

COMPAGNIE DE FINANCEMENT FONCIER

**EUROPEAN COVERED BOND COUNCIL
FRENCH NATIONAL COVERED BOND LABEL REPORTING TEMPLATE**

December 2013

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CB ISSUER

Compagnie de Financement Foncier

 Reporting date

31/12/2013

1 GROUP LEVEL INFORMATION AND SENIOR UNSECURED RATINGS

1.1	Group	BPCE
	Group parent company	Crédit Foncier de France
	Group consolidated financial information (link)	http://www.creditfoncier.com/nous-connaître/espace-documentation/

		Rating	Rating Watch	Outlook
1.2	Senior unsecured rating (group parent company)	Fitch	A	stable
		Moody's	A2	stable
		S&P	A-	developing

		Rating	Rating watch	Outlook
1.3	Covered bond issuer rating (senior unsecured)	Fitch	N/A	
		Moody's	N/A	
		S&P	N/A	

		as of	
1.4	Core Tier 1 ratio Group (%)	10,7%	sept-13
	Core Tier 1 ratio Group parent company (%)	9,2%	sept-13
	Tier 1 ratio Covered Bond Issuer (%)	18,3%	déc-13

2 COVERED BOND ISSUER OVERVIEW
2.1 Covered bond issuer

Name of the covered bond issuer	Compagnie de Financement Foncier
Country in which the issuer is based	France
Financial information (link)	http://www.foncier.fr/regulated-information.html

Information on the legal framework (link)	http://www.ecbc.eu/framework/73/Obligations_Fonci%C3%A8res_-_OF
UCITS compliant (Y / N) ?	Y
CRD compliant (Y / N) ?	Y

2.2 Covered bonds and cover pool

		Total outstanding	of which eligible to CB refinancing
Cover pool	Public sector exposures	39 398	39 398
	Commercial assets	4	4
	Residential assets	38 796	38 252
	Substitute assets	7 010	7 010
	other	4 512	4 512
Total		89 720	89 176

Covered bonds	73 420
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2.3 Overcollateralisation ratios

	minimum (%)	current (%)	
Legal ("coverage ratio")	102,0%	118,1%	(estimated)
Contractual (ACT)			
Other	5,0%	18,8%	(non privileged liabilities in % of privileged liabilities, after swap)

2.4 Covered bonds ratings

Covered bonds rating	Fitch	Rating	Rating Watch	Outlook
		Moody's	AA+	
	S&P	Aaa		stable
		AAA		stable

2.5 Liabilities of the covered bond issuer

LIABILITIES	Outstanding
Equity	1 772
Subordinated debt	3 724
Other non privileged liabilities	9 144
Total equity and non privileged liabilities	14 640
Covered bonds	73 420
Other privileged liabilities	1 660
Total privileged liabilities	75 080
TOTAL	89 720

3 ALM OF THE COVERED BOND ISSUER

3.1 WAL (weighted average life) of cover pool and covered bonds

	Expected	Contractual
Public sector	7,4	7,5
Residential	8,5	12,2
Commercial		
Substitute assets	0,1	0,1
WAL of cover pool	7,3	9,1
WAL of covered bonds	7,0	7,0
WAL of total liabilities	8,8	8,8

3.2 Expected maturity structure of cover pool and covered bonds

	0 - 1 Y (years)	1 - 2 Y	2 - 3 Y	3 - 4 Y	4 - 5 Y	5 - 10 Y	10+ Y
Public sector	13 341	3 196	1 606	1 317	1 433	5 773	12 732
Residential	3 595	3 464	3 116	2 796	2 587	10 043	13 199
Commercial							
Substitute assets	7 010						
Expected maturity of cover pool	23 946	6 660	4 722	4 113	4 020	15 816	25 931
Expected maturity of covered bonds	9 708	9 812	6 202	8 839	3 973	18 232	16 654

3.3 Contractual maturity structure of cover pool and covered bonds

	0 - 1 Y	1 - 2 Y	2 - 3 Y	3 - 4 Y	4 - 5 Y	5 - 10 Y	10+ Y
Public sector	13 277	3 143	1 566	1 289	1 414	5 760	12 949
Residential	1 826	1 827	1 799	1 778	1 773	8 476	21 321
Commercial							
Substitute assets	7 010						
Contractual maturity of cover pool	22 113	4 970	3 365	3 067	3 187	14 236	34 270
Contractual maturity of cov. bonds	9 708	9 812	6 202	8 839	3 973	18 232	16 654
of which hard bullet	9 708	9 812	6 202	8 839	3 973	18 232	16 654
of which soft bullet							

3.4 Interest rate and currency risks

Interest rate risk		
	Hedging transactions	
	<p>As soon as an asset is recorded on the balance sheet, it is transformed, if necessary, into a variable-rate asset in euro. Macro-hedging swaps are entered into when acquiring loan portfolios, micro-hedging swaps are made for single transactions. Similarly, the debt issued by Compagnie de Financement Foncier is micro swapped at the outset to transform it into variable rate liabilities in euro.</p> <p>Credit Foncier is counterparty to these hedging transactions when it acquires and transfers loans to Compagnie de Financement Foncier. Other banks also act as counterparty in the case of market transactions or loans originated abroad. Compagnie de Financement Foncier has hedging arrangements with around 30 major international banks.</p> <p>All of the counterparties to these currency or interest rate swaps have concluded collateralisation agreements with Compagnie de Financement Foncier that require them to provide a security deposit depending on their debt position and rating. If the opposite situation occurs, the agreements stipulate that Compagnie de Financement Foncier shall not deposit any collateral.</p> <p>Interest rate positions are also reviewed each quarter and macro-hedging transactions are entered into if the position deteriorates to a point that might result in non-compliance with the strict limits that Compagnie de Financement Foncier has committed to. Whenever early repayments exceed the amounts initially budgeted, an interest rate swap is entered into to reduce open positions to a small percentage of the balance sheet. The basic risks, resulting from different reference rates on positions already transformed into variable rates by swaps, are also managed through macro hedges.</p> <p>Special interest-rate risk-reduction mechanisms have been put in place for Compagnie de Financement Foncier with the French state for the subsidised sector loans.</p>	
	Nominal	WAL
Internal swaps	25 954	8,2
External swaps	30 149	7,4
Currency risk		
	No currency risk	
	<p>Compagnie de Financement Foncier prohibits any open foreign exchange positions. As such, all asset purchase or refinancing transactions that are not denominated in euros are systematically hedged against currency risk. Limits are set at EUR 3 million by currency and EUR 5 million in total.</p>	
	Nominal	WAL
Internal swaps	2 442	10,2
External swaps	13 290	7,9

3.5 Liquid assets

	Outstanding nominal
ECB eligible internal ABS	0
ECB eligible external ABS	0
ECB eligible public exposures	11 100
Transitional arrangement Bank of France	27 900
Deposits to Bank of France	11 400
Substitute assets	ECB eligible
	Other
Total liquid assets	57 410
% liquid assets / covered bonds	78,2%

Liquidity support	0	comments
% liquidity support / covered bonds		

3.6 Substitution assets

	Outstanding	WAL
AAA to AA-		
A+ to A-	7 010	0,1
Below A-		
Total	7 010	

(of which € 6.6 bn fully guaranteed by a portfolio of loans)

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4 RESIDENTIAL COVER POOL DATA

4.1 Arrears and defaulted loans outstanding (excluding external MBS)

	% of outstanding residential cover pool	% of total cover pool
Currently performing	95,3%	41,2%
Arrears		
0-1 months	1,5%	0,6%
1-2 months	0,5%	0,2%
2-3 months	0,3%	0,1%
3-6 months	0,4%	0,2%
6+ (Defaulted)	2,1%	0,9%

4.2 Arrears and defaulted loans outstanding (including external MBS)

Zone	Country	% of outstanding residential cover pool	% of total cover pool
	France	4,8%	2,0%

4.3 Regional breakdown of assets (excluding external MBS)

Region	% of outstanding residential cover pool
France	99,1%
Alsace	1,3%
Aquitaine	6,5%
Auvergne	0,9%
Basse Normandie	1,6%
Bourgogne	2,0%
Bretagne	3,5%
Centre	3,1%
Champagne-Ardenne	1,3%
Corse	0,2%
DOM - TOM	1,3%
Franche-Comté	1,2%
Haute Normandie	3,6%
Ile-de-France (Paris included)	25,5%
Languedoc Roussillon	5,4%
Limousin	0,7%
Lorraine	2,4%
Midi Pyrenées	5,7%
Nord-Pas-de-Calais	4,5%
Pays de Loire	4,8%
Picardie	4,5%
Poitou - Charentes	1,8%
Provence-Alpes-Côte d'Azur	9,2%
Rhones Alpes	8,0%
Belgium	0,7%
Netherlands	0,2%

4.4 Unindexed current LTV (excluding external MBS)

Unindexed LTV is calculated on the basis of the current outstanding amount of the loans and the initial valuation / price of the residential assets.

WA unindexed current LTVs (%)		73,3%
LTV buckets	Category	% of outstanding residential cover pool
	0 - 40	9,0%
	40 - 50	4,6%
	50 - 60	6,1%
	60 - 70	10,7%
	70 - 80	27,7%
	80 - 85	14,3%
	85 - 90	10,8%
	90 - 95	11,2%
	95 - 100	4,7%
	100 - 105	0,6%
	105 - 110	0,3%
	110 - 115	
	115+	

4.5 Indexed current LTV (excluding external MBS)

Indexed LTV is calculated on the basis of the current outstanding amount of the loans to the appraised values or prices of the residential assets using an indexation methodology. (see explanation §4.5)

WA indexed current LTVs (%)		71,9%
LTV buckets	Category	% of outstanding residential cover pool
	0 - 40	12,1%
	40 - 50	5,8%
	50 - 60	6,8%
	60 - 70	9,0%
	70 - 80	18,0%
	80 - 85	21,9%
	85 - 90	7,4%
	90 - 95	8,9%
	95 - 100	5,5%
	100 - 105	3,1%
	105 - 110	1,5%
	110 - 115	
	115+	

NOTA: The regulatory LTV is defined at 100% for loans with a FGAS guarantee, 80% for residential loans to individuals and 60% for the other loans.
 In the tables above, the outstanding of loans includes
 1- the eligible fraction to Covered Bond refinancing, ie part of loan under the regulatory limit
 2- the non-eligible fraction to Covered Bond refinancing, ie part of loan exceeding the regulatory limit.
 The total amount in overrun at december 30, 2013 is of € 544 million.

4.6 Mortgages and guarantees (excluding external MBS)

		% of outstanding residential cover pool
1st lien mortgage with public guaranty:	French State (subsidised sector)	0,7%
	FGAS and NHG	41,7%
1st lien mortgage without guaranty		52,8%
Total 1st lien mortgages		95,2%
guaranteed	Crédit Logement	4,8%
total guarantees		4,8%

4.7 **Seasoning (excluding external MBS)**

Months	% of outstanding residential cover pool
< 12	9,0%
12 - 24	12,6%
24 - 36	13,0%
36 - 60	22,5%
> 60	42,8%

4.8 **Loan purpose (excluding external MBS)**

	% of outstanding residential cover pool
Owner occupied	75,3%
Second home	1,0%
Buy-to-let	23,7%
Other	
No data	

4.9 **Principal amortisation (excluding external MBS)**

	% of outstanding residential cover pool
Amortising	100,0%
Partial bullet	
Bullet	
Other	
No data	

4.10 **Interest rate type (excluding external MBS)**

	% of outstanding residential cover pool
Fixed for life	73,2%
Capped for life	10,3%
Floating (1y or less)	11,7%
Mixed (1y+)	4,8%
Other	
No data	

4.11 **Borrowers (excluding external MBS)**

	% of outstanding residential cover pool
Employees	73,3%
Civil servants	15,8%
Self employed	6,1%
Retired / Pensioner	2,2%
Other non-working	0,5%
Real estate company	2,1%
No data	

4.12 **Granularity and large exposures (excluding external MBS)**

Number of loans	645 789
Average outstanding balance (€)	60 081
	% of total cover pool
5 largest exposures (%)	0,3%
10 largest exposures (%)	0,4%

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5 PUBLIC SECTOR COVER POOL DATA

5.1 Arrears and defaulted loans outstanding

	% of outstanding public sector cover pool	% of total cover pool
Currently performing	100,0%	43,9%
Arrears		
0-1 months		0,0%
1-2 months		0,0%
2-3 months		0,0%
3-6 months		0,0%
Defaulted (6+)		0,0%

5.2 Geographical distribution and type of Claim

		Exposures to or guaranteed by Supranational Institution	Exposures to Sovereigns	Exposures guaranteed by Sovereigns	Exposures guaranteed by ECA	Exposures to regions / departments / federal states	Exposures guaranteed by regions / departments / federal states	Exposures to municipalities	Exposures guaranteed by municipalities	Other direct public exposures	Other indirect public exposures	Total	% of outstanding public sector cover pool	
EUROPE	France		11 928	9		4 722	762	4 382	1 521	4 803		28 127	71,4%	
	Germany			950								950	2,4%	
	Austria						402					402	1,0%	
	Belgium					100						100	0,3%	
	Cyprus			50								50	0,1%	
	Spain				68		692	125					885	2,2%
	Hungary			35									35	0,1%
	Ireland			135									135	0,3%
	Iceland				15								15	0,0%
	Italy			1622	11		835		552				3 020	7,7%
	Netherlands												0	0,0%
	Poland			318									318	0,8%
	Portugal				65		29				38		132	0,3%
	Slovaquia			110									110	0,3%
	Slovenia			199									199	0,5%
Switzerland						82	692	261		171		1 205	3,1%	
Czech Republic			13									13	0,0%	
												0	0,0%	
												0	0,0%	
Asia	Japan					202		278		949		1 429	3,6%	
North America	United States			39		1 370		307				1 716	4,4%	
	Canada					184	373					556	1,4%	
												0,0%	
													0,0%	
Total		0	14 410	1 157	0	8 214	2 354	5 780	1 521	5 961	0	39 398	100,0%	

(*) of which short term deposits with the Banque de France : € 11 400 millions

5.3 **Geographical distribution and nature of the underlying operation**

		Loans	Securities	ABS	Total
EUROPE	France	27 783	344		28 127
	Germany		950		950
	Austria		402		402
	Belgium		100		100
	Cyprus		50		50
	Spain	50	835		885
	Hungary		35		35
	Ireland		135		135
	Iceland		15		15
	Italy	552	2 468		3 020
	Netherlands				0
	Poland		318		318
	Portugal		132		132
	Slovaquia		110		110
	Slovenia		199		199
	Switzerland	1 205			1 205
	Czech Republic		13		13
Asia	Japan		1 429		1 429
North America	United States		1 716		1 716
	Canada		556		556
Total		29 590	9 808	0	39 398

5.4 **Regional exposures : France**

	Outstanding balance	% of outstanding public sector cover pool
Alsace	330	2,0%
Aquitaine	581	3,5%
Auvergne	236	1,4%
Basse-Normandie	288	1,7%
Bourgogne	307	1,8%
Bretagne	308	1,8%
Centre	782	4,7%
Champagne-Ardenne	469	2,8%
Corse	32	0,2%
Franche-Comté	435	2,6%
Haute-Normandie	638	3,8%
Ile-de-France	3 490	20,9%
Languedoc-Roussillon	985	5,9%
Limousin	94	0,6%
Lorraine	794	4,7%
Midi-Pyrénées	552	3,3%
Nord-Pas-de-Calais	1 432	8,6%
Pays de la Loire	853	5,1%
Picardie	322	1,9%
Poitou-Charentes	317	1,9%
Provence-Alpes-Côte d'Azur	1 683	10,1%
Rhône-Alpes	1 768	10,6%
Dom-Tom	33	0,2%
Total	16 727	100,0%

excluding short term deposits with the Banque de France

5.5 Interest rate

	% of outstanding public sector cover pool
Fixed for life	72,5%
Capped for life	
Floating	26,0%
Mixed	
Other	1,5%
No data	

5.6 Currency

	% of outstanding public sector cover pool
EUR	85,7%
USD	6,2%
JPY	4,3%
CHF	3,2%
Other	0,6%

5.7 Principal amortisation

	% of outstanding public sector cover pool
Amortising	44,9%
Partial bullet	
Bullet	55,1%
Other	
No data	

5.8 Granularity and large exposures

Number of exposures	4 418
Average outstanding balance (€)	8 917 587

	% of total cover pool
5 largest exposures (%)	16,9%
10 largest exposures (%)	19,4%

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6 COVERED BONDS

6.1 Outstanding covered bonds

Amount in EUR, currency parity at respective closing dates

	YTD	2012	2011	2010
Public placement	49 945	57 498	62 203	62 211
Private placement	23 475	25 164	25 790	24 222
Sum	73 420	82 662	87 993	86 433

Denominated in €	62 784	69 000	71 089	70 947
Denominated in USD	3 161	5 168	7 105	5 414
Denominated in CHF	4 578	5 173	6 219	5 586
Denominated in JPY	341	571	668	1 063
Denominated in GBP	1 050	1 103	1 208	1 811
Denominated in AUD	648	787	786	837
Denominated in CAD	361	403	552	525
Denominated in NOK	496	429	329	199
Other		28	37	51
Sum	73 420	82 662	87 993	86 433

Fixed coupon	61 162	67 774	70 594	69 950
Floating coupon	7 460	9 063	11 083	10 494
Other	4 798	5 825	6 316	5 989
Sum	73 420	82 662	87 993	86 433

6.2 Issuance

Amount in EUR, currency parity at respective closing dates

	YTD	2012	2011	2010
Public placement	1 250	5 625	5 643	11 921
Private placement	2 248	2 476	3 076	5 309
Sum	3 498	8 101	8 719	17 230

Denominated in €	3 365	7 657	6 019	12 233
Denominated in USD		52	1 609	3 746
Denominated in CHF			873	949
Denominated in JPY			70	92
Denominated in GBP		311		
Denominated in NOK	133	81	127	191
Other			21	19
Sum	3 498	8 101	8 719	17 230

Fixed coupon	2 671	7 921	7 719	14 684
Floating coupon	627	60	1 404	2 486
Other	200	120	336	60
Sum	3 498	8 101	8 719	17 230

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unless detailed otherwise

all amounts in EUR million (without decimals)
percentages (%) with 1 decimal
time periods in years (with 1 decimal)

Group level information, senior unsecured ratings and covered bond issuer overview

1.2 Ratings of the parent company of the group in which the CB issuer is consolidated.

1.3 Covered bond issuer ratings

The rating agencies' methodologies usually take the senior unsecured rating of a covered bond issuer's parent company as a starting point for their assessment of the credit risk of covered bonds. However, instead of referring to the parent company rating, some rating agencies may issue a "covered bond issuer rating" which is an assessment of the credit quality of a CB issuer's credit quality on an unsecured basis. Generally, a "covered bond issuer rating" is the same as the senior unsecured rating of the CB issuer's parent company although it may be different in some specific cases. If no "CB issuer rating" has been granted to the CB issuer, "NA" should be indicated.

2.2 Covered bonds and cover pool

Guaranteed loans or mortgage promissory notes :

If the eligible assets are transferred into the cover pool using guaranteed loans (i.e. collateral directive framework) or mortgage promissory notes, the outstanding amount of the eligible assets pledged as collateral of the notes or loans should be indicated instead of the amount of the guaranteed loans.

"Of which assets eligible to CB refinancing" :

The outstanding amount of eligible assets including replacement assets shall be filled in. The eligible amounts only take into account assets which fulfill the legal eligibility criteria to the cover pool. E.g., for residential loans to individuals, the eligible amounts are limited to 80% of the value of the pledged property for mortgage loans or of the financed property for guaranteed loans. The legal coverage ratio's weightings of eligible assets are not taken into account in this calculation (e.g. a loan guaranteed by an eligible guarantor with an LTV level below the 80% / 60% cap is entered for 100% of its outstanding amount regardless of the guarantor's rating).

3 ALM

Contractual maturities :

Contractual maturities are calculated assuming a zero prepayment scenario on the cover pool assets.

Expected maturities :

The assumptions underlying the calculation of the expected WAL and expected maturity breakdown shall be disclosed for each element of the cover pool including substitute assets.

Residential cover pool data

4.2, 4.3 Geographical distribution / regional breakdown

The geographical breakdown of assets shall take into account the location of the pledged property for residential mortgages and the location of the property which is refinanced by the loan in the case of guaranteed loans.

4.4 Unindexed current LTV

Unindexed LTV is calculated on the basis of the current outstanding amount of the loans and the initial valuation / price of the residential assets.

4.5 Indexed current LTV

Indexed LTV is calculated on the basis of the current outstanding amount of the loans to the appraised values or prices of the residential assets using an indexation methodology.

The loan-to-value ratio on residential mortgage loans is the ratio of the outstanding principal over the value of the underlying real estate. Collateral is revalued annually to monitor compliance with this ratio. The regulatory annual valuation of underlying assets is based on a prudent assessment of the property's long-term characteristics, local market conditions, the current use of the property and other possible uses. All of this information is provided by Foncier Expertise, Crédit Foncier's wholly-owned, Veritas-certified subsidiary. The Specific Controller monitors these appraisals each year to verify compliance with the real-estate market parameters used in the valuation process, as described in the risk report section of the Registration Document 2012 volume 2 (pages 118 - 119).

4.10 Interest rate type

"Floating" includes loans with interest rate reset periods not exceeding one year.

"Mixed" shall be used for loans with a combination of fixed, capped or floating periods (e.g. 10 years initial fixed rate switching to floating) or for loans with interest rate reset periods exceeding one year.