory requirements of applicable laws and regulations.

The Subordinated Loan agreement is governed by, and construed in accordance with, French law. The Issuer and BPCE, as lender, have agreed to submit any dispute that may arise in connection with the Subordinated Loan agreements to the jurisdiction of the competent court of Paris."

"The Issuer - Issuer Share Capital, Subordinated Loans and Issuer Majority Shareholders' Undertakings - Shareholder Letter of Undertaking" (pages 72 and 73 of the Base Prospectus)

"As the majority shareholder of the Issuer and pursuant to a letter of undertaking (the "**Shareholder Letter of Undertaking**"), BPCE undertakes in favour of the Bondholders of Covered Bonds of all Series to be issued, represented by their respective Representative:

- (a) not to take or participate in any corporate action or other steps or legal proceedings for the voluntary winding-up, dissolution or reorganisation of the Issuer or of any or all of the Issuer's revenues and assets;
- (b) not to take or participate in any corporate action or other steps or legal proceedings for the voluntary appointment of a receiver, administrator, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer with respect to the Issuer or of any or all of the Issuer's revenues and assets;
- (c) not to amend the constitutional documents (and in particular the articles of association) of the Issuer other than as expressly contemplated under the Programme Documents or without a prior Representative Consent and Rating Affirmation;
- (d) unless required by any administrative or regulatory authorities or under any applicable law or regulation (as the same shall have been notified by the Issuer and/or BPCE to the Rating Agencies) or unless approved by BPCE subject to prior Rating Affirmation, that BPCE will procure that the Issuer will at all times comply with its undertakings and other obligations as set forth in the banking license of the Issuer or in the related application form (*dossier d'agrément*) filed with the *Comité des établissements de crédit et des entreprises d'investissement* (CECEI);
- (e) not to permit any amendments to the Programme Documents other than as expressly permitted or contemplated under the Programme Documents or without the prior Representative Consent and prior Rating Affirmation;
- (f) not to permit that the Issuer cease to be consolidated within the tax group formed under the *régime d'intégration fiscale* provided by articles 223 A *et seq.* of the French General Tax Code (*Code général des impôts*), with BPCE as head of that tax group and not to amend the tax consolidation agreement (*convention d'intégration fiscale*) as in force on 31 December 2009 between BPCE and the Issuer without prior Rating Affirmation;
- (g) not to create or permit to subsist any encumbrance over the whole or any part of the shares of the Issuer it owns;
- (h) not to sell, transfer, lease out or otherwise dispose of, by one (1) or more transactions or series of transactions (whether or not related), whether voluntarily or involuntarily, the whole or any part of the shares of the Issuer it owns; and
- (i) to take any necessary steps, which are available to it as shareholder, to remain majority shareholder of the Issuer."

"The Issuer - Issuer Management Bodies - The chairman and managing director" (page 73 of the Base Prospectus)

"Mr. Alain DAVID, chairman of the board of directors (*président du conseil d'administration*), Mr. Roland CHARBONNEL, managing director (*directeur général*) and Mr. Jean-Philippe BERTHAUT, vice managing director (*directeur général délégué*) are responsible for the conduct of the Issuer's activities vis-à-vis the French financial regulator in accordance with article L. 511-13 of the French Monetary and Financial Code (*Code monétaire et financier*).

In accordance with French applicable corporate laws, each of the managing director (*directeur général*) and the vice managing director (*directeur général délégué*) represents the Issuer vis-à-vis third parties. The chairman of the board of directors (*président du conseil d'administration*) ensures the efficient functioning of the board of directors (*conseil d'administration*)."

"The Issuer - Issuer Management Bodies - Members of the board of directors (*conseil d'administration*)" (page 73 of the Base Prospectus)

"On the Programme Date, the board of directors (*conseil d'administration*) consists of seven (7) members.

<u>Name and Position</u>	<u>Date of appointment</u>
Mr. Alain DAVID, <i>président du conseil d'administration</i>	14 December 2009
Mr. Roland CHARBONNEL, <i>directeur général</i>	31 January 2008
Mr. Jean-Philippe BERTHAUT, <i>directeur général délégué</i>	31 January 2008
Mr. Didier LESOURD, <i>administrateur</i>	31 January 2008
Mr. Christophe FRANKEL, <i>administrateur</i>	31 January 2008
Mr. Emmanuel SCILIA BALACEANO, <i>administrateur indépendant</i>	10 April 2009
BPCE (represented by Mr. Jean NASLIN), <i>administrateur</i>	14 December 2009

The members of the board of directors (*conseil d'administration*) have their business addresses at the registered office of the Issuer.

Mr. Alain DAVID, chairman of the board of directors (*président du conseil d'administration*) is also Group Finance Director of BPCE.

Mr. Roland CHARBONNEL, *directeur général*, is also Director of Group Funding and Investor Relations of BPCE.

Mr. Jean-Philippe BERTHAUT, *directeur général délégué*, is also Head of Group Funding of BPCE.

Mr. Emmanuel SCILIA-BALACEANO, *administrateur indépendant*, holds no other position in any credit institutions (*établissements de crédit*) of Groupe BPCE."

3/ - Update of certain sections describing the Borrower

The following sections are entirely deleted and replaced with the paragraphs below:

"The Borrower and the Borrower Facility Agreement - The Borrower - Business overview" (page 89 of the Base Prospectus)

"BPCE is the central body of Groupe BPCE which is one of France's largest banking group. BPCE is underpinned by two autonomous and complementary retail banking networks comprising the 17 *Caisses d'Epargne et de Prévoyance* banks and the 20 *Banques Populaires* banks. As such, BPCE owns the *Groupe Caisse d'Epargne* and *Groupe Banque Populaire's* retail banking subsidiaries, capital markets, asset management and financial services subsidiaries and their production entities (in particular Natixis, *Société Marseillaise de Crédit*, *Financière Océor*, *GCE Assurances* and *CNP Assurances*).

With almost 120,000 employees, 8,200 branches, over 7 million member-stakeholders and approximately 37 million customers, BPCE caters for all business sectors and types of clientele and is present on the world's main financial markets.

The Groupe BPCE SA (meaning BPCE and its consolidated subsidiaries and associates) had consolidated net banking income of €6.5 billion in 2009, consolidated assets of €613.0 billion as of 31 December 2009 and consolidated shareholders equity of €28.5 billion (€23.2 billion group share) as of 31 December 2009.

All of BPCE's ordinary shares are held by the regional banks – half by the *Caisses d'Epargne* and half by the *Banques Populaires* (the regional banks are in turn owned directly or indirectly by over 7 million cooperative shareholders (as of December 31, 2009), primarily customers). In addition, 30% of the share capital of BPCE is held in the form of non-voting preference shares issued to the *Société de Prise de Participation de l'Etat* ("**SPPE**"), a company that is wholly-owned by the French State. SPPE subscribed to BPCE warrants that may be exercised five years after their issuance (if they remain outstanding) for new

ordinary BPCE shares representing a maximum voting interest of 20%. The preference shares and the warrants will be redeemable by BPCE at any time after one year following their issuance."

"The Borrower and the Borrower Facility Agreement - The Borrower - Management and administration " (pages 90 and 91 of the Base Prospectus)

"BPCE is governed by a management board (*directoire*) and a supervisory board (*conseil de surveillance*).

The management board (*directoire*) is composed of a maximum of five (5) individual members who may be up to 65 years of age and need not be shareholders. Members of the management board (*directoire*) may perform other offices subject to compliance with the laws and regulations in force. However, a member of the management board (*directoire*) may not perform similar duties with a *Caisse d'Epargne et de Prévoyance* or a *Banque Populaire*.

The members of the management board (*directoire*) are appointed for a term of four (4) years by the supervisory board (*conseil de surveillance*) which appoints one of the management board (*directoire*) members as chairman (*président*).

The management board (*directoire*) is vested with the broadest powers to act in all circumstances in the name of the company, within the scope of the corporate purpose and subject to the powers attributed by law to the supervisory board (*conseil de surveillance*) or to shareholders' meetings.

The members of the management board are as follows:

François PÉROL	Chairman of the Management Board
Nicolas DUHAMEL	Member, Chief Financial Officer
Olivier KLEIN,	Member, Commercial Banking and Insurance
Philippe QUEUILLE	Member, Operations and oversight for the reorganization of the central institution,
Jean-Luc VERGNE	Member, Human Resources

Under article 17 of the bylaws, supervisory board (*conseil de surveillance*) meetings are called by its chairman. They are held as often as the interest of BPCE requires, and at least four times a year. The supervisory board is composed of 10 to 18 members designated by the general meeting of shareholders."

This Supplement has been prepared for the purpose of giving information with regard to the Issuer and the Covered Bonds to be issued under the Programme additional to the information already contained or incorporated by reference in the Base Prospectus.

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

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of any Covered Bonds issued under the Programme which inclusion would reasonably be required by investors, and would reasonably be expected by them to be found in the Base Prospectus, 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 rights attaching to the Covered Bonds. To the extent that there is any inconsistency

between any statement in this Supplement and any other statement in, or incorporated in, the Base Prospectus, the statements in this Supplement will prevail.

The Base Prospectus, this Supplement and the documents incorporated by reference therein, are available during normal business hours on any weekday at the registered office of the Issuer and the specified office of the paying agent(s) where copies may be obtained. Such documents will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

To the extent applicable, and provided that the conditions of article 13.1 of the Prospectus Law are fulfilled, investors who have already agreed to purchase or subscribe for Covered Bonds to be issued under the Programme before this Supplement is published, have the right according to article 13.2 of the Prospectus Law, to withdraw their acceptances within a time limit of two working days after the publication of this Supplement.