

**FIRST SUPPLEMENT DATED 22 JULY 2013
TO THE BASE PROSPECTUS DATED 26 JUNE 2013**



**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 first supplement (the “**First Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 26 June 2013 (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**”). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of the Directive 2003/71/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. 13-307 on 26 June 2013 on the Base Prospectus.

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

Application has been made to the AMF in France for approval of this First Supplement to the Base Prospectus, in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* 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 of approval and notification being made in its capacity as competent authority under Article 212-2 of the *Règlement Général* of the AMF which implements the Prospectus Directive.

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

Copies of this First 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 website of the AMF (www.amf-france.org).

This First Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the AMF’s *Règlement Général* for the purposes of giving information with regard to the Issuer and the Notes to be issued under the Programme additional to the information already contained or incorporated by reference in the Base Prospectus. As a result, the section “Recent Developments” of the Base Prospectus has been updated and completed.

To the extent applicable, and provided that the conditions of Article 212-25 I of the AMF’s General Regulation are fulfilled, investors who have already agreed to purchase or subscribe for Notes to be issued under the Programme before this First Supplement is published, have the right, according to Article 212-25 II of the AMF’s General Regulation, to withdraw their acceptances by no later than 24 July 2013.

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1. UPDATE OF THE SECTION “RECENT DEVELOPMENTS” OF THE BASE PROSPECTUS

The section “RECENT DEVELOPMENTS” of the Base Prospectus is updated and completed as follow:

RECENT DEVELOPMENTS

Rating

As of 18 July 2013, Fitch Ratings (“**Fitch Ratings**”) has placed Compagnie de Financement Foncier’s *Obligations Foncières* ‘AAA’ ratings on Rating Watch Negative.

The rating action follows the downgrade of France’s Issuer Default Rating to ‘AA+’ from ‘AAA’, on 12 July 2013 (see ‘Fitch Downgrades France to ‘AA+’; Outlook Stable at www.fitchratings.com).

The following is a press release of Fitch Ratings dated 18 July 2013:

“Fitch Places CoFF’s Covered Bonds on RWN Ratings Endorsement Policy
18 Jul 2013 11:49 AM (EDT)

Fitch Ratings-London-18 July 2013: Fitch Ratings has placed Compagnie de Financement Foncier’s (CoFF) Obligations Foncières’ (OF, French legislative covered bonds) ‘AAA’ ratings on Rating Watch Negative (RWN).

The rating action follows the downgrade of France’s Issuer Default Rating (IDR) to ‘AA+’ from ‘AAA’, on 12 July 2013 (see ‘Fitch Downgrades France to ‘AA+’; Outlook Stable’ at www.fitchratings.com). The programme is affected by the sovereign rating action as its cover pool contains exposures to French public-sector entities.

KEY RATING DRIVERS AND SENSITIVITIES

CoFF’s cover pool includes exposures to French public sector entities. This represents approximately 17% of CoFF’s balance sheet as of end-March 2013.

When analysing a cover pool consisting of public sector entities concentrated in a country, Fitch models the sovereign default risk together with that of the public sector entities from the country. If the sovereign defaults during the simulation, which is likely to occur in a rating scenario above the rating of the sovereign, then all the sovereign assets as well as a high proportion of public sector entities are assumed to default. In that situation, Fitch assumes that defaulted public sector entities would be subject to the sovereign recovery assumption. Following the downgrade of France to ‘AA+’, these assumptions lead to increased modelled losses in a ‘AAA’ scenario for entities with exposures to French public sector assets.

Given CoFF’s exposure to French public sector entities, modelled losses for the French public sector assets will increase materially in a ‘AAA’ scenario and the ‘AAA’ breakeven OC is likely to increase above the current level of 16%. The level of nominal OC for CoFF was 17.7% as of end-March 2013.

The RWN will be resolved upon Fitch’s recalculation of the breakeven OC for the ‘AAA’ rating, on the basis of updated cover pool composition and the issuer’s intention regarding the level of OC protecting investors.

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Additional information is available at www.fitchratings.com.

Applicable criteria, 'Covered Bonds Rating Criteria', dated 10 September 2012; 'Counterparty Criteria for Structured Finance and Covered Bonds' and 'Counterparty Criteria for Structured Finance and Covered Bonds: Derivative Addendum' both dated 13 May 2013; 'Asset Analysis for Covered Bonds of European Public Entities', dated 30 January 2013 are available at www.fitchratings.com.

Applicable Criteria and Related Research:

[Covered Bonds Rating Criteria - Amended](#)
[Counterparty Criteria for Structured Finance and Covered Bonds](#)
[Counterparty Criteria for Structured Finance and Covered Bonds: Derivative Addendum](#)
[Asset Analysis Criteria for Covered Bonds of European Public Entities](#)

Additional Disclosure

[Solicitation Status](#)

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](http://fitchratings.com/understandingcreditratings). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE 'WWW.FITCHRATINGS.COM'. PUBLISHED RATINGS, CRITERIA AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE 'CODE OF CONDUCT' SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE. “

The Programme rating of Compagnie de Financement Foncier by Standard & Poor's (“**Standard & Poor's**”) and Moody's Investors Service (“**Moody's**”) stays unchanged with the respective rates of AAA and Aaa.

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.

As at the date of the present Supplement, each of credit rating agencies are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies (the “CRA Regulation”), as amended by Regulation (EU) No. 513/2011, 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.

2. PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE FIRST 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 First Supplement (when read together with the Base Prospectus) 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
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France

Duly represented by:

Thierry Dufour

Président Directeur Général / Chairman and C.E.O.

Duly authorised

Date : 19 July 2013



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 First Supplement the visa no. 13-385 on 22 July 2013. This document and the Base Prospectus 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.