

SECOND SUPPLEMENT DATED 23 FEBRUARY 2017  
TO THE BASE PROSPECTUS DATED 15 JUNE 2016



COMPAGNIE DE FINANCEMENT FONCIER  
Euro 125,000,000,000  
Euro Medium Term Note Programme  
for the issue of *Obligations Foncières* due from one month  
from the date of original issue

This second supplement (the “**Second Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 15 June 2016 (the “**Base Prospectus**”) which has been prepared by Compagnie de Financement Foncier (the “**Issuer**”) with respect to its €125,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) and the first supplement dated 30 August 2016 (the “**First Supplement**”). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of the Directive 20003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, as amended (the “**Prospectus Directive**”). The *Autorité des marchés financiers* (the “**AMF**”) has granted visa no. 16-251 on 15 June 2016 on the Base Prospectus and visa no. 16-403 on 30 August 2016 on the First Supplement.

Terms defined in the Base Prospectus have the same meaning when used in this Second Supplement.

Application has been made to the AMF in France for approval of this Second Supplement to the Base Prospectus, in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* of the AMF (“**General Regulations**”) and, at the same time for the notification of a certificate of approval released to the *Commission de Surveillance du Secteur Financier* in Luxembourg for Notes issued under the Programme to be listed and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, both approval and notification being made in its capacity as competent authority under Article 212-2 of the General Regulations which implements the Prospectus Directive.

Save as disclosed in this Second Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus and the First Supplement which is capable of affecting the assessment of the Notes to be issued under the Programme since the publication of the Base Prospectus as supplemented by the First Supplement. To the extent that there is any inconsistency between (a) any statements in this Second Supplement and (b) any other statement in, or incorporated in, the Base Prospectus as supplemented by the First Supplement, the statements in (a) above will prevail.

Copies of this Second Supplement (a) may be obtained, free of charge, at the principal place of business of the Issuer, 4, Quai de Bercy, 94224 Charenton, France, during normal business hours, and (b) will be available on the Issuer’s website ([www.foncier.fr](http://www.foncier.fr)) and on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

This Second Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the General Regulations for the purposes of:

- (i) updating Elements B.12 and B.17 of Sections “SUMMARY” and “RESUME EN FRANÇAIS (FRENCH SUMMARY)” of the Base Prospectus;
- (ii) including in the Section “RECENT DEVELOPMENTS” of the Base Prospectus (i) the press release dated 8 February 2016 entitled “*Compagnie de Financement Foncier’s issuance programs of privileged debt are rated AAA with stable outlook by Scope Ratings*”, (ii) the press release dated 8 February 2016 entitled “*Compagnie de Financement Foncier in 2016 - A successful player in the Covered Bonds market*” and (iv) the unaudited financial information as at 31 December 2016 of the Issuer;
- (iii) updating of Sections “FORM OF FINAL TERMS 1” and “FORM OF FINAL TERMS 2” of the Base Prospectus; and
- (iv) updating Section “GENERAL INFORMATION” of the Base Prospectus.

To the extent applicable, and provided that the conditions of Article 212-25 I of the General Regulations are fulfilled, investors who have already agreed to purchase or subscribe for Notes to be issued under the Programme before this Second Supplement is published, have the right, according to Article 212-25 II of the General Regulations, to withdraw their acceptances by no later than 27 February 2017.

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**1. UPDATE OF ELEMENTS B.12 AND B.17 OF SECTIONS “SUMMARY” and “RESUME EN FRANÇAIS (FRENCH SUMMARY)” OF THE BASE PROSPECTUS**

**1) SUMMARY**

On pages 6 to 9 and 11, Element B.12 (“Selected historical key financial information”) and Element B.17 (“Credit ratings assigned to the Issuer or its debt securities”) in Section entitled “SUMMARY” of the Base Prospectus, as amended by the First Supplement, are deleted and replaced with the following:

<b>B.12</b>	<b>Selected historical key financial information</b>	<p>There has been no material adverse change in the financial position or prospects of the Compagnie de Financement Foncier since the date of its last published audited financial statements.</p> <p>There has been no significant change in the financial or trading position of the Compagnie de Financement Foncier since the end of the last financial period for which the most recent interim financial information has been published.</p> <p style="text-align: center;"><b>The following tables show the key figures related to the balance sheet of the Compagnie de Financement Foncier as at 31 December 2014 and 31 December 2015:</b></p> <p><b><u>Simplified economic balance sheet at 31 December 2014 (total balance sheet: euro 87.9 billion)</u></b></p> <table border="1"> <thead> <tr> <th></th> <th>€ Billion</th> <th>% Balance sheet</th> <th></th> <th>€ Billion</th> <th>% Balance sheet</th> </tr> </thead> <tbody> <tr> <td><b>Mortgage loans</b></td> <td><b>40.4</b></td> <td><b>45.9%</b></td> <td><b>Privileged resources</b></td> <td><b>70.6</b></td> <td><b>80.3%</b></td> </tr> <tr> <td>Mortgage loans or equivalent</td> <td>40.4</td> <td>45.9%</td> <td><i>Obligations foncières</i></td> <td>71.1</td> <td>80.9%</td> </tr> <tr> <td><b>Public sector exposures</b></td> <td><b>36.4</b></td> <td><b>41.4%</b></td> <td>Foreign exchange rate difference on <i>obligations foncières</i></td> <td>-0.8</td> <td>-0.9%</td> </tr> <tr> <td>French public sector loans<sup>1</sup></td> <td>25.5</td> <td>29.0%</td> <td>Other privileged resources</td> <td>0.3</td> <td>0.3%</td> </tr> <tr> <td>Securities and loans from the Public sector abroad</td> <td>10.9</td> <td>12.4%</td> <td><b>Foreign exchange rate difference associated with hedging balance sheet items</b></td> <td><b>1.0</b></td> <td><b>1.2%</b></td> </tr> <tr> <td><b>Replacement values and other assets</b></td> <td><b>11.1</b></td> <td><b>12.7%</b></td> <td><b>Non-privileged resources</b></td> <td><b>16.3</b></td> <td><b>18.6%</b></td> </tr> </tbody> </table>					€ Billion	% Balance sheet		€ Billion	% Balance sheet	<b>Mortgage loans</b>	<b>40.4</b>	<b>45.9%</b>	<b>Privileged resources</b>	<b>70.6</b>	<b>80.3%</b>	Mortgage loans or equivalent	40.4	45.9%	<i>Obligations foncières</i>	71.1	80.9%	<b>Public sector exposures</b>	<b>36.4</b>	<b>41.4%</b>	Foreign exchange rate difference on <i>obligations foncières</i>	-0.8	-0.9%	French public sector loans <sup>1</sup>	25.5	29.0%	Other privileged resources	0.3	0.3%	Securities and loans from the Public sector abroad	10.9	12.4%	<b>Foreign exchange rate difference associated with hedging balance sheet items</b>	<b>1.0</b>	<b>1.2%</b>	<b>Replacement values and other assets</b>	<b>11.1</b>	<b>12.7%</b>	<b>Non-privileged resources</b>	<b>16.3</b>	<b>18.6%</b>
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Replace- ment values	6.9	7.9%	Unsecured debt	10.8	12.3%
Other assets	4.2	4.8%	Subordinated debt and similar debt	3.7	4.2%
			<i>of which redeemable subordinated notes (RSN)</i>	2.1	2.4%
			<i>of which super- subordinated notes</i>	1.4	1.5%
			Shareholder's equity, Provisions and reserve for general banking risks	1.9	2.1%
			<i>(Regulatory capital or equivalent)</i>	(4.9)	(5.6%)
<b>TOTAL ASSETS</b>	<b>87.9</b>	<b>100.0%</b>	<b>TOTAL LIABILITIES</b>	<b>87.9</b>	<b>100.0%</b>

<sup>1</sup> Including deposits and short term loans at Banque de France of €1.2 billion in 2014 compared to €11.4 billion in 2013.

**Liabilities benefiting from the *privilège (obligations foncières)* as at 31 December 2014**

- Issued in 2014: Euro 6.1 billion
- Liabilities benefiting from the *privilège*: Euro 71 billion in *obligations foncières*.

**Simplified balance sheet at 31 December 2015 (total balance sheet: euro 87.6 billion)**

	€ Billion	% Balance sheet		€ Billion	% Balance sheet
<b>Mortgage loans or equivalent</b>	<b>38.0</b>	<b>43.3%</b>	<b>Privileged resources</b>	<b>68.0</b>	<b>77.7%</b>
<b>Public sector exposures</b>	<b>39.3</b>	<b>44.9%</b>	<i>Obligations foncières</i>	69.0	78.8%
French Public sector <sup>1</sup>	29.3	33.5%	Foreign exchange rate difference on <i>obligations foncières</i>	-1.2	-1.3%
Foreign public sector	10.0	11.4%	Other privileged resources	0.2	0.3%

<b>Replacement values and other assets</b>	<b>10.3</b>	<b>11.8%</b>	<b>Difference associated with hedging balance sheet item</b>	1.5	1.7%
Replacement values	7.1	8.1%	<b>Non-privileged resources</b>	18.1	20.7%
Other assets	3.2	3.7%	Unsecured debt	12.6	14.4%
			Subordinated debt or equivalent	2.2	2.6%
			Shareholder's equity, provisions and reserve for general banking risks	3.2	3.7%
<b>TOTAL ASSETS</b>	<b>87.6</b>	<b>100.0%</b>	<b>TOTAL LIABILITIES</b>	<b>87.6</b>	<b>100.0%</b>

<sup>1</sup> Including deposits and short term loans at Banque de France of €5.4 billion at the end of 2015 and €1.2 billion at the end of 2014.

**Liabilities benefiting from the *privilège (obligations foncières)* as at 31 December 2015**

- Issued in 2015: Euro 8.4 billion
- Liabilities benefiting from the *privilège*: Euro 69 billion in *obligations foncières*.

**The following table shows certain key performance indicators of the Compagnie de Financement Foncier as at 31 December 2015 and 31 December 2014:**

	<b>2015</b>	<b>2014</b>
Net income	€132 million	€84.3 million
Regulatory overcollateralization ratio	122.1%	120.0%
Average LTV of mortgage loans	75.5%	73.6%

**The following tables show key figures related to the eligible assets of the Compagnie de Financement Foncier as at 31 December 2014 and 31 December 2015:**

**Eligible assets as at 31 December 2014 (total: euro 87.9 billion)**

	<b>€ billion</b>	<b>%</b>
<b>Mortgage loans</b>	<b>40.4</b>	<b>45.9%</b>
Mortgage loans or equivalent	40.4	45.9%
<b>Public sector exposures</b>	<b>36.4</b>	<b>41.4%</b>

French public sector loans <sup>1</sup>	25.5	29.0%
Securities and loans from the Public sector abroad	10.9	12.4%
<b>Replacement values and other assets</b>	<b>11.1</b>	<b>12.7%</b>
Replacement values	6.9	7.9%
Other assets	4.2	4.8%
<b>Total assets</b>	<b>87.9</b>	<b>100.00%</b>

<sup>1</sup> Including deposits and short term loans at Banque de France of €1.2 billion in 2014 and €1.4 billion in 2013.

**Eligible assets as at 31 December 2015 (total: euro 87.6 billion)**

	€ billion	%
<b>Mortgage loans or equivalent</b>	<b>38.0</b>	<b>43.3%</b>
<b>Public sector exposures</b>	<b>39.3</b>	<b>44.9%</b>
French public sector loans <sup>1</sup>	29.3	33.5%
Foreign public sector	10.0	11.4%
<b>Replacement values and other assets</b>	<b>10.3</b>	<b>11.8%</b>
Replacement securities	7.1	8.1%
Other assets	3.2	3.7%
<b>Total assets</b>	<b>87.6</b>	<b>100.00%</b>

<sup>1</sup> Including deposits and short term loans at Banque de France of €5.4 billion at the end of 2015 and €1.2 billion at the end of 2014.

The following tables show the key figures related to the balance sheet of the Compagnie de Financement Foncier as at 30 June 2015 and 30 June 2016:

**Simplified balance sheet at 30 June 2015 (total balance sheet: euro 86.2 billion)**

	€ Billion	% Balance sheet		€ Billion	% Balance sheet
<b>Mortgage loans</b>	<b>40.6</b>	<b>47.1%</b>	<b>Privileged resources</b>	<b>68.9</b>	<b>79.9%</b>
Mortgage loans and related items	40.6	47.1%	<i>Obligations foncières</i>	70.2	81.4%
			Foreign exchange rate difference on <i>obligations foncières</i>	-1.6	-1.8%
<b>Public sector exposures</b>	<b>34.9</b>	<b>40.5%</b>	Other privileged resources	0.3	0.3%

		French Public Sector <sup>1</sup>	25.1	29.5%	Translation difference associated with hedging balance sheet items	1.7	2.0%
		International Public Sector	9.8	11.0%	Non-privileged resources	15.6	18.1%
					Unsecured debt	10.1	11.7%
		<b>Replacement values and other assets</b>	<b>10.7</b>	<b>12.4%</b>	Subordinated debt and similar debt	3.7	4.3%
		Replacement values	6.9	7.9%	<i>of which redeemable subordinated notes (RSN)</i>	2.1	2.4%
		Other assets	3.8	4.5%	<i>of which super-subordinated notes</i>	1.4	1.6%
					Shareholder's equity, Provisions and	1.8	2.1%
					<i>(Regulatory capital or equivalent)</i>	4.7	5.5%
		<b>TOTAL ASSETS</b>	<b>86.2</b>	<b>100.0%</b>	<b>TOTAL LIABILITIES</b>	<b>86.2</b>	<b>100.0%</b>

<sup>1</sup> Including short-term loans and deposits with the Banque de France amounting to €2.0 billion at the end of June 2015 and €1.2 billion at the end of 2014.

**Liabilities benefiting from the *privilège (obligations foncières)* as at 30 June 2015**

- Issued at 30 June 2015: Euro 4 billion
- Liabilities benefiting from the *privilège*: Euro 70.2 billion in *obligations foncières*.

**Simplified economic balance sheet at 30 June 2016 (total balance sheet: euro 84.0 billion)**

	€ Billion	% Balance sheet		€ Billion	% Balance sheet
<b>Mortgage loans</b>	<b>40.2</b>	<b>47.9%</b>	<b>Privileged resources</b>	<b>66.2</b>	<b>78.8%</b>
Mortgage loans and related items	40.2	47.9%	<i>Obligations foncières</i>	67.0	79.7%



				Foreign exchange difference on obligations foncières	-1.0	-1.2%
		<b>34.1</b>	<b>40.6%</b>	Other privileged resources	0.2	0.3%
	French Public Sector <sup>1</sup>	24.2	28.8%	<b>Difference associated with hedging balance sheet items</b>	<b>1.6</b>	<b>1.9%</b>
	Foreign Public sector	10.0	11.9%	<b>Non-privileged resources</b>	<b>16.2</b>	<b>19.3%</b>
				Unsecured debt	10.8	12.8%
	<b>Replacement values and other assets</b>	<b>9.6</b>	<b>11.5%</b>	Subordinated debt and similar debt	2.2	2.7%
	Replacement values	6.8	8.1%	Shareholder's equity, Provisions and reserve for general banking risks	3.2	3.8%
	Other assets	2.9	3.4%	(Regulatory capital in accordance with the CRD IV directive and the CRR regulation)	3.1	3.6%
	<b>TOTAL ASSETS</b>	<b>84.0</b>	<b>100.0%</b>	<b>TOTAL LIABILITIES</b>	<b>84.0</b>	<b>100.0%</b>
<sup>1</sup> Including short-term loans and deposits with the Banque de France amounting to €1.1 billion at the end of June 2016 and €5.4 billion at the end of 2015.						
<b><u>Liabilities benefiting from the <i>privilège (obligations foncières)</i> as at 30 June 2016</u></b>						
<ul style="list-style-type: none"> <li>- Issued at 30 June 2016: Euro 3.7 billion</li> <li>- Liabilities benefiting from the <i>privilège</i>: Euro 67.0 billion in obligations foncières.</li> </ul>						
<p><b>The following table shows certain key performance indicators of the Compagnie de Financement Foncier as at 30 June 2015 and 30 June 2016:</b></p>						
					<b>June 2015</b>	<b>June 2016</b>
				Net income	€74.7 million	€79.0 million

Regulatory overcollateralization ratio	120.2%	120.0%
Average LTV of mortgage loans	73.2%	74.5%

The following tables show key figures related to the eligible assets of the Compagnie de Financement Foncier as at 30 June 2015 and 30 June 2016:

**Eligible assets as at 30 June 2015 (total: euro 86.2 billion)**

	€ billion	%
<b>Mortgage loans</b>	<b>40.6</b>	<b>47.1%</b>
Mortgage loans and related items	40.6	47.1%
<b>Public sector exposures</b>	<b>34.9</b>	<b>40.5%</b>
French Public Sector <sup>1</sup>	25.1	29.5%
International Public sector	9.8	11.0%
<b>Replacement values and other assets</b>	<b>10.7</b>	<b>12.4%</b>
Replacement values	6.9	7.9%
Other assets	3.8	4.5%
<b>Total assets</b>	<b>86.2</b>	<b>100.00%</b>

<sup>1</sup> Including short-term loans and deposits with the Banque de France amounting to €2.0 billion at the end of June 2015 and €1.2 billion at the end of 2014.

**Eligible assets as at 30 June 2016 (total: euro 84.0 billion)**

	€ billion	%
<b>Mortgage loans</b>	<b>40.2</b>	<b>47.9%</b>
Mortgage loans and related items	40.2	47.9%
<b>Public sector exposures</b>	<b>34.1</b>	<b>40.6%</b>
French public sector <sup>1</sup>	24.2	28.8%
Foreign public sector	10.0	11.9%
<b>Replacement securities and other assets</b>	<b>9.6</b>	<b>11.5%</b>
Replacement securities	6.8	8.1%
Other assets	2.9	3.4%
<b>Total assets</b>	<b>84.0</b>	<b>100.00%</b>

<sup>1</sup> Including short-term loans and deposits with the Banque de France amounting to €1.1 billion at the end of June 2016 and €5.4 billion at the end of 2015.

## Unaudited financial information as at 31 December 2016

The audit by the statutory auditors of the annual financial statements as at 31 December 2016 which were approved by the Board of Directors of the Issuer on 8 February 2017 is in progress. Therefore, the financial information as at 31 December 2016 set out below is extracted from unaudited annual financial statements.

### Financial information as at 31 December 2016 (unaudited), 31 December 2015 (audited) and 31 December 2014 (audited)

#### BALANCE SHEET (in thousands of euros)

ASSETS	12/31/16	12/31/15	12/31/14
Cash and amounts due	2,400,000	5,360,083	1,200,069
Treasury bills and	3,455,424	3,606,541	3,175,674
Loans and receivables	20,827,904	21,092,317	20,790,892
• Demand	244,151	478,256	346,995
• Term	20,583,753	20,614,061	20,443,897
Customers transactions	42,237,163	43,026,282	44,963,603
• Other facilities granted	42,237,163	43,026,282	44,963,602
Bonds and other fixed-	12,724,987	11,246,613	13,604,518
Equity interests and other long term	0	4	0
Intangible assets and property, plant	0	0	0
Other assets	8,175	59,306	92,195
Accrual accounts	2,694,997	3,187,163	4,122,040
<b>TOTAL ASSETS</b>	<b>84,348,650</b>	<b>87,578,310</b>	<b>87,948,990</b>
<i>* Participation certificates within the "deposit guarantee system" 2015.</i>			
LIABILITIES	12/31/16	12/31/15	12/31/14
Central banks	0	0	0
Amounts due to credit	8,778,050	9,852,497	5,034,721
• Demand	355	12,176	3,621
• Term	8,777,695	9,840,321	5,031,100
Amounts due to customers	0	408	19,967
• Demand	0	408	19,967
Debt securities	67,573,795	69,123,576	71,288,157
• Interbank market	151,243	151,326	152,882
• Bonds (obligations)	67,422,552	68,972,251	71,135,275
Other liabilities	2,261,259	2,981,454	3,610,586
Accrual accounts	2,514,616	2,370,553	2,693,545
Provisions	20,435	16,129	26,334
Subordinated debt	0	0	3,450,258
Fund for general banking	20,000	20,000	20,000
Equity excluding fund for	3,180,495	3,213,693	1,805,423
• Subscribed capital	2,537,460	2,537,460	1,187,460
• Additional paid-in capital	343,002	343,002	343,002
• Reserves	114,468	107,843	103,626
• Regulated provisions and	0	0	0

		• Retained earnings	91,889	92,901	87,007
		• Income to be allocated	0	0	0
		• Net income for the period	93,676	132,486	84,328
		<b>TOTAL LIABILITIES</b>	<b>84,348,650</b>	<b>87,578,310</b>	<b>87,948,990</b>
		<b>INCOME STATEMENT (in thousands of euros)</b>			
			<b>12/31/16</b>	<b>12/31/15</b>	<b>12/31/14</b>
		Interest and similar income	2,779,237	3,128,590	3,446,672
		Interest and similar expenses	-2,500,253	-2,872,698	-3,119,359
		<b>Net interest margin</b>	<b>278,984</b>	<b>255,891</b>	<b>327,313</b>
		Fees and commissions income	82,972	109,711	45,555
		Fees and commissions expenses	-2,048	-2,195	-4,225
		Net gains or losses on trading books transactions	-456	213	-10,341
		Other banking income	7	77	1,307
		Other banking expenses	-4	-51	-57
		<b>Net banking income</b>	<b>359,456</b>	<b>363,646</b>	<b>359,551</b>
		Payroll costs	-60	-217	-233
		Taxes	-23,033	-19,194	-15,080
		External services and other expenses	-104,596	-103,744	-90,052
		Amortisation	0	0	0
		<b>Total operating expenses</b>	<b>-127,689</b>	<b>-123,155</b>	<b>-105,366</b>
		<b>Gross operating income</b>	<b>231,767</b>	<b>240,491</b>	<b>254,185</b>
		Cost of risk *	-27,078	-14,753	-127,816
		<b>Operating income</b>	<b>204,689</b>	<b>225,738</b>	<b>126,369</b>
		Gains or losses on long-term investments	-48	-4,032	1,362
		<b>Income before tax</b>	<b>204,641</b>	<b>221,706</b>	<b>127,731</b>
		Non-recurring income	0	0	0
		Income tax	-110,965	-89,220	-43,403
		<b>NET INCOME</b>	<b>93,676</b>	<b>132,486</b>	<b>84,328</b>
		Earnings per share ** (in euros)	0.59	1.34	1.14
		Diluted earnings per share (in euros)	0.59	1.34	1.14
		* Cost of risk excluding the impact of the HETA securities	-27,078	-26,954	-23,816
		** Earnings per share are calculated by dividing net income by the average number of shares during the fiscal year.			
<b>B.17</b>	<b>Credit ratings assigned to the Issuer or its debt securities</b>	<p>The Programme has been rated Aaa by Moody's Investors Services ("Moody's"), AAA by Standard &amp; Poor's Ratings Services ("S&amp;P") and AAA by Scope Ratings AG ("Scope"). It is expected that the Notes issued under the Programme will be rated AAA by S&amp;P, Aaa by Moody's and AAA by Scope.</p> <p>S&amp;P, Moody's and Scope, which are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies (the "CRA Regulation"), as amended, and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website.</p>			

	<p>The rating (if any) of the Notes will be specified in the Final Terms.</p> <p>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.</p> <p><b>Issue specific summary:</b></p> <p>Credit ratings: [Not applicable/The Notes to be issued [have been/are expected to be] rated:</p> <p>[S&amp;P: [●]]</p> <p>[Moody's: [●]]</p> <p>[Scope: [●]]</p>
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## 2) RESUME EN FRANÇAIS (FRENCH SUMMARY)

On pages 27 to 30 and 32, Element B.12 (“*Informations financières sélectionnées*”) and B.17 (“*Notation assignée à l’Emetteur ou à ses titres d’emprunt*”) in Section entitled “RESUME EN FRANÇAIS (FRENCH SUMMARY)” of the Base Prospectus, as amended by the First Supplement, are deleted and replaced with the following:

<b>B.1 2</b>	<b>Informations financières sélectionnées</b>	<p>Aucune détérioration significative n’a eu de répercussion sur la situation financière ou les perspectives de Compagnie de Financement Foncier depuis la date de publication de ses derniers états financiers.</p> <p>Aucun changement significatif de la situation financière et commerciale de Compagnie de Financement Foncier n’est survenu depuis la clôture du dernier exercice comptable pour lequel des informations financières intermédiaires ont été publiées.</p> <p style="text-align: center;"><b>Les tableaux ci-dessous font état des chiffres clés concernant le bilan de la Compagnie de Financement Foncier au 31 décembre 2014 et au 31 décembre 2015 :</b></p> <p><b><u>Chiffres clés du bilan au 31 décembre 2014 (total bilan : 87,9 Md€)</u></b></p> <table border="1"> <thead> <tr> <th></th> <th>en Md€</th> <th>% bilan</th> <th></th> <th>en Md€</th> <th>% bilan</th> </tr> </thead> <tbody> <tr> <td><b>Prêts hypothécaires</b></td> <td><b>40,4</b></td> <td><b>45,9%</b></td> <td><b>Ressources privilégiées</b></td> <td><b>70,6</b></td> <td><b>80,3%</b></td> </tr> <tr> <td>Prêts hypothécaires et assimilés</td> <td>40,4</td> <td>45,9%</td> <td>Obligations foncières</td> <td>71,1</td> <td>80,9%</td> </tr> <tr> <td><b>Expositions Secteur public</b></td> <td><b>36,4</b></td> <td><b>41,4%</b></td> <td>Écart de change sur obligations foncières</td> <td>-0,8</td> <td>-0,9%</td> </tr> <tr> <td>Prêts au Secteur public en France<sup>1</sup></td> <td>25,5</td> <td>29,0%</td> <td>Autres ressources privilégiées</td> <td><b>0,3</b></td> <td><b>0,3%</b></td> </tr> </tbody> </table>		en Md€	% bilan		en Md€	% bilan	<b>Prêts hypothécaires</b>	<b>40,4</b>	<b>45,9%</b>	<b>Ressources privilégiées</b>	<b>70,6</b>	<b>80,3%</b>	Prêts hypothécaires et assimilés	40,4	45,9%	Obligations foncières	71,1	80,9%	<b>Expositions Secteur public</b>	<b>36,4</b>	<b>41,4%</b>	Écart de change sur obligations foncières	-0,8	-0,9%	Prêts au Secteur public en France <sup>1</sup>	25,5	29,0%	Autres ressources privilégiées	<b>0,3</b>	<b>0,3%</b>
	en Md€	% bilan		en Md€	% bilan																											
<b>Prêts hypothécaires</b>	<b>40,4</b>	<b>45,9%</b>	<b>Ressources privilégiées</b>	<b>70,6</b>	<b>80,3%</b>																											
Prêts hypothécaires et assimilés	40,4	45,9%	Obligations foncières	71,1	80,9%																											
<b>Expositions Secteur public</b>	<b>36,4</b>	<b>41,4%</b>	Écart de change sur obligations foncières	-0,8	-0,9%																											
Prêts au Secteur public en France <sup>1</sup>	25,5	29,0%	Autres ressources privilégiées	<b>0,3</b>	<b>0,3%</b>																											

Prêts et titres du Secteur public à l'étranger	10,9	12,4%	<b>Écart de change lié à la couverture des éléments de bilan</b>	<b>1,0</b>	<b>1,2%</b>
<b>Valeurs de remplacement et autres actifs</b>	<b>11,1</b>	<b>12,7%</b>	<b>Ressources non privilégiées</b>	<b>16,3</b>	<b>18,6%</b>
Valeurs de remplacement	6,9	7,9%	Dettes chirographaires	10,8	12,3%
Autres actifs	4,2	4,8%	Dettes subordonnées et assimilées	3,7	4,2%
			- dont titres subordonnés remboursables	2,1	2,4%
			- dont titres super subordonnés	1,4	1,5%
			Capitaux propres provisions et FRBG	1,9	2,1%
			(Fonds propres et assimilés)	(4,9)	(5,6%)
<b>TOTAL ACTIF</b>	<b>87,9</b>	<b>100,0%</b>	<b>TOTAL PASSIF</b>	<b>87,9</b>	<b>100,0%</b>

<sup>1</sup> Y compris les dépôts et prêts court terme à la Banque de France de 1,2 Md€ fin 2014 et 11,4 Md€ fin 2013.

#### **Passif privilégié (obligations foncières) au 31 décembre 2014**

- Emises en 2014 : 6,1 Md€
- Passif privilégié : 71 Md€ d'obligations foncières.

#### **Chiffres clés du bilan au 31 décembre 2015 (total bilan : 87,6 Md€)**

	en Md€	% bilan		en Md€	% bilan
<b>Prêts hypothécaires et assimilés</b>	<b>38,0</b>	<b>43,3%</b>	<b>Ressources privilégiées</b>	<b>68,0</b>	<b>77,7%</b>
<b>Expositions Secteur public</b>	<b>39,3</b>	<b>44,9%</b>	Obligations foncières	69,0	78,8%
Secteur public en France <sup>1</sup>	29,3	33,5%	Écart de change sur obligations foncières	<b>-1,2</b>	<b>-1,3%</b>
Secteur public à l'étranger	10,0	11,4%	Autres ressources privilégiées	0,2	0,3%

		<b>Valeurs de remplacement et autres actifs</b>	<b>10,3</b>	<b>11,8%</b>	<b>Écart de change lié à la couverture des éléments de bilan</b>	<b>1,5</b>	<b>1,7%</b>
		Valeurs de remplacement	7,1	8,1%	<b>Ressources non privilégiées</b>	<b>18,1</b>	<b>20,7%</b>
		Autres actifs	3,2	3,7%	Dettes chirographaires	12,6	14,4%
					Dettes subordonnées et assimilées	2,2	2,6%
					Capitaux propres, provisions et FRBG	3,2	3,7%
		<b>TOTAL ACTIF</b>	<b>87,6</b>	<b>100,0%</b>	<b>TOTAL PASSIF</b>	<b>87,6</b>	<b>100,0%</b>

*y compris les dépôts et prêts court terme à la Banque de France de 5,4 Md€ fin 2015 et 1,2 Md€ fin 2014.*

**Passif privilégié (obligations foncières) au 31 décembre 2015**

- Emises en 2015 : 8,4 Md€
- Passif privilégié : 69 Md€ d'obligations foncières.

**Le tableau qui suit contient certains indicateurs de performance de la Compagnie de Financement Foncier au 31 décembre 2015 et au 31 décembre 2014 :**

	<b>2015</b>	<b>2014</b>
Résultat net	€132 millions	€84.3 millions
Ratio de surdimensionnement réglementaire	122,1%	120,0%
Quotité moyenne des créances hypothécaires	75,5%	73,6%

**Les tableaux ci-dessous fait état des chiffres clés concernant les actifs éligibles de la Compagnie de Financement Foncier au 31 décembre 2014 et au 31 décembre 2015:**

**Actifs éligibles au 31 décembre 2014 (total : 87,9 Md€)**

	<b>en Md€</b>	<b>% bilan</b>
<b>Prêts hypothécaires</b>	<b>40,4</b>	<b>45,9</b>
Prêts hypothécaires et assimilés	40,4	45,9

<b>Expositions Secteur public</b>	<b>36,4</b>	<b>41,4</b>
Prêts au Secteur public en France <sup>1</sup>	25,5	29,0
Prêts et titres du Secteur public à l'étranger	10,9	12,4
<b>Valeur de remplacement et autres actifs</b>	<b>11,1</b>	<b>12,7</b>
Valeur de remplacement	6,9	7,9
Autres actifs	4,2	4,8
<b>Total actif</b>	<b>87,9</b>	<b>100,00%</b>

<sup>1</sup> Y compris les dépôts et prêts court terme à la Banque de France de 1,2Md€ fin 2014 et 11,4Md€ fin 2013.

**Actifs éligibles au 31 décembre 2015 (total : 87,6 Md€)**

	en Md€	% bilan
<b>Prêts hypothécaires et assimilés</b>	<b>38,0</b>	<b>43,3%</b>
<b>Expositions Secteur public</b>	<b>39,3</b>	<b>44,9%</b>
Secteur public en France <sup>1</sup>	29,3	33,5%
Secteur public à l'étranger	10,0	11,4%
<b>Valeur de remplacement et autres actifs</b>	<b>10,3</b>	<b>11,8%</b>
Valeur de remplacement	7,1	8,1%
Autres actifs	3,2	3,7%
<b>Total actif</b>	<b>87,6</b>	<b>100,00%</b>

<sup>1</sup> y compris les dépôts et prêts court terme à la Banque de France de 5,4 Md€ fin 2015 et 1,2 Md€ fin 2014.

**Les tableaux ci-dessous font état des chiffres clés concernant le bilan de la Compagnie de Financement Foncier au 30 juin 2015 et au 30 juin 2016 :**

**Chiffres clés du bilan au 30 juin 2015 (total bilan : 86,2 Md€)**

	en Md€	% bilan		en Md€	% bilan
<b>Prêts hypothécaires</b>	<b>40,6</b>	<b>47,1%</b>	<b>Ressources privilégiées</b>	<b>68,9</b>	<b>79,9%</b>
Prêts hypothécaires et assimilés	40,6	47,1%	Obligations foncières	70,2	81,4%
			Écart de change sur obligations foncières	-1,6	-1,8%
<b>Expositions Secteur public</b>	<b>34,9</b>	<b>40,5%</b>	Autres ressources privilégiées	0,3	0,3%
Secteur public en France <sup>1</sup>	25,1	29,5%	<b>Écart de change lié à la couverture des éléments de bilan</b>	<b>1,7</b>	<b>2,0%</b>



Secteur public à l'étranger	9,8	11,0%	<b>Ressources non privilégiées</b>	<b>15,6</b>	<b>18,1%</b>
			Dettes chirographaires	10,1	11,7%
<b>Valeurs de remplacement et autres actifs</b>	<b>10,7</b>	<b>12,4%</b>	Dettes subordonnées et assimilées	3,7	4,3%
Valeurs de remplacement	6,9	7,9%	- dont titres subordonnés remboursables	2,1	2,4%
Autres actifs	3,8	4,5%	- Dont titres super subordonnés	1,4	1,6%
			Capitaux propres provisions et FRBG	1,8	2,1%
			(Fonds propres et assimilés)	4,7	5,5%
<b>TOTAL ACTIF</b>	<b>86,2</b>	<b>100,0%</b>	<b>TOTAL PASSIF</b>	<b>86,2</b>	<b>100,0%</b>

<sup>1</sup> Y compris les dépôts et prêts court terme à la Banque de France de 2,0Md€ fin juin 2015 et 1,2Md€ fin 2014.

#### **Passif privilégié (obligations foncières) au 30 juin 2015**

- Emises au 30 juin 2015 : 4 Md€
- Passif privilégié : 70,2 Md€ obligations foncières.

#### **Chiffres clés du bilan au 30 juin 2016 (total bilan : 84,0 Md€)**

	en Md€	% bilan		en Md€	% bilan
<b>Prêts hypothécaires</b>	<b>40,2</b>	<b>47,9%</b>	<b>Ressources privilégiées</b>	<b>66,2</b>	<b>78,8%</b>
Prêts hypothécaires et assimilés	40,2	47,9%	Obligations foncières	67,0	79,7%
			Écart de change sur obligations foncières	-1,0	-1,2%
<b>Expositions Secteur public</b>	<b>34,1</b>	<b>40,6%</b>	Autres ressources privilégiées	0,2	0,3%
Secteur public en France <sup>1</sup>	24,2	28,8%	<b>Écart lié à la couverture des éléments de bilan</b>	<b>1,6</b>	<b>1,9%</b>
Secteur public à l'étranger	10,0	11,9%	<b>Ressources non privilégiées</b>	<b>16,2</b>	<b>19,3%</b>
			Dettes chirographaires	10,8	12,8%

<b>Valeurs de remplacement et autres actifs</b>	<b>9,6</b>	<b>11,5%</b>	Dettes subordonnées et assimilées	2,2	2,7%
Valeurs de remplacement	6,8	8,1%	Capitaux propres, provisions et FRBG <sup>(2)</sup>	3,2	3,8%
Autres actifs	2,9	3,4%	(Fonds propres selon les règles de CRR/CRD IV)	3,1	3,6
<b>TOTAL ACTIF</b>	<b>84,0</b>	<b>100,0%</b>	<b>TOTAL PASSIF</b>	<b>84,0</b>	<b>100,0%</b>

<sup>1</sup> Y compris les dépôts et prêts court terme à la Banque de France de 1,1Md€ fin juin 2016 et 5,4Md€ fin 2015.

#### **Passif privilégié (obligations foncières) au 30 juin 2016**

- Emises au 30 juin 2016 : 3,7 Md€
- Passif privilégié : 67 Md€ d'obligations foncières.

**Le tableau qui suit contient certains indicateurs de performance de la Compagnie de Financement Foncier au 30 juin 2015 et au 30 juin 2016 :**

	<b>Juin 2015</b>	<b>Juin 2016</b>
Résultat net	74,7 millions	79,0 millions
Ratio de surdimensionnement réglementaire	120,2%	120,0%
Quotité moyenne des créances hypothécaires	73,2%	74,5%

**Les tableaux ci-dessous fait état des chiffres clés concernant les actifs éligibles de la Compagnie de Financement Foncier au 30 juin 2015 et au 30 juin 2016:**

#### **Actifs éligibles au 30 juin 2015 (total : 86,2Md€)**

	<b>en Md€</b>	<b>% bilan</b>
<b>Prêts hypothécaires</b>	<b>40,6</b>	<b>47,1%</b>
Prêts hypothécaires et assimilés	40,6	47,1%
<b>Expositions Secteur Public</b>	<b>34,9</b>	<b>40,5%</b>
Secteur public en France <sup>1</sup>	25,1	29,5%
Secteur public à l'étranger	9,8	11,0%
<b>Valeur de remplacement et autres actifs</b>	<b>10,7</b>	<b>12,4%</b>
Valeur de remplacement	6,9	7,9%
Autres actifs	3,8	4,5%
<b>Total actif</b>	<b>86,2</b>	<b>100,00%</b>

<sup>1</sup> Y compris les dépôts et prêts court terme à la Banque de France de 2,0Md€ fin juin 2015 et 1,2Md€ fin 2014.

**Actifs éligibles au 30 juin 2016 (total : 84,0 Md€)**

	en Md€	% bilan
<b>Prêts hypothécaires</b>	<b>40,2</b>	<b>47,9%</b>
Prêts hypothécaires et assimilés	40,2	47,9%
<b>Expositions Secteur public</b>	<b>34,1</b>	<b>40,6%</b>
Secteur public en France <sup>1</sup>	24,2	28,8%
Secteur public à l'étranger	10,0	11,9%
<b>Valeur de remplacement et autres actifs</b>	<b>9,6</b>	<b>11,5%</b>
Valeur de remplacement	6,8	8,1%
Autres actifs	2,9	3,4%
<b>Total actif</b>	<b>84,0</b>	<b>100,00%</b>

<sup>1</sup> Y compris les dépôts et prêts court terme à la Banque de France de 1,1Md€ fin juin 2016 et 5,4Md€ fin 2015.

**Information financière non audité au 31 décembre 2016**

Les procédures d'audit menées par les Commissaires aux comptes sur les états financiers annuels au 31 décembre 2016 arrêtés par le Conseil d'Administration de l'Emetteur le 8 février 2017 sont en cours. L'information financière au 31 décembre 2016 présentée ci-dessous est extraite d'états financiers non audités.

**Information financière au 31 décembre 2016 (non auditée), 31 décembre 2015 (auditée) et 31 décembre 2014 (auditée)****BILAN (en milliers d'euros)**

<b>ACTIF</b>	<b>31/12/16</b>	<b>31/12/15</b>	<b>31/12/14</b>
Caisse et banques centrales	2 400 000	5 360 083	1 200 069
Effets publics et valeurs assimilées	3 455 424	3 606 541	3 175 674
Prêts et créances sur les	20 827 904	21 092 317	20 790 892
• À vue	244 151	478 256	346 995
• À terme	20 583 753	20 614 061	20 443 897
Opérations avec la clientèle	42 237 163	43 026 282	44 963 602
• Autres concours à la clientèle	42 237 163	43 026 282	44 963 602
Obligations et autres titres à revenu	12 724 987	11 246 613	13 604 518
Participations et autres titres	0	4	0
Immobilisations incorporelles et	0	0	0
Autres actifs	8 175	59 306	92 195
Comptes de régularisation	2 694 997	3 187 163	4 122 040
<b>TOTAL DE L'ACTIF</b>	<b>84 348 650</b>	<b>87 578 310</b>	<b>87 948 990</b>
* Certificats d'associés au titre de la "garantie des dépôts" 2015.			
<b>PASSIF</b>	<b>31/12/16</b>	<b>31/12/15</b>	<b>31/12/14</b>
Banques centrales	0	0	0
Dettes envers les établissements de	8 778 050	9 852 497	5 034 721
• À vue	355	12 176	3 621

• À terme	8 777 695	9 840 321	5 031 100
Opérations avec la clientèle	0	408	19 967
• À vue	0	408	19 967
Dettes représentées par un titre	67 573 795	69 123 576	71 288 157
• Titres du marché interbancaire et	151 243	151 326	152 882
• Emprunts obligataires (obligations)	67 422 552	68 972 251	71 135 275
Autres passifs	2 261 259	2 981 454	3 610 586
Comptes de régularisation	2 514 616	2 370 553	2 693 545
Provisions	20 435	16 129	26 334
Dettes subordonnées	0	0	3 450 258
Fonds pour risques bancaires	20 000	20 000	20 000
Capitaux propres hors FRBG	3 180 495	3 213 693	1 805 423
• Capital souscrit	2 537 460	2 537 460	1 187 460
• Primes d'émission	343 002	343 002	343 002
• Réserves	114 468	107 843	103 626
• Provisions réglementées et	0	0	0
• Report à nouveau	91 889	92 901	87 007
• Résultat en instance d'affectation	0	0	0
• Résultat de la période	93 676	132 486	84 328
<b>TOTAL DU PASSIF</b>	<b>84 348 650</b>	<b>87 578 310</b>	<b>87 948 990</b>
<b>COMPTE DE RÉSULTAT (en milliers d'euros)</b>			
	<b>31/12/16</b>	<b>31/12/15</b>	<b>31/12/14</b>
Intérêts et produits assimilés	2 779 237	3 128 590	3 446 672
Intérêts et charges assimilées	-2 500 253	-2 872 698	-3 119 359
<b>Marge nette d'intérêts</b>	<b>278 984</b>	<b>255 891</b>	<b>327 313</b>
Commissions produits	82 972	109 711	45 555
Commissions charges	-2 048	-2 195	-4 225
Gains ou pertes s/opérations des portefeuilles de négociation	-456	213	-10 341
Autres produits d'exploitation bancaire	7	77	1 307
Autres charges d'exploitation bancaire	-4	-51	-57
<b>Produit net bancaire</b>	<b>359 456</b>	<b>363 646</b>	<b>359 551</b>
Frais de personnel	-60	-217	-233
Impôts et taxes	-23 033	-19 194	-15 080
Services extérieurs et autres charges	-104 596	-103 744	-90 052
Amortissements	0	0	0
<b>Frais généraux</b>	<b>-127 689</b>	<b>-123 155</b>	<b>-105 366</b>
<b>Résultat brut d'exploitation</b>	<b>231 767</b>	<b>240 491</b>	<b>254 185</b>
Coût du risque *	-27 078	-14 753	-127 816
<b>Résultat d'exploitation</b>	<b>204 689</b>	<b>225 738</b>	<b>126 369</b>
Gains ou pertes sur actifs immobilisés	-48	-4 032	1 362
<b>Résultat courant avant impôt</b>	<b>204 641</b>	<b>221 706</b>	<b>127 731</b>
Résultat exceptionnel	0	0	0

		Impôt sur les bénéfices	-110 965	-89 220	- 43 403
		<b>RÉSULTAT NET</b>	<b>93 676</b>	<b>132 486</b>	<b>84 328</b>
		Résultat par action ** (en euros)	0,59	1,34	1,14
		Résultat dilué par action (en euros)	0,59	1,34	1,14
		* <i>Coût du risque neutralisé de l'impact sur les titres HETA</i>	-27 078	-26 954	-23 816
		** <i>Le résultat par action s'obtient en divisant le résultat net par le nombre moyen d'actions de l'exercice.</i>			
<b>B.1 7</b>	<b>Notation assignée à l'Emetteur ou à ses titres d'emprunt</b>	<p>Le Programme a fait l'objet d'une notation de AAA par Standard &amp; Poor's Ratings Services (« <b>S&amp;P</b> »), Aaa par Moody's Investors Services (« <b>Moody's</b> ») et AAA par Scope Ratings AG (« <b>Scope</b> »). Il est prévu que les Titres émis dans le cadre de ce Programme seront notés AAA par S&amp;P, Aaa par Moody's et AAA par Scope.</p> <p>S&amp;P, Moody's et Scope, qui sont des agences de notation établies dans l'Union Européenne et enregistrées conformément au Règlement (CE) No. 1060/2009 relatif aux agences de notation (le « <b>Règlement CRA</b> »), tel que modifié, et qui apparaissent dans la liste des agences de notation enregistrées publiée par l'Autorité Européenne des Marchés Financiers (<i>European Securities and Market Authority</i>) sur son site Internet.</p> <p>La notation (le cas échéant) des Titres sera mentionnée dans les Conditions Définitives.</p> <p>Une notation n'est pas une recommandation d'achat, de vente ou de détention de titres et peut, à tout moment, être suspendue, modifiée, ou retirée par l'agence de notation concernée.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>Notation de crédit: [Sans objet/Les Titres qui seront émis [ont été/devraient être] notés :</p> <p>[S&amp;P: [●]]</p> <p>[Moody's: [●]]</p> <p>[Scope: [●]]</p>			

## 2. UPDATE OF THE SECTION “RECENT DEVELOPMENTS” OF THE BASE PROSPECTUS

On page 145, the following paragraphs are included in Section “RECENT DEVELOPMENTS” of the Base Prospectus, as amended by the First Supplement:

**“Press release dated 7 February 2017 - Compagnie de Financement Foncier’s issuance programs of privileged debt are rated AAA with stable outlook by Scope Ratings**

### **Compagnie de Financement Foncier’s issuance programs of privileged debt are rated AAA with stable outlook by Scope Ratings**

Compagnie de Financement Foncier requested Scope Ratings to rate its issuance programs of privileged debt.

As of February 7th, 2017 Scope Ratings attributed the top AAA rating with stable outlook to the Compagnie de Financement Foncier’s issuance programs. It proves the quality of its cover pool and demonstrates the soundness and stability of refinancing model of Crédit Foncier, affiliate of Groupe BPCE.

In addition, Crédit Foncier was equally rated by Scope Ratings and it now benefits from AA- rating with a stable outlook.

Furthermore, the privileged debt issues of Compagnie de Financement Foncier continue to benefit from the best-possible rating from Standard & Poor’s and Moody’s, AAA and Aaa respectively.

For further information, please refer to: <https://www.scooperatings.com/>

**Press release dated 8 February 2017 - Compagnie de Financement Foncier in 2016: A successful player in the Covered Bonds market**

### **Compagnie de Financement Foncier in 2015: A successful operator in the covered bonds market**

Compagnie de Financement Foncier’s Board of Directors met on February 8, 2017 under the chairmanship of Bruno Deletré to approve the 2016 annual financial statements.

The consistent decline in interest rates boosted the real estate market in 2016. The number of transactions in both new and existing property markets grew strongly during the year. Loan origination activity remained at a very high level (€154bn in 2016 vs €152bn in 2015, excluding loan repurchases<sup>1</sup>). Low interest rates also led to a large number of loan renegotiations for credit institutions.

During the 2016 financial year, Compagnie de Financement Foncier’s business activity remained in line with Crédit Foncier’s strategic guidelines in close synergy with Groupe BPCE and with its own management commitments.

#### **I. Business activity of Compagnie de Financement Foncier**

##### Issuance of *obligations foncières*:

- Compagnie de Financement Foncier issued €5,4bn in *obligations foncières* in 2016. As an illustration of the quality of its signature on the financial markets, Compagnie de Financement

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<sup>1</sup> Annual conference of Crédit Foncier – Real estate markets – February 2, 2017

Foncier successfully conducted 4 public issuances denominated in euro under very favorable conditions, which were subscribed to at high levels.

- The outstanding of *obligations foncières* stood at €67,4bn at December 31, 2016, related payables included, versus €69bn one year earlier.

Purchases and assignment of receivables:

- Compagnie de Financement Foncier acquired €6,7bn in receivables from its parent company, Crédit Foncier, related receivables included. Receivables from customers amounted to €42,3bn at December 31, 2016, including €34,1bn in housing loans.
- Compagnie de Financement Foncier also refinanced its parent company, Crédit Foncier, by issuing and renewing mortgage notes of which outstandings at December 31, 2016 reached €7,3bn, versus €5,7bn at December 31, 2015.
- Compagnie de Financement Foncier also refinanced Crédit Foncier through loans fully secured by the assignment of public sector receivables in France. The total amount outstanding on these loans was €12,8bn at December 31, 2016.
- All of these purchases and assignments of receivables offset the reduction of the balance sheet due to early repayments that, in an environment of continued decline in interest rates, amounted to €4,3bn.

**II. Compagnie de Financement Foncier's income statement**

<i>(in millions of euros)</i>	2016	2015	% change
Net interest margin	279	<b>256</b>	+9.0%
Net commissions	81	108	-24.7%
<b>Net banking income</b>	<b>359</b>	<b>364</b>	-1.2%
General operating expenses	- 128	- 123	+3.7%
<b>Gross operating income</b>	<b>232</b>	240	-3.6%
Cost of risk	- 27	-15	+83.5%
Gains or losses on long-term investments	0	-4	-98.8%
<b>Income before tax</b>	<b>205</b>	<b>222</b>	-7.7%
Income tax	-111	-89	+24.4%
<b>Net income</b>	<b>94</b>	<b>132</b>	-29.3%

Net interest margin amounted to €279m in 2016, up by 9% compared with 2015. It was impacted by the accelerated amortization of acquisition premiums/discounts (-€140m in 2016 compared with -€145m in 2015) and of the previously deferred termination swap balances (which remained stable at €10m in 2016).

Despite the high level of early repayments given the persistent low rates environment, it was lower than in 2015. It explains the reduction in collected early repayments penalties (€83m in 2016 compared with €110m in 2015) which were largely concentrated on housing loans for individuals.

Net banking income stood at €359m in 2016 versus €364m in 2015, a slight decline of 1.2%.

General operating expenses amounted to €128m in 2016, a slight increase compared with 2015, due to the increase of the contribution to Single Resolution Fund. This item essentially comprises expenses for taxes applicable to the company and services provided by Crédit Foncier (as a

reminder, Compagnie de Financement Foncier does not employ its own employees; most of its management is subcontracted to the parent company).

Gross operating income accounted for €232m.

Cost of risk was €27m in 2016. Excluding the impact of HETA Asset Resolution AG, the cost of risk was stable compared with 2015.

As a reminder, cost of risk amounted to €15m in 2015, including a €12m exceptional reversal of provision following the sale of securities of the Austrian bank HETA Asset Resolution. Cost of risk restated to take this exceptional reversal into account amounted to €27m.

Income tax of the year totaled €111m, including the impact of the 2017 Finance Law on deferred tax assets amounting to €34m.

Net income amounted to €94m in 2016, versus €132m in 2015.

### **III. Balance sheet information**

The balance sheet total for Compagnie de Financement Foncier was €84.3bn at December 31, 2016, compared with €87.6bn as of December 31, 2015, in line with the groupe Crédit Foncier's strategy to reduce the size of its balance sheet.

Doubtful loans amounted to €1,4bn at December 31, 2016, as compared with €1.3bn at December 31, 2015, and concerned only customer transactions. They remained concentrated at 99% on housing loans, the quality of which has slightly deteriorated over the year. At the same time, impairment slightly increased to achieve €106m, compared with €88m at December 31, 2015.

### **IV. Prudential information**

Compagnie de Financement Foncier confirmed the solidity of its model in 2016.

Accordingly, at the end of December 2016, under the standard Basel III method, its Common Equity Tier One (CET1) ratio was estimated at about 18%, well above the regulatory minimum of 8%.

Furthermore, the extremely prudent liquidity policy was carried on throughout 2016 and at December 31, 2016 Compagnie de Financement Foncier had a significant amount deposited with the Banque de France. Compagnie de Financement Foncier also owns a substantial pool of assets eligible for the refinancing operations of the European Central Bank.

In accordance with the law applicable to *sociétés de crédit foncier*, Compagnie de Financement Foncier must maintain a coverage ratio (equal to the ratio of weighted assets to privileged debt) greater than 105% at all times. In 2016 Compagnie de Financement Foncier complied with this regulatory ratio. At September 30, 2016, this ratio stood at 117.5 %.

## **Appendix**

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*Unless otherwise indicated, the financial information included in this press release is estimated and taken from the financial statements of Compagnie de Financement Foncier. Those statements include the individual accounts and related explanatory notes, prepared in compliance with French accounting standards and the applicable BPCE standards.*

*At the date of this press release, the audit of the annual financial statements by the statutory auditors ("Commissaires aux comptes") is still in progress.*



Compagnie de Financement Foncier is a credit institution registered as a specialized credit institution and a société de crédit foncier (a French legal covered bonds issuer), affiliate of BPCE and fully-owned by Crédit Foncier and Groupe BPCE.

Regulated information is available on our website [www.foncier.fr](http://www.foncier.fr) under "Financial communication/Regulated information".

### Unaudited financial information as at 31 December 2016

The audit by the statutory auditors of the annual financial statements as at 31 December 2016 which were approved by the Board of Directors of the Issuer on 8 February 2017 is in progress. Therefore, the financial information as at 31 December 2016 set out below is extracted from unaudited annual financial statements.

### Financial information as at 31 December 2016 (unaudited), 31 December 2015 (audited) and 31 December 2014 (audited)

BALANCE SHEET (in thousands of euros)			
■ ASSETS	12/31/16	12/31/15	12/31/14
Cash and amounts due from central banks	2,400,000	5,360,083	1,200,069
Treasury bills and equivalent	3,455,424	3,606,541	3,175,674
Loans and receivables due from credit	20,827,904	21,092,317	20,790,892
• Demand	244,151	478,256	346,995
• Term	20,583,753	20,614,061	20,443,897
Customers transactions	42,237,163	43,026,282	44,963,602
• Other facilities granted to customers	42,237,163	43,026,282	44,963,602
Bonds and other fixed-income securities	12,724,987	11,246,613	13,604,518
Equity interests and other long term investments*	0	4	0
Intangible assets and property, plant and equipment	0	0	0
Other assets	8,175	59,306	92,195
Accrual accounts	2,694,997	3,187,163	4,122,040
<b>TOTAL ASSETS</b>	<b>84,348,650</b>	<b>87,578,310</b>	<b>87,948,990</b>

\* Participation certificates within the "deposit guarantee system" 2015.

■ LIABILITIES	12/31/16	12/31/15	12/31/14
Central banks	0	0	0
Amounts due to credit institutions	8,778,050	9,852,497	5,034,721
• Demand	355	12,176	3,621
• Term	8,777,695	9,840,321	5,031,100
Amounts due to customers	0	408	19,967
• Demand	0	408	19,967
Debt securities	67,573,795	69,123,576	71,288,157
• Interbank market instruments and negotiable debt	151,243	151,326	152,882
• Bonds (obligations foncières)	67,422,552	68,972,251	71,135,275
Other liabilities	2,261,259	2,981,454	3,610,586

Accrual accounts	2,514,616	2,370,553	2,693,545
Provisions	20,435	16,129	26,334
Subordinated debt	0	0	3,450,258
Fund for general banking risks	20,000	20,000	20,000
Equity excluding fund for general banking risks	3,180,495	3,213,693	1,805,423
• <i>Subscribed capital</i>	2,537,460	2,537,460	1,187,460
• <i>Additional paid-in capital</i>	343,002	343,002	343,002
• <i>Reserves</i>	114,468	107,843	103,626
• <i>Regulated provisions and investment subsidies</i>	0	0	0
• <i>Retained earnings</i>	91,889	92,901	87,007
• <i>Income to be allocated</i>	0	0	0
• <i>Net income for the period</i>	93,676	132,486	84,328
<b>TOTAL LIABILITIES</b>	<b>84,348,650</b>	<b>87,578,310</b>	<b>87,948,990</b>

#### OFF-BALANCE SHEET (in thousands of euros)

	12/31/16	12/31/15	12/31/14
<b>TOTAL COMMITMENTS GIVEN</b>			
Financing commitments	868,607	1,412,588	3,377,829
• <i>Commitments given to credit institutions</i>	0	0	0
• <i>Commitments given to customers</i>	789,502	855,965	1,704,582
• <i>Other securities pledged as collateral</i>	79,104	556,624	1,673,247
Guarantee commitments	0	0	0
• <i>Commitments given to credit institutions</i>	0	0	0
• <i>Commitments given to customers</i>	0	0	0
Commitments on securities	0	0	0
• <i>Other commitments given</i>	0	0	0
<b>TOTAL COMMITMENTS RECEIVED</b>			
Financing commitments	31,032,177	29,096,967	31,028,705
• <i>Commitments received from credit institutions</i>	3,658,292	3,489,828	4,468,030
• <i>Other securities received as collateral from the Group</i>	27,373,885	25,607,139	26,560,675
Guarantee commitments	39,103,926	39,558,342	41,677,302
• <i>Commitments received from credit institutions</i>	6,983,537	5,865,858	5,482,474
• <i>Commitments received from customers</i>	32,120,388	33,692,484	36,194,828
Commitments on securities	0	0	0
<b>TOTAL RECIPROCAL COMMITMENTS</b>			
• <i>Sale and purchase of foreign currencies</i>	21,488,125	23,920,454	27,186,282
• <i>Other financial instruments</i>	62,999,652	60,765,652	59,637,169

#### INCOME STATEMENT (in thousands of euros)

	12/31/16	12/31/15	12/31/14
Interest and similar income	2,779,237	3,128,590	3,446,672
Interest and similar expenses	-2,500,253	-2,872,698	-3,119,359
<b>Net interest margin</b>	<b>278,984</b>	<b>255,891</b>	<b>327,313</b>
Fees and commissions income	82,972	109,711	45,555
Fees and commissions expenses	-2,048	-2,195	-4,225

Net gains or losses on trading books transactions	-456	213	-10,341
Other banking income	7	77	1,307
Other banking expenses	-4	-51	-57
<b>Net banking income</b>	<b>359,456</b>	<b>363,646</b>	<b>359,551</b>
Payroll costs	-60	-217	-233
Taxes	-23,033	-19,194	-15,080
External services and other expenses	-104,596	-103,744	-90,052
Amortisation	0	0	0
<b>Total operating expenses</b>	<b>-127,689</b>	<b>-123,155</b>	<b>-105,366</b>
<b>Gross operating income</b>	<b>231,767</b>	<b>240,491</b>	<b>254,185</b>
Cost of risk *	-27,078	-14,753	-127,816
<b>Operating income</b>	<b>204,689</b>	<b>225,738</b>	<b>126,369</b>
Gains or losses on long-term investments	-48	-4,032	1,362
<b>Income before tax</b>	<b>204,641</b>	<b>221,706</b>	<b>127,731</b>
Non-recurring income	0	0	0
Income tax	-110,965	-89,220	-43,403
<b>NET INCOME</b>	<b>93,676</b>	<b>132,486</b>	<b>84,328</b>
Earnings per share ** (in euros)	0.59	1.34	1.14
Diluted earnings per share (in euros)	0.59	1.34	1.14
* Cost of risk excluding the impact of the HETA securities	-27,078	-26,954	-23,816

\*\* Earnings per share are calculated by dividing net income by the average number of shares during the fiscal year.

### 3. UPDATE OF THE SECTIONS “FORM OF FINAL TERMS 1” AND “FORM OF FINAL TERMS 2” OF THE BASE PROSPECTUS

On pages 167-168, paragraph 4 of “Part B – Other Information” of Section “Form of Final Terms 1” of the Base Prospectus, as amended by the First Supplement, is deleted and replaced as follows:

#### “4. RATINGS

Ratings:

The Programme has been rated Aaa by Moody’s Investors Service (“**Moody’s**”), AAA by Standard & Poor’s Ratings Services (“**S&P**”) and AAA by Scope Ratings AG (“**Scope**”).

For Moody’s, Notes issued under the Programme are deemed to have the same rating as the Programme, investors are invited to check on a regular basis the rating assigned to the Programme which is publicly disclosed via Moody’s rating desk or moodys.com.

The Notes issued under the Programme will be rated [AAA] by S&P<sup>2</sup> and [AAA] by Scope.

[[Each of [S&P], [Moody’s] and [Scope]] is established in the European Union and registered under Regulation (EU) No 1060/2009 (as amended) (the “**CRA Regulation**”). As such, [each of [S&P], [Moody’s] and [Scope]] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)).]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

On pages 217-218, paragraph 2 of “Part B – Other Information” of Section “Form of Final Terms 2” of the Base Prospectus, as amended by the First Supplement, is deleted and replaced as follows:

#### “2. RATINGS

Ratings:

The Programme has been rated Aaa by Moody’s Investors Service (“**Moody’s**”), AAA by Standard & Poor’s Ratings Services (“**S&P**”) and AAA by Scope

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<sup>2</sup> An obligation rated “AAA” has the highest rating assigned by Standard & Poor’s Rating Services. The obligor capacity to meet its financial commitment on the obligation is extremely strong (source: Standard & Poor’s Ratings Services). A 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 without notice.

Ratings AG (“**Scope**”).

For Moody’s, Notes issued under the Programme are deemed to have the same rating as the Programme, investors are invited to check on a regular basis the rating assigned to the Programme which is publicly disclosed via Moody’s rating desk or moodys.com.

The Notes issued under the Programme will be rated [AAA] by S&P<sup>3</sup> and [AAA] by Scope.

[[Each of [S&P], [Moody’s] and [Scope]] is established in the European Union and registered under Regulation (EU) No 1060/2009 (as amended) (the “**CRA Regulation**”). As such, [each of [S&P], [Moody’s] and [Scope]] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)).]

[[None of [•] and] [•] is [not] established in the European Union [nor has/and has not] applied for registration under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No. 513/2011.]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)“*

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<sup>3</sup> An obligation rated “AAA” has the highest rating assigned by Standard & Poor’s Rating Services. The obligor capacity to meet its financial commitment on the obligation is extremely strong (source: Standard & Poor’s Ratings Services). A 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 without notice.

#### **4. UPDATE OF THE SECTION “GENERAL INFORMATION” OF THE BASE PROSPECTUS**

On pages 223, paragraph 11 of Section “GENERAL INFORMATION” of the Base Prospectus, as amended by the First Supplement, is deleted and replaced as follows:

##### **“Audited and unaudited financial information**

The non-consolidated financial statements of the Issuer are audited and published on an annual basis. The Issuer also produces unaudited interim financial information.

Regarding the press release of the Issuer dated 8 February 2017 entitled “Compagnie de Financement Foncier in 2016 - A successful player in the Covered Bonds market” and the financial information of the Issuer as at 31 December 2016 set out in the Section “RECENT DEVELOPMENTS” of the Base Prospectus, as amended by the First Supplement, pursuant to the second paragraph of section 9.2 of Regulation (CE) n°809/2004 as amended, the Issuer makes on 23 February 2017 the following statements:

- (a) the Issuer approves that information;
- (b) the independent statutory auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements; and
- (c) this financial information has not been audited.”

## 5. PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SECOND SUPPLEMENT

### In the name of the Issuer

We declare, having taken all reasonable care to ensure that such is the case and to the best of our knowledge, that the information contained in this Second Supplement (when read together with the Base Prospectus as supplemented by the First Supplement) is in accordance with the facts and that it contains no omission likely to affect its import.

### Compagnie de Financement Foncier

19, rue des Capucines  
75001 Paris  
France

Duly represented by:

Olivier Avis

*Directeur Général Délégué / Deputy C.E.O.*

Duly authorised on 23 February 2017



### *Autorité des marchés financiers*

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (“**AMF**”), in particular Articles 212-31 to 212-33, the AMF has granted to this Second Supplement the visa no.17-069 on 23 February 2017. This document, the Base Prospectus and the First Supplement may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.